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Black Hawk College Adult Learning Center
Opened January 2014



Comprehensive
ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2014

ILLINOIS COMMUNITY COLLEGE DISTRICT 503

Quad-Cities Campus • Moline, Illinois
East Campus • Galva, Illinois


**Black
Hawk College**
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, 2014**

**Prepared by:
Finance Division
Jeremy P. Esch, Director of Accounting**

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Office of the President
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October 14, 2014

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, 2014, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes, and currently known facts.

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

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

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The notes to the financial statements expand and explain the financial statements and the accounting principles applied. The financial statements have been audited by our independent auditors, Wipfli LLP. Their report is included as part of this financial presentation.

College Profile

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

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

The average Fall semester head count is 6,393 from 2005 to 2014. The College experienced a decrease of 6,034 in total credit hours in fiscal year 2014, which includes both restricted and unrestricted credit hours. This was a decrease of 4.6%. With the local unemployment rates continuing to be below the state and national rate, the College expects stable to slight declines in enrollment.

The District's principal employers are presented in the statistical section of this report. The Quad Cities area is considered a diverse business region and the long-term economic outlook for the region and the College is viewed as favorable. Furthermore, while the district as a whole has not been immune to recent economic forces, property values have remained steady and the district unemployment rate has routinely been below the state and national rates as published by the US Bureau of Labor Statistics.

Mission, Vision, and Goals

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 both the mission and vision of the College:

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

Major Initiatives

The College's current strategic planning process focuses on developing new strategic priorities, along with their supporting goals and objectives, for 2015-2018. 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 preliminary strategic plan. Feedback is being sought from the community with a final plan going before the Board of Trustees in November 2014.

In addition, the College has also undertaken several major operation initiatives. These initiatives include:

- Achieving re-accreditation by the Higher Learning Commission
- Implementation of the Facilities Master Plan:
 - Information Technology Services Relocation - complete
 - Health Sciences Center ground breaking and construction- in progress
 - Library renovation - complete
 - East Campus Welding and Skilled Trades Center ground breaking and construction – in progress

The College continues to review its certificate and degree offerings, and implements new programs that meet industry needs and better serves the constituents of District 503, including the following new or restructured programs:

- CNC Manufacturing (Certificate 1)
- CNC Manufacturing (Certificate 2)
- Agribusiness Management – Horticulture Option
- Music Industry Certificate Program
- Welding Certificate restructured to meet industry needs
- Gas Metal Arc Welding
- Shielded Metal Arc Welding

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 43% of total operating revenue received in fiscal year 2014. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 4.6% in fiscal year 2014. While this trend is expected to continue in fiscal year 2015, the College is working to expand new program offerings in an effort to offset any additional decline in enrollment in existing programs.

State funding, which accounted for approximately 24% of total non-operating revenue received, continues to be problematic for the College as the level of state funding continues to decline and delays in receipt of allocated funds remain constant. The College anticipates funding levels will continue to decline in future years primarily due to fluctuations in the allocation of the ICCB Equalization Grant. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized more than a decade ago. 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 have prompted the College to raise tuition and fee rates as well as cut spending on certain programs.

Property taxes, which accounted for approximately 45% of total non-operating revenue received, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have been increasing steadily over the past several years despite the national economic crisis and subsequent impact on property values.

Financial Planning

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

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

In addition, the College utilizes its Financial Plan, presented to the Board of Trustees, to ensure focus and attention is given to critical areas in a more efficient manner. This financial planning process is coordinated with the budget preparation process. The current financial plan covers fiscal year 2014 through 2016 and focuses on four main objectives:

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

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

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

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

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

Internal Controls

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

Budgetary Controls

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

Fund Balance Policy

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

This policy requires the College to maintain an unrestricted General Fund ending fund balance of an amount between seventeen (17) and twenty-five (25) percent of budgeted expenses in these funds, 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, 2014 the General Fund ending fund balance is 30.6% of fiscal year 2014 expenses.

Risk Management

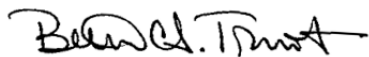
The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains stop loss coverage of \$125,000 specific and \$6,060,052 aggregate with a major insurance carrier for medical and dental claims that exceed these thresholds. The College also maintains adequate reserves to cover potential losses and the reserves are reviewed regularly to determine appropriateness.

Other Information

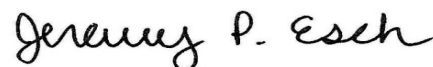
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2014 audit. The auditor's report on the financial statements and schedules is unqualified and is included in 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 and 2013. In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009, 2010, 2011, 2012, 2013 and 2014.
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting District financial operations to the degree of excellence necessary for continuance of operations in a responsible manner.

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

Respectfully submitted,



Bettie A. Truitt, Ph. D.
Interim President



Jeremy P. Esch
Director of Accounting



Illinois Community College District No. 503 Board of Trustees



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



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for East Campus



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and Board Treasurer

Black Hawk College District



Legend

Black Hawk College District

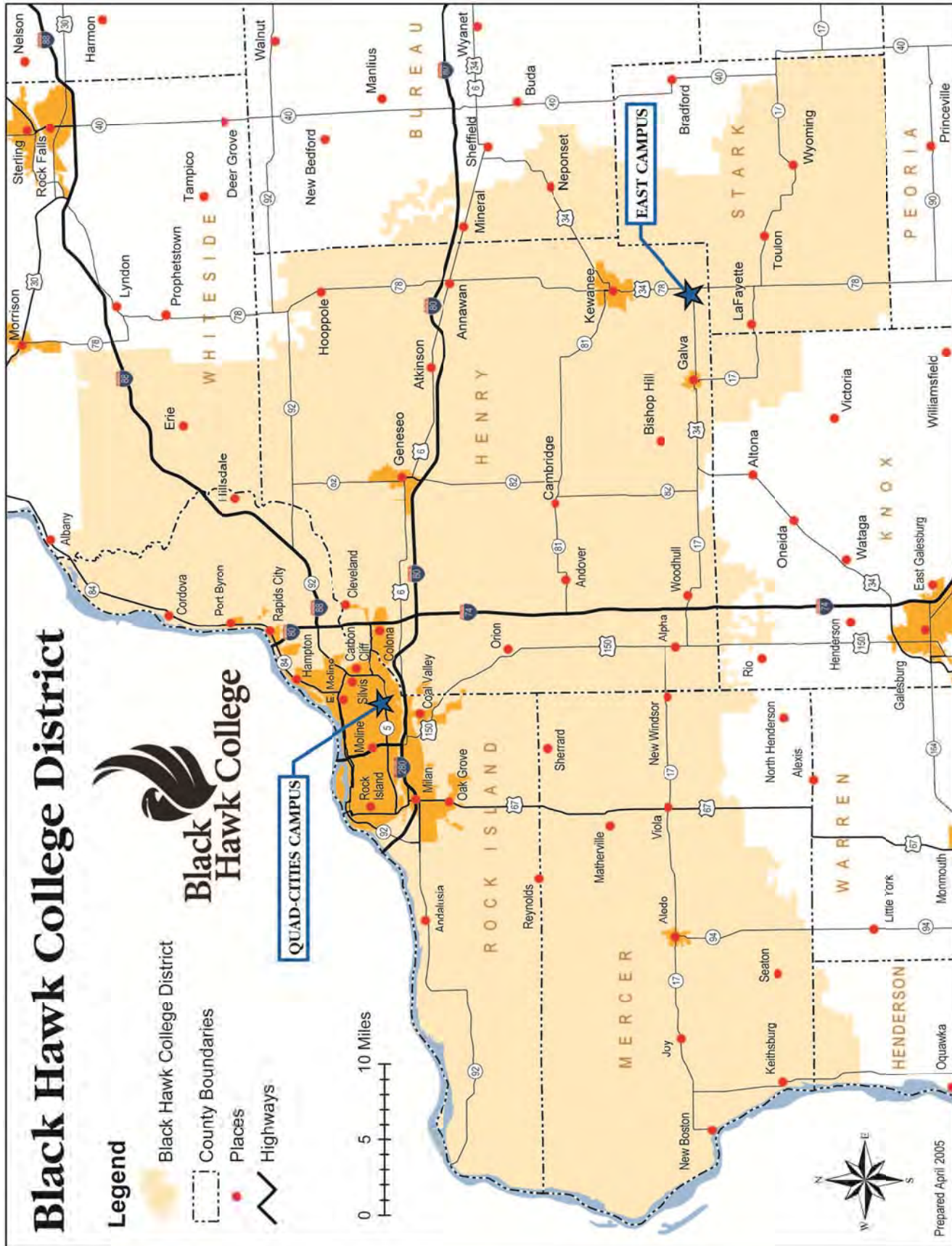
County Boundaries

Places

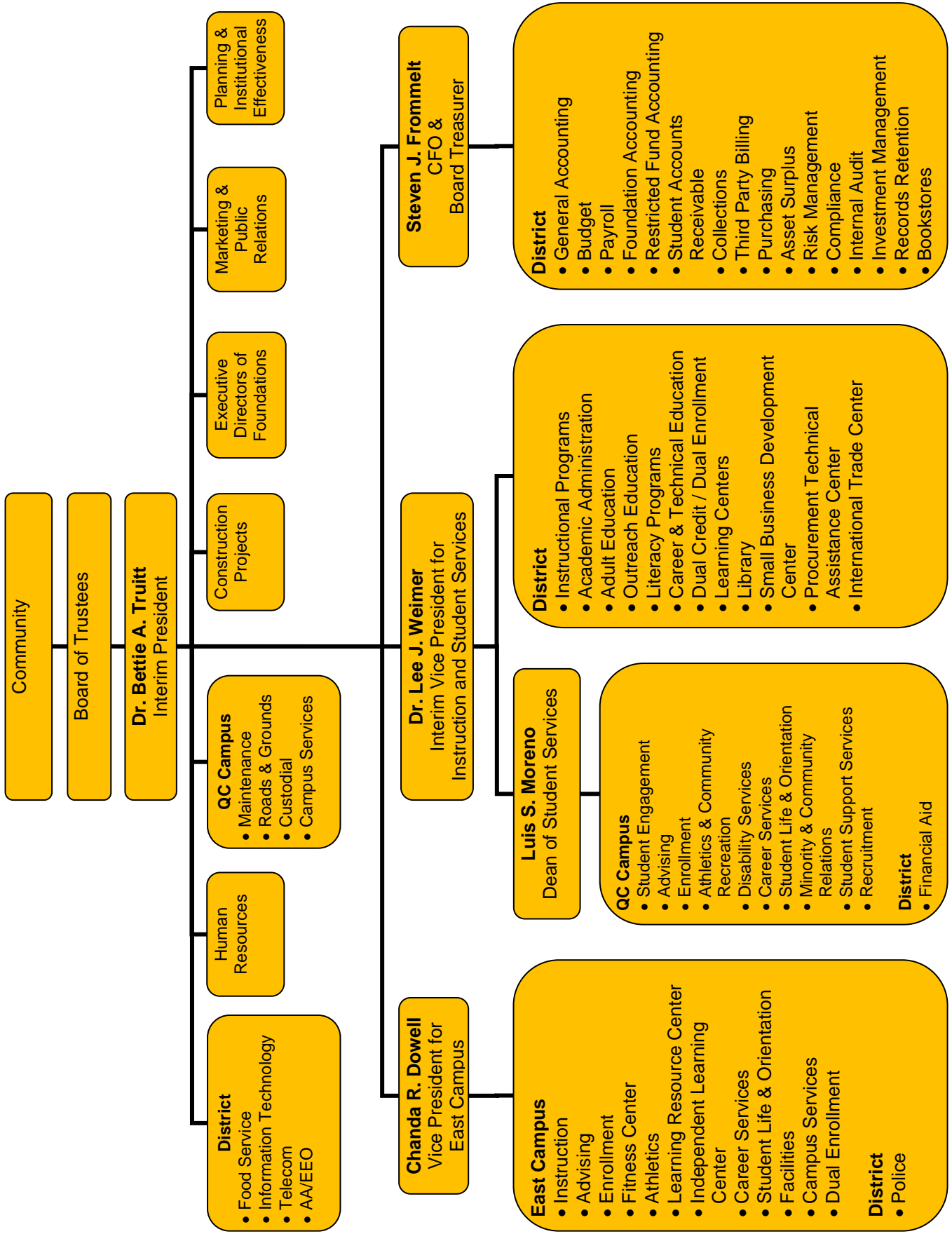
Highways



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, 2013

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, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, statistical section, the ICCB Supplemental Information, the ICCB Uniform Financial Statements, and the management information, 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 September 24, 2014 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Freeport, Illinois
September 24, 2014

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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, 2014 and June 30, 2013. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements. Responsibility for the completeness and fairness of this information rests with the College.

Overview of the Basic Financial Statements

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

The purpose of the **Statement of Net Position** is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets. It presents assets, liabilities and net position at the end of the fiscal year. The Statement of Net Position requires the classification of assets and liabilities into current and non-current categories. The difference between total assets and total liabilities is reflected in the net position section which reflects net position in three broad categories: 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, 2014, the College recorded total operating revenues of \$17,926,575 and total operating expenses of \$54,560,178. The difference produced an operating loss of \$36,633,603. Net non-operating revenue of \$42,401,130 offsets this loss and results in an overall increase in net position of \$5,767,527.

Non-operating revenue included local property taxes of \$19,462,491, state grants and contracts of \$10,192,344, federal grants and contracts of \$9,995,924, and other net miscellaneous revenue of \$2,750,371.

Operating revenue accounted for 29% of the College's total revenue, while non-operating revenues accounted for the other 71% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$7,624,251, sales, services, and rentals of facilities revenues totaling \$2,233,506, and the SURS contribution provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaling \$8,068,818. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2013 was \$7,535,508.

Operating expenses accounted for 98% of the College's total expenses, while non-operating expenses accounted for the remaining 2%. Operating expenses consisting of instruction, academic support, student services, public service, financial aid, operations of physical facilities, institutional support and other categories decreased slightly in fiscal year 2014.

Overall, the College's financial position remained stable during fiscal year 2014 despite continued delays in State funding and a slight decrease in enrollment. Enrollment, credit hour, and State funding trend information are provided in the Statistical section of this document. Additionally, overall fiscal year 2014 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 did not issue additional long-term debt during fiscal year 2014. The unused legal debt capacity of the College is currently \$74,951,684, which represents 2.875% of the assessed valuation of the College's district less the \$28,299,231 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 increased slightly from 2013 to a level that now exceeds the national average but still falls below the state rate. 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 32% of total revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While many districts have experienced sizable decreases in EAV over the past few years, the Black Hawk College district EAV remains stable as overall property values continue to increase, albeit slightly. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

The State of Illinois continues to struggle financially and delays in receipt of appropriated funding have continued. The College remains optimistic all monies will eventually be received, but cautious with regards to expenditures and firmly dedicated to maintaining acceptable reserves to minimize disruption. Black Hawk experienced an increase in State funding as a direct result of a \$300,000 Highway Construction Careers Training Program in addition to \$285,000 in legislative add-on's to cover shortfalls in funding for Illinois Veterans, Illinois National Guard, and MIA/POW Grants. Federal funding decreased slightly during fiscal year 2014 as a direct result of decreased PELL grant awards.

Declining enrollment continues to be the trend with a 4.6% decrease in fiscal year 2014 compared to a 1.6% decrease during fiscal year 2013. As a community college, Black Hawk is well positioned to serve displaced workers seeking to enhance existing skills or develop additional skills necessary to re-enter the workforce due to the relatively short-term nature of many programs offered. Furthermore, both the College Administration and Board of Trustees are committed to ensuring student needs are effectively met and to this end, the institution prides itself on being nimble and capable of efficiently implementing programmatic changes designed to maximize student success.

Given the decreased enrollment trend in recent years, the College Administration and Board of Trustees have taken the appropriate measures to identify opportunities for growth. Construction is well underway for both the health sciences facility at the Quad Cities Campus and the Welding and Skilled Trades Center in Kewanee. The health sciences facility has an estimated completion date of June, 2015 while the Welding and Skilled Trades Center is scheduled to be completed in time for the Spring 2015 semester. 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 2014 increased 7% over fiscal year 2013 rates and will increase by an additional 4.4% for fiscal year 2015. Additional information regarding the tuition and fee rate trend is provided in the Statistical section.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2013 tax levy increased 1.4% over fiscal year 2012 primarily due to the increase in EAV throughout the district. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Position – Fiscal Years 2014 and 2013

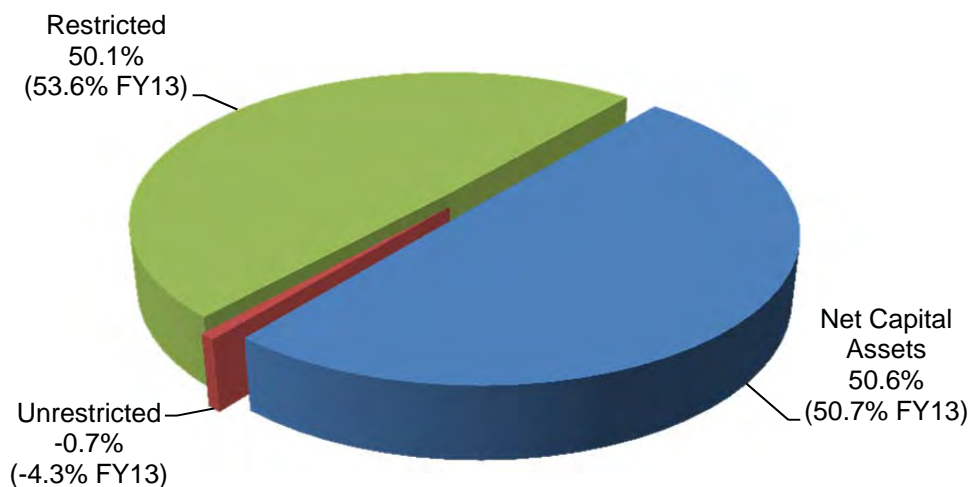
	2014	2013	Increase (Decrease)	Percent Change
Current Assets	\$ 69,470,701	\$ 75,066,923	\$(5,596,222)	-7.5%
Non-Current Assets	53,291,027	47,887,133	5,403,894	11.3%
Total Assets	\$122,761,728	\$122,954,056	\$ (192,328)	-0.2%
Current Liabilities	\$ 8,799,938	\$ 9,411,607	\$ (611,669)	-6.5%
Non-Current Liabilities	25,501,692	30,995,859	(5,494,167)	-17.7%
Total Liabilities	\$ 34,301,630	\$ 40,407,466	\$(6,105,836)	-15.1%
Deferred Inflows of Resources	\$ 10,016,362	\$ 261,812	\$ 9,754,550	3725.8%
Net Position				
Net Investment in Capital Assets	\$ 39,682,320	\$ 36,808,792	\$ 2,873,528	7.8%
Restricted	39,325,155	38,975,554	349,601	0.9%
Unrestricted	(563,739)	(3,108,137)	2,544,398	-81.9%
Total Net Position	\$ 78,443,736	\$ 72,676,209	\$ 5,767,527	7.9%

The College had a net position at the beginning of the fiscal year as restated totaling \$72,676,209. The increase in net position of \$5,767,527 brought the total net position at the end of fiscal year 2014 to \$78,443,736.

Notable changes in fiscal year 2014 include the addition of the new Adult Learning Center in Rock Island, Illinois as well as various other remodeling / improvement projects district-wide. Construction also began on the health sciences facility 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 2014



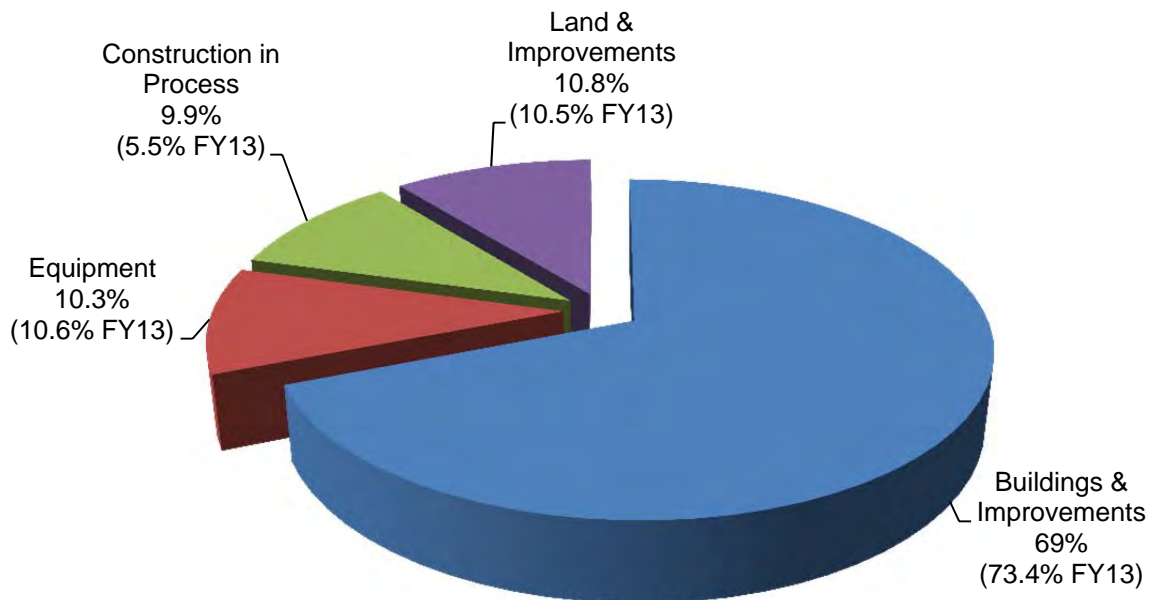
Comparison of Net Capital Assets Fiscal Years 2014 and 2013

Capital Assets	2014	2013	Increase (Decrease)	Percent Change
Land and Improvements	\$8,406,448	\$7,480,023	\$926,425	12.4%
Building and Improvements	53,781,507	52,148,650	1,632,857	3.1%
Equipment	7,991,300	7,503,695	487,605	6.5%
Construction In Progress	7,705,480	3,896,185	3,809,295	97.8%
Total Capital Assets	\$77,884,735	\$71,028,553	\$6,856,182	9.7%
Less Accumulated Depreciation	24,593,708	23,141,420	1,452,288	6.3%
Net Capital Assets	\$53,291,027	\$47,887,133	\$5,403,894	11.3%

As of June 30, 2014, the College has recorded \$77,884,735 invested in capital assets, \$24,593,708 in accumulated depreciation and \$53,291,027 in net capital assets.

Total Capital Assets increased \$6,856,182 or 9.7% and Net Capital Assets increased \$5,403,894 or 11.3% due to construction of the health sciences facility, Welding and Skilled Trade Center and various remodeling and improvement projects district-wide during fiscal year 2014. The current bonding strategy continues to allow the College to invest in additional facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. See Note 4. Changes in Capital Assets and Note 6. Long-Term Liabilities in the Notes to Financial Statements for further information.

Capital Assets - Fiscal Year 2014



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

	2014	2013	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 7,624,251	\$ 7,613,048	\$ 11,203	0.15%
Sales, Services, and Rentals	2,233,506	2,236,204	(2,698)	-0.1%
Other	8,068,818	7,535,508	533,310	7.1%
Total Operating Revenue	<u>\$ 17,926,575</u>	<u>\$ 17,384,760</u>	<u>\$ 541,815</u>	<u>3.1%</u>
Less: Operating Expenses	54,560,178	54,625,108	(64,930)	-0.1%
Operating Income (Loss)	<u>\$(36,633,603)</u>	<u>\$(37,240,348)</u>	<u>\$ 606,745</u>	<u>-1.6%</u>
Non-operating Revenue:				
State Grants & Contracts	\$ 10,192,344	\$ 9,562,931	\$ 629,413	6.6%
Federal Grants & Contracts	9,995,924	10,099,071	(103,147)	-1.0%
Property Taxes	19,462,491	19,119,399	343,092	1.8%
Other Income	2,750,371	2,696,642	53,729	2.0%
Total Non-operating Revenue:	<u>\$ 42,401,130</u>	<u>\$ 41,478,043</u>	<u>\$ 923,087</u>	<u>2.2%</u>
Increase in Net Position	\$ 5,767,527	\$ 4,237,695	\$ 1,529,832	36.1%
Net Position, Beginning of Year, as restated	72,676,209	68,438,514	4,237,695	6.2%
Net Position, End of Year	<u>\$ 78,443,736</u>	<u>\$ 72,676,209</u>	<u>\$ 5,767,527</u>	<u>7.9%</u>

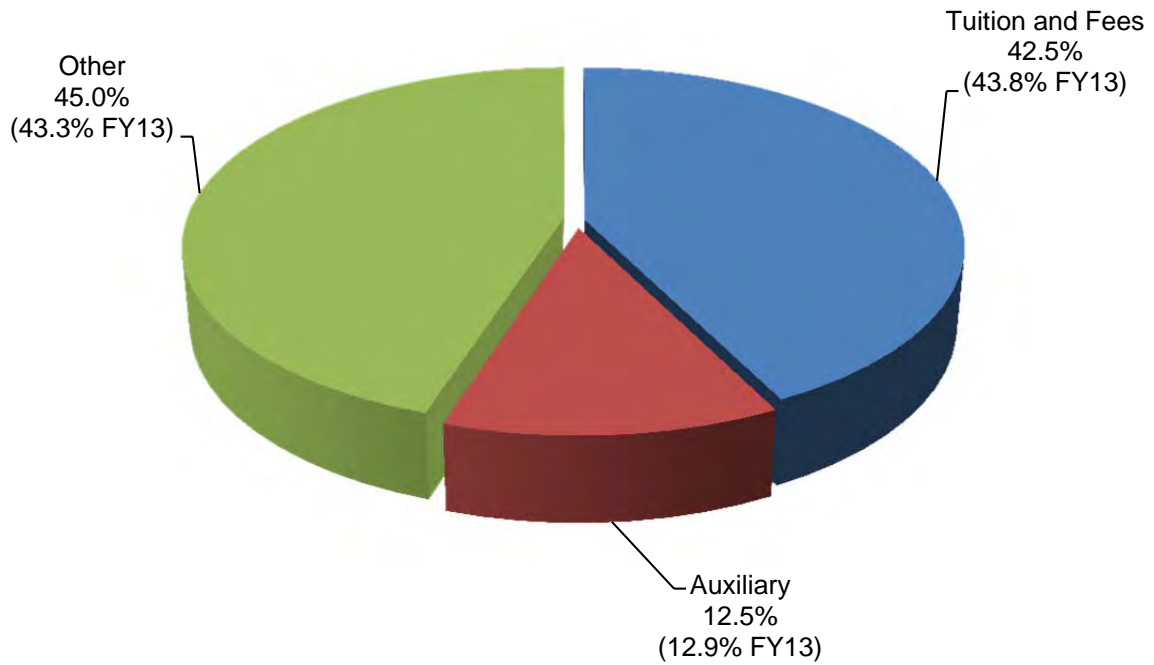
Operating revenue increased while operating expenses decreased for fiscal year 2014 when compared to fiscal year 2013.

Despite declining enrollment, tuition and fees increased \$11,203 or 0.15% during fiscal year 2014. The increase is attributable to higher tuition and fee rates in conjunction with decreased enrollment. Sales, services and rental revenue remained relatively flat over fiscal year 2013 with a decrease of merely 0.10%.

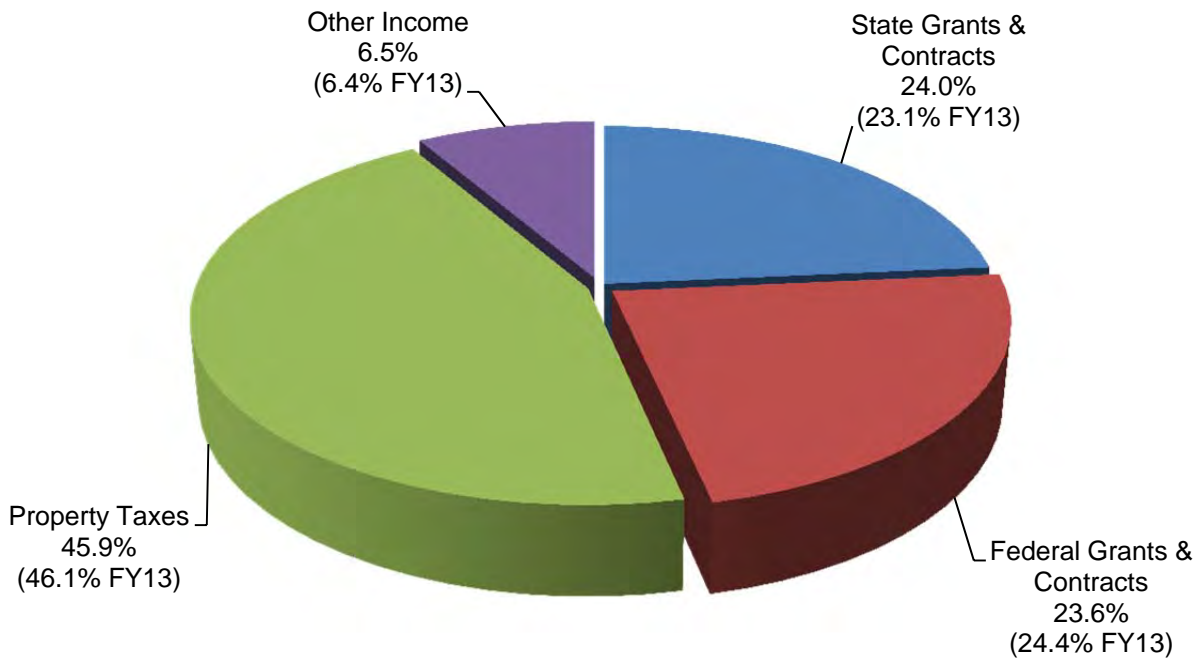
Additionally, the increase in Other Operating Revenue represents the increased SURS contribution provided by the State in fiscal year 2014, which was \$533,310 greater than the fiscal year 2013 amount. As explained in Note 5 in the Notes to Financial Statements, this SURS contribution is shown as operating revenue and operating expense by the College. Pending State legislation has the potential to impact the manner in which these obligations are funded and reported in future years although the exact impact is currently unknown.

Non-operating revenue increased in total by \$923,087. The primary driver of this increase was the \$629,413 increase in state grants & contracts along with the \$343,092 increase in property taxes. The \$629,413 increase in state grants & contracts is a direct result of a \$285,000 legislative add-on which offset tuition waivers for veterans as well as a \$300,000 highway construction careers training program grant. The increase in property taxes is attributed to an increase in EAV's.

Operating Revenues - Fiscal Year 2014



Non-Operating Revenues - Fiscal Year 2014



Comparison of Operating Expenses Fiscal Years 2014 and 2013

	2014	2013	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$18,609,563	\$19,814,071	\$(1,204,508)	-6.1%
Academic Support	6,272,580	6,244,734	27,846	0.4%
Student Services	4,300,131	4,265,652	34,479	0.8%
Public Service / Continuing Ed.	2,122,000	1,879,087	242,913	12.9%
Institutional Support	9,025,272	10,346,257	(1,320,985)	-12.8%
Sales, Services, and Rentals of Facilities	3,765,785	3,823,167	(57,382)	-1.5%
Financial Aid	2,615,325	2,401,499	213,826	8.9%
Depreciation	1,740,162	1,601,385	138,777	8.7%
Loss on Disposal of Equipment	762,732	16,664	746,068	4477.1%
Operations of Physical Facilities	5,346,628	4,232,592	1,114,036	26.3%
Total Operating Expenses:	\$54,560,178	\$54,625,108	(64,930)	-0.1%

Operating expenses for fiscal year 2014 decreased by 0.1% from fiscal year 2013. Beginning in fiscal year 2013, the SURS contribution provided by the state was allocated among the existing functions of operating expenses as opposed to being listed separately. The SURS contribution provided by the state increased to \$8,068,818 in fiscal year 2014 compared to \$7,535,508 in fiscal year 2013. This \$533,310 increase offsets a \$598,240 decrease in expenses in other areas for the net decrease of \$64,930.

Instruction expenses decreased \$1,204,508 in fiscal year 2014 due to the completion of several projects in fiscal year 2013 that had a direct instructional impact.

Financial Aid increased by \$213,826 due to \$285,000 in legislative add-on's received in fiscal year 2014 to offset tuition waivers expense for veterans.

Public Service / Continuing Ed expenses increased \$242,913 as a direct result of the \$300,000 highway construction careers training program grant received in fiscal year 2014.

Depreciation expense increased \$138,777 in the current year as a direct result of capital projects completed during fiscal year 2013. Fiscal year 2014 is the first full year of depreciation thereby increasing depreciation expense.

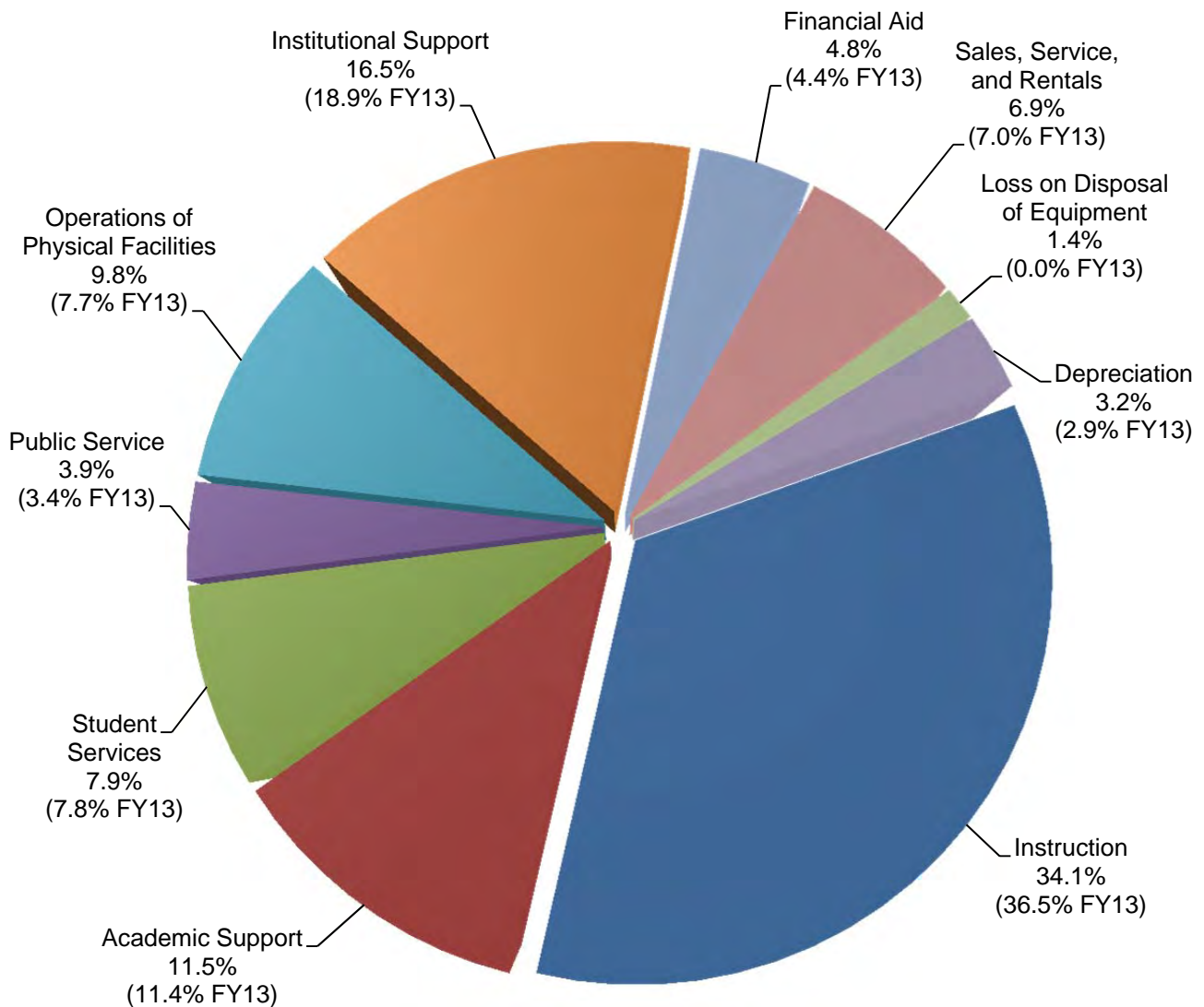
Operating of Physical Facilities increased \$1,114,036 in fiscal year 2014 due to on-going capital projects. Such projects include the construction of a new health sciences facility at the Quad Cities campus and a Welding and Skilled Trades Center near the Community Education Center in Kewanee.

As noted above, the SURS contribution by the State also increased by \$553,310 over fiscal year 2013. See also 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 2014 by percentage of the total with the comparable percentage for fiscal year 2013 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2014



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:

Jeremy P. Esch
Director of Accounting
6600 34th Avenue
Moline, IL 61265

Basic Financial Statements

Black Hawk College
Illinois Community College District #503

Statement of Net Position
June 30, 2014

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 50,024,049	\$ 168,981	\$ 526,120
Investments	-	2,931,138	1,764,817
Receivables:			
Property taxes, net of \$19,492	12,598,692	-	-
Federal government claims	622,373	-	-
State of Illinois claims	3,655,749	-	-
Student tuition and fees, net of \$301,537	995,028	-	-
Other	506,358	58,728	94,177
Inventory	664,629	-	-
Prepaid expenses	403,823	-	-
Total current assets	69,470,701	3,158,847	2,385,114
Noncurrent Assets:			
Capital assets:			
Land	927,464	45,000	-
Construction and Equipment in process	7,705,480	-	-
Building, improvements and equipment, net of \$24,593,708 and \$797,323, respectively	44,658,083	-	1,501,562
Total capital assets, net of depreciation	53,291,027	45,000	1,501,562
Total noncurrent assets	53,291,027	45,000	1,501,562
Total assets	122,761,728	3,203,847	3,886,676
Deferred Outflows of Resources			
Deferred outflows	-	-	-
Liabilities			
Current Liabilities:			
Accounts payable	2,409,701	11,261	39,665
Accrued liabilities:			
Payroll	740,519	-	-
Early retirement	81,108	-	-
Accrued vacation	120,000	-	-
Other	81,954	-	-
Unearned revenues:			
Student tuition and fees	-	-	-
Notes and bonds due in less than one year	5,407,325	-	18,298
Other liabilities	66,656	-	-
Total current liabilities	8,907,263	11,261	57,963
Noncurrent Liabilities:			
Early retirement	1,754,469	-	-
Accrued vacation	747,992	-	-
Notes and bonds payable in more than one year	22,891,906	-	478,217
Total noncurrent liabilities	25,394,367	-	478,217
Total liabilities	34,301,630	11,261	536,180
Deferred Inflows of Resources			
Property Taxes	9,748,682	-	-
Grants and restricted funds	267,680	-	-
Total deferred inflows of resources	10,016,362	-	-
Net Position			
Net Investment in capital assets	39,682,320	45,000	1,005,047
Restricted for audit	135,278	-	-
Restricted for liability, protection and settlement	2,265,040	-	-
Restricted for working cash	10,194,190	-	-
Restricted for bond & interest	3,079,546	-	-
Restricted for operations and maintenance	23,018,654	-	-
Restricted for grants and scholarships	632,447	2,509,467	2,139,738
Unrestricted	(563,739)	638,119	205,711
Total net position	\$ 78,443,736	\$ 3,192,586	\$ 3,350,496

Black Hawk College
Illinois Community College District #503

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2014

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 7,624,251	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,233,506	-	-
SURS contribution provided by state	8,068,818	-	-
Total operating revenues	17,926,575	-	-
Operating expenses:			
Instruction	18,609,563	-	-
Academic support	6,272,580	-	-
Student services	4,300,131	-	-
Public service	2,122,000	-	-
Auxiliary services	3,765,785	-	-
Institutional support	9,025,272	218,066	353,351
Scholarships, student grants and waivers	2,615,325	112,274	145,836
Operation of physical facilities	5,346,628	-	-
Loss on disposal of buildings and equipment	762,732	-	-
Depreciation and amortization	1,740,162	-	65,837
Total operating expenses	54,560,178	330,340	565,024
Operating (loss)	(36,633,603)	(330,340)	(565,024)
Non-operating revenues (expenses):			
Property taxes	19,462,491	-	-
Personal property replacement taxes	1,361,828	-	-
State government sources	10,192,344	-	-
Federal government sources	9,995,924	-	-
Investment earnings	286,520	382,236	278,237
Other sources	2,025,129	355,319	838,389
Interest expense	(923,106)	-	(22,864)
Total non-operating revenues (expenses)	42,401,130	737,555	1,093,762
Change in net position	5,767,527	407,215	528,738
Net position:			
Beginning, as restated	72,676,209	2,785,371	2,821,758
Ending	\$ 78,443,736	\$ 3,192,586	\$ 3,350,496

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2014

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,325,871
Payments to employees	(24,877,224)
Payments to suppliers	(20,057,943)
Sales, service, and rental of facilities and equipment	2,123,847
Other receipts	-
Net cash provided by (used in) operating activities	<u>(35,485,449)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	22,675,432
Personal property replacement taxes	1,361,828
Property taxes	19,742,087
Net cash provided by non-capital financing activities	<u>43,779,347</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(7,906,788)
Proceeds on debt	-
Debt issuance costs	-
Principal paid on debt	(5,258,027)
Interest paid on debt	(923,106)
Net cash provided by (used in) capital and related financing activities	<u>(14,087,921)</u>
Cash Flows from Investing Activities	
Sale of investments	-
Interest received	286,520
Net cash provided by (used in) investing activities	<u>286,520</u>
Net increase (decrease) in cash	(5,507,503)
Cash and cash equivalents:	
Beginning	55,531,552
Ending	<u>\$ 50,024,049</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (36,633,603)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,740,162
Loss on disposal of equipment	762,732
Changes in assets and liabilities:	
(Increase) decrease in receivables	(172,170)
(Increase) decrease in inventory	(166,093)
(Increase) decrease in prepaid expenses	(168,668)
Increase (decrease) in accounts payable	(71,047)
Increase (decrease) in accrued expenditures	(581,391)
Increase (decrease) in deferred revenue	(235,869)
Increase (decrease) in other liabilities	40,498
Total adjustments	<u>1,148,154</u>
Net cash provided by (used in) operating activities	<u>\$ (35,485,449)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 8,068,818

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position
June 30, 2014**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,725,586
Liabilities	
Claims payable	1,022,263
Due to others	-
Total liabilities	<u>1,022,263</u>
Net Position, unrestricted	<u><u>\$ 703,323</u></u>

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2014**

Additions:	
Employer paid premiums	\$ 5,167,672
Grant paid premiums	247,856
Employee paid premiums	638,928
Investment earnings	6,916
Total additions	<u>\$ 6,061,372</u>
Deductions:	
Health and dental claims	5,569,831
Administrative	610,940
Total deductions	<u>\$ 6,180,771</u>
Change in net position	(119,399)
Net position:	
Beginning	822,722
Ending	<u><u>\$ 703,323</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, 2014, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$112,274 and \$139,226 respectively, to the College for both restricted and unrestricted purposes.

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

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

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

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

Classification of Revenues and Expenses: Operating revenue and expenses include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprises, net of financial aid and scholarship awards, salaries and benefits, and materials and supplies. Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as 1) local property taxes, 2) state appropriations, 3) most federal, state and local grants and contracts, and federal appropriations, and 4) gifts and contributions.

Net Position: Net position represents the difference between assets and liabilities. "Net investment in capital assets", consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings, used for the acquisition, construction or improvement of those assets. Significant unspent proceeds are reported as restricted. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Amounts restricted for working cash are imposed by enabling legislation. However, legislation allows for procedures to abolish this fund and remove those restrictions. Amounts restricted for operations and maintenance are imposed by enabling legislation. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the College first applies restricted resources.

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

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

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

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2013 levy. Property tax revenue recorded on the financial statements relates to the 2012 and 2013 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 2013 or 2014, respectively, and are collected by the county collectors in the College District who in turn remit to the College District its respective share. An allowance is provided for uncollectible taxes.

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2014.

Investments: Investments are stated at fair value.

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

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

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

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

Note 2. Cash and Investments

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

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- Bonds, notes debentures, or other similar obligations of the United States of America or its agencies.
- Interest-bearing savings account, interest-bearing certificates of deposit, or interest-bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

- Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of security legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by the FDIC.
- Money market mutual funds whose portfolios consist of government securities or agreements to repurchase such obligations.
- Illinois School District Liquid Asset Fund.
- Illinois State Funds Money Market Fund.
- Funds managed, operated and administered by a bank provided that the public agency has an undivided interest in the assets of the fund.
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986.
- Dividends-bearing share accounts, share certificate accounts of a credit union with its principal office located in Illinois and insured by applicable law.
- Funds managed, operated, and administered by a bank.

At June 30, 2014, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$50,011,162
Petty cash	<u>12,887</u>
Total cash and cash equivalents	50,024,049
Fiduciary funds	<u>1,725,586</u>
Total cash and cash equivalents	\$51,749,635
Less: Petty cash	<u>12,887</u>
Total carrying amount of deposits	<u><u>\$51,736,748</u></u>

As of June 30, 2014, the carrying amount of the College's deposits totaled \$51,736,748 with a bank balance of \$52,529,197. Of the \$52,529,197 bank balance, \$52,529,197 was covered by federal depository insurance or collateral held by the College's agent in the College's name. The College has no foreign currency risk for deposits at year end.

As of June 30, 2014, the College did not hold any investments.

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2014, 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, 2014 there are no investments with custodial credit risk in that all investments are insured.

Foreign Currency Risk:

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

Note 3. Liability, Protection, & Settlement Fund Expenditures

Black Hawk College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2014:

Security & safety related salaries and benefits	\$ 798,091
Risk management & loss prevention	202,527
Insurance	962,163
Legal services	63,633
Security and safety related	<u>69,502</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$2,095,916</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, 2014 is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 758,221	\$ 216,243	\$ (47,000)	\$ 927,464
Construction in process	3,896,185	4,993,008	(1,183,713)	7,705,480
Total capital assets not being depreciated	4,654,406	5,209,251	(1,230,713)	8,632,944
Capital assets being depreciated:				
Buildings and improvements	52,148,650	2,540,646	(907,789)	53,781,507
Land improvements	6,721,802	830,763	(73,581)	7,478,984
Equipment	7,503,695	509,841	(22,236)	7,991,300
Total capital assets being depreciated	66,374,147	3,881,250	(1,003,606)	69,251,791
Less accumulated depreciation for:				
Buildings and improvements	16,871,229	1,059,241	(263,744)	17,666,726
Land improvements	891,918	142,038	(1,894)	1,032,062
Equipment	5,378,273	538,883	(22,236)	5,894,920
Total accumulated depreciation	23,141,420	1,740,162	(287,874)	24,593,708
Total capital assets being depreciated, net	43,232,727	2,141,088	(715,732)	44,658,083
Total capital assets, net	\$ 47,887,133	\$ 7,350,339	\$ (1,946,445)	\$ 53,291,027

Note 5. Retirement Plan

Plan Description:

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

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

Notes to Financial Statements

Note 5. Retirement Plan (Continued)

Funding Policy:

Plan members are required to contribute 8.0% of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 35.8% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ended June 30, 2014, 2013, and 2012 were \$100,055, \$94,898, and \$111,835, respectively, equal to the required contributions for each year. The employer contributions made by the State of Illinois on behalf of the College to SURS were \$8,068,818, \$7,535,508, and \$5,373,730 for the years ended June 30, 2014, 2013, and 2012, respectively. These amounts are included as both revenue and expense of the College.

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2014, are as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Bonds payable	\$32,715,000	-	\$(5,150,000)	\$27,565,000	\$5,300,000
Unamortized premium	842,258	-	(108,027)	734,231	107,325
Accrued vacation	954,132	33,860	(120,000)	867,992	120,000
Early retirement	1,835,866	81,108	(81,397)	1,835,577	81,108
	<u>\$36,347,256</u>	<u>\$114,968</u>	<u>\$(5,459,424)</u>	<u>\$31,002,800</u>	<u>\$5,608,433</u>

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2014, are as follows:

	Principal	Interest	Total
Year ending June 30:			
2015	\$5,300,000	\$160,700	\$5,460,700
2016	2,265,000	33,975	2,298,975
Total	<u>\$7,565,000</u>	<u>\$194,675</u>	<u>\$7,759,675</u>

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

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2014, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2015	\$ -	\$729,996	\$729,996
2016	-	729,996	729,996
2017	835,000	709,643	1,544,643
2018	875,000	668,509	1,543,509
2019	915,000	625,995	1,540,995
2020-2024	5,260,000	2,428,413	7,688,413
2025-2029	6,335,000	1,362,996	7,697,996
2030-2033	5,780,000	353,700	6,133,700
Total	<u>\$20,000,000</u>	<u>\$7,609,248</u>	<u>\$27,609,248</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,591,336,171. As of June 30, 2014 the College had \$74,951,684 of 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, 2014 was \$152,327.

The annual requirements for operating leases as of June 30, 2014, are as follows:

Year ending June 30:	
2015	\$156,146
2016	160,048
2017	<u>108,433</u>
Total operating leases	<u>\$424,627</u>

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

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 6.5% 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 \$1,835,577 as of June 30, 2014.

Note 8. Risk Management and Insurance

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

The College self insures for employee medical, dental, and vision coverage through a Voluntary Employees' Beneficiary Association (VEBA). Self insurance is in effect up to an aggregate stop/loss of \$6,060,052 with a \$125,000 per covered person stop/loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. One participant was lapsed from this excess coverage in FY2014. 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, 2014, the amount of these liabilities was \$1,022,263. The following represents changes in those liabilities for the College during the past two years:

	<i>Beginning of Fiscal Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>Balance at Fiscal Year-End</i>
FY2012	\$443,446	\$5,849,427	\$5,335,901	\$956,972
FY2013	\$956,972	\$6,343,709	\$6,146,397	\$1,154,284
FY2014	\$1,154,284	\$5,568,470	\$5,700,491	\$1,022,263

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.

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

Notes to Financial Statements

Note 10. Restatement

Due to the changes in accounting principles, beginning net position has been decreased by \$9,608,569, from \$82,284,778 to \$72,676,209. The difference represents a restatement for property taxes to be reported as deferred inflows of resources due to a change in accounting for property taxes.

Note 11. New Accounting Pronouncements

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62* is effective for the fiscal year ending June 30, 2014. The pronouncement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Management has determined there is no material effect on the financial statements with regard to the adoption of this standard.

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

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* is effective for the fiscal year ending June 30, 2014. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. Management has determined there is no material effect on the financial statements with regard to the adoption of this standard.

Note 12. Pending 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

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

Notes to Financial Statements

Note 12. Pending Accounting Pronouncements (continued)

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.

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

Statistical Section (Unaudited)

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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

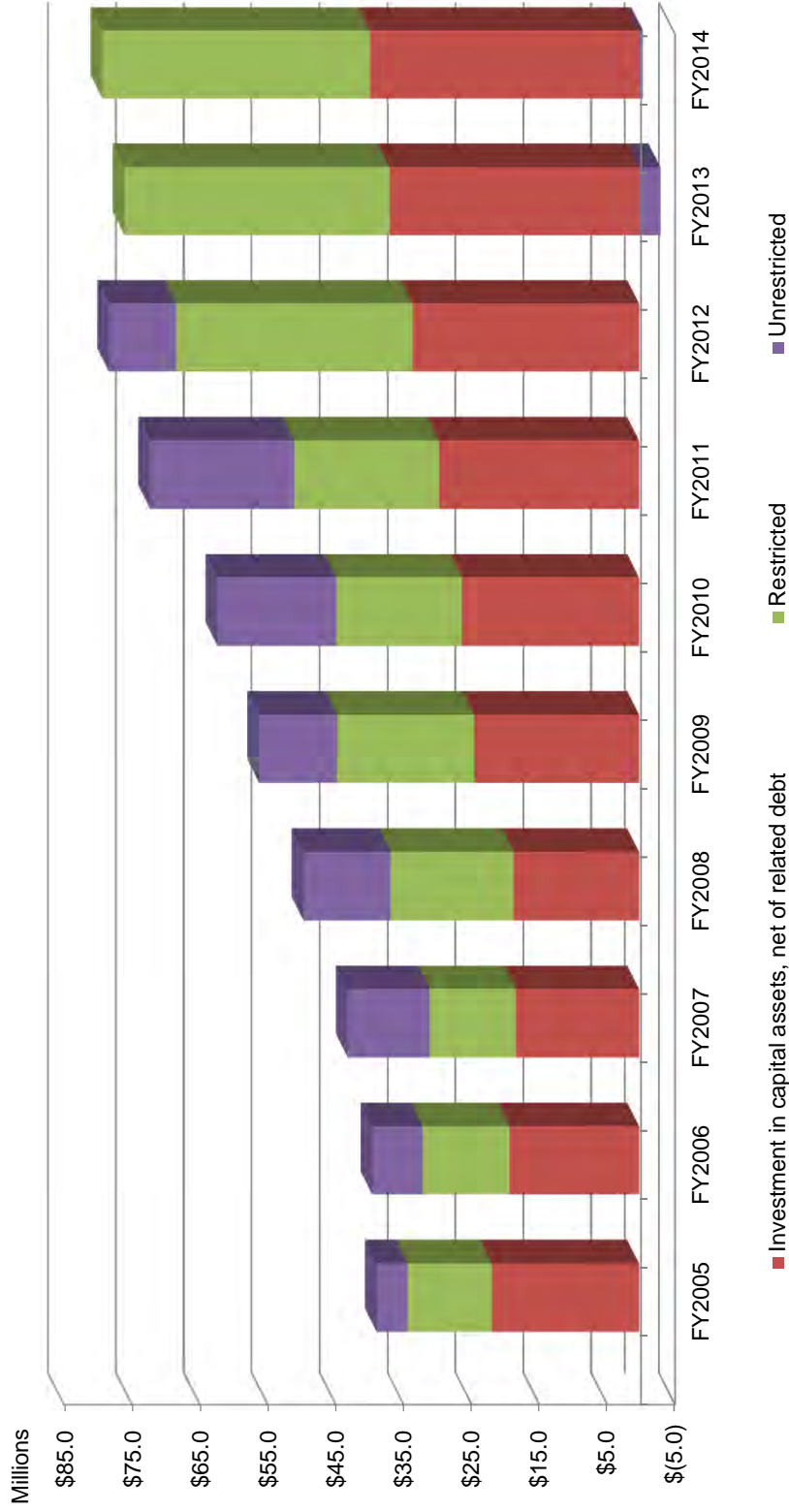
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

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Illinois Community College District No. 503

Schedule of Net Position by Component
FY2005 through FY2014

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Net investment in capital assets	\$ 21,663,203	\$ 19,064,372	\$ 18,158,170	\$ 18,504,208	\$ 24,287,182	\$ 26,107,509	\$ 29,495,572	\$ 33,387,782	\$ 36,808,792	\$ 39,682,320
Restricted	12,468,851	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
Unrestricted	4,547,818	7,482,628	12,083,254	12,826,789	11,442,187	17,464,461	21,158,239	9,871,444	(3,108,137)	(563,739)
Total net position	\$ 38,679,872	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700	\$ 78,047,083	\$ 72,676,209	\$ 78,443,736



Source: College audited financial statements.

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

**Schedule of Changes in Net Position
FY2005 through FY2014**

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 5,836,757	\$ 6,473,972	\$ 6,589,369	\$ 6,830,918	\$ 6,563,186	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251
Sales, service, and rental of facilities	3,462,532	3,410,705	3,422,932	3,456,655	3,024,705	3,104,115	2,992,034	2,481,502	2,236,204	2,233,506
Tuition chargeback	43,451	39,822	38,421	(1,702)	-	-	-	-	-	-
SURS contribution provided by state	1,739,529	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	7,535,508	8,068,818
Other operating revenue	4,760	7,638	28,532	5,705	6,901	12,576	3,680	2,486	-	-
Total operating revenue	11,087,029	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
Operating expenses:										
Instruction	12,904,624	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
Academic support	3,414,267	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
Student services	3,233,551	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
Public service	3,018,143	3,025,891	2,776,572	2,603,870	2,327,188	2,393,896	1,840,080	1,977,739	1,879,087	2,122,000
Auxiliary services	3,907,782	3,715,320	3,480,656	3,567,023	3,265,960	3,472,459	3,766,883	3,706,401	3,823,167	3,765,785
Institutional support	7,285,564	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
Scholarships, student grants and waivers	4,238,687	3,908,098	3,863,985	3,798,739	3,456,874	4,197,498	3,748,071	2,747,946	2,401,499	2,615,325
SURS contribution provided by state	1,739,529	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	-	-
Operation of physical facilities	3,951,142	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
Loss on disposal of equipment	41,307	3,516	33,979	5,097	7,409	1,308,112	22,464	5,451	16,664	762,732
Depreciation	1,289,155	1,361,306	1,385,121	1,453,453	1,788,953	1,200,030	1,298,115	1,419,276	1,601,385	1,740,162
Total operating expenses	45,023,751	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
Operating (loss)	(33,936,722)	(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)
Non-operating revenues (expenses)										
Property taxes	11,403,125	12,280,184	14,151,090	16,212,834	17,816,536	18,140,565	18,692,853	19,171,402	19,119,399	19,462,491
Personal property taxes	-	-	-	-	1,365,164	1,104,407	1,432,216	1,317,537	1,346,184	1,361,828
Slate government sources	13,876,740	13,523,521	14,370,178	14,154,600	11,653,779	11,076,974	11,697,372	10,578,684	9,562,931	10,192,344
Federal government sources	7,661,777	7,090,387	6,922,766	7,499,337	7,050,847	10,110,004	11,941,906	10,875,102	10,099,071	9,995,924
Investment earnings	556,738	710,851	1,076,367	893,351	927,444	1,079,642	1,304,926	1,118,105	848,082	286,520
Other sources	1,185,602	1,101,164	1,681,982	1,652,625	1,441,102	1,200,272	846,037	1,046,866	1,281,102	2,025,129
Interest expense	(150,460)	(256,529)	(482,810)	(636,823)	(771,482)	(714,580)	(760,282)	(578,513)	(778,726)	(923,106)
Total non-operating revenues (expenses)	34,533,522	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
Change in net position	\$ 596,800	\$ 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

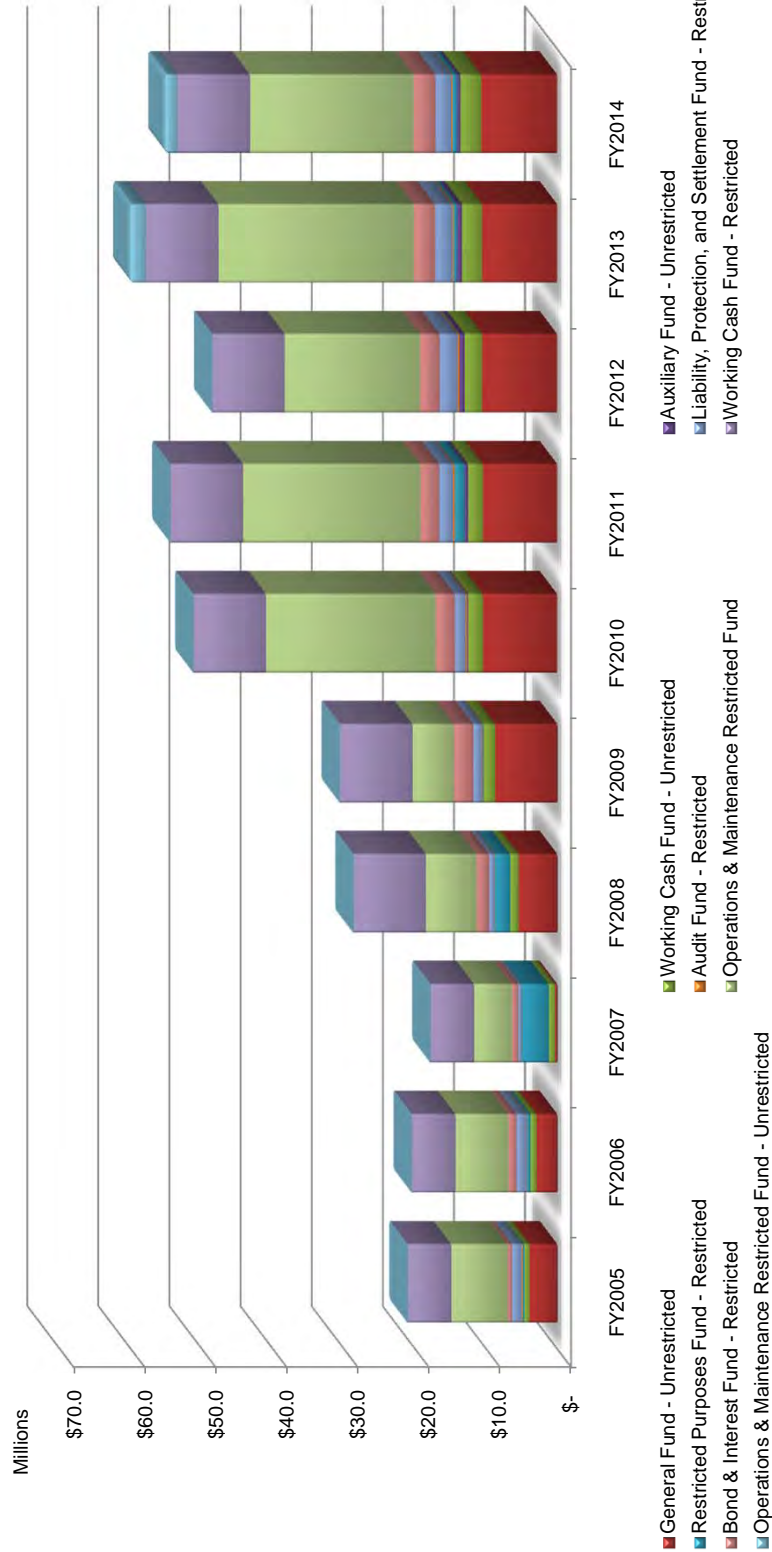
Note:
1. Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund
FY2005 through FY2014**

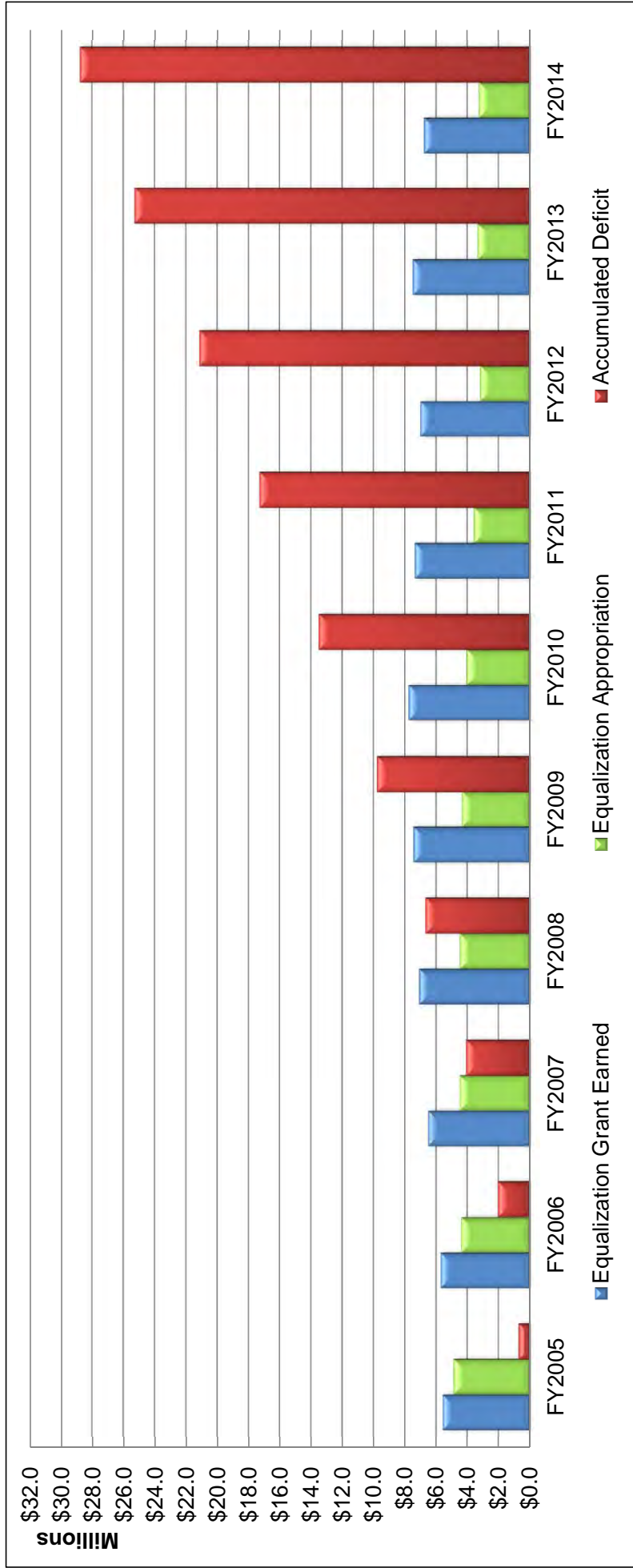
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
General Fund - Unrestricted	\$ 3,857,330	\$ 2,875,581	\$ 270,482	\$ 5,410,451	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400
Working Cash Fund - Unrestricted	778,015	864,305	924,742	1,219,790	1,625,794	2,046,194	2,081,546	2,496,165	2,848,633	2,912,562
Auxiliary Fund - Unrestricted	(197,743)	(270,102)	(166,048)	(132,271)	(74,423)	143,703	495,505	702,675	711,344	477,896
Restricted Purposes Fund - Restricted	221,884	459,285	3,752,088	2,026,420	137,064	37,322	1,393,815	94,284	495,369	632,447
Audit Fund - Restricted	93,978	103,090	77,900	97,557	122,132	150,245	172,765	211,908	200,222	135,278
Liability, Protection, and Settlement Fund - Restricted	1,389,320	1,429,168	465,822	829,358	1,227,502	1,573,022	1,952,072	2,521,853	2,402,140	2,265,040
Bond & Interest Fund - Restricted	644,333	1,156,231	830,675	1,765,269	2,702,182	2,642,136	2,704,975	2,721,699	2,973,723	3,079,546
Operations & Maintenance Restricted Fund	7,915,146	7,424,453	5,367,730	7,093,683	5,829,566	23,911,458	24,930,072	19,043,923	27,508,249	23,018,654
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	-	-	-	-	-	2,254,612	1,808,396
Working Cash Fund - Restricted	6,094,190	6,094,190	6,094,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190
Total Fund Balance	\$20,796,453	\$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



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

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

**State Equalization Grant Funding History & Accumulated Deficit
FY2005 through FY2014**

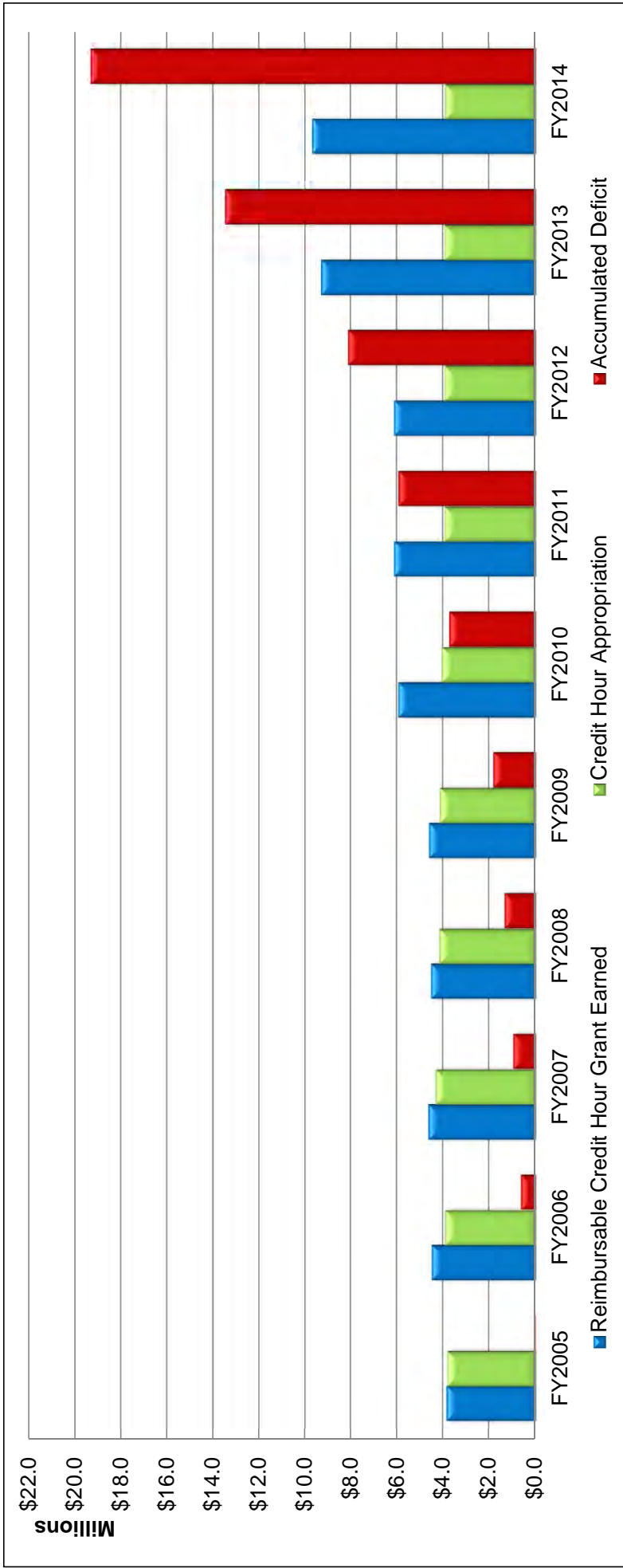


	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Equalization Grant Earned	\$ 5,595,326	\$ 5,721,705	\$ 6,523,581	\$ 7,082,701	\$ 7,446,929	\$ 7,758,564	\$ 7,372,057	\$ 7,028,293	\$ 7,500,478	\$ 6,768,524
Equalization Appropriation	4,873,749	4,403,116	4,488,540	4,471,959	4,341,024	4,038,587	3,576,700	3,187,173	3,348,294	3,264,676
Annual Deficit	(721,577)	(1,318,589)	(2,035,041)	(2,610,742)	(3,105,905)	(3,719,977)	(3,795,357)	(3,841,120)	(4,152,184)	(3,503,848)
Accumulated Deficit	\$ 721,577	\$ 2,040,166	\$ 4,075,207	\$ 6,685,949	\$ 9,791,854	\$ 13,511,831	\$ 17,307,188	\$ 21,148,308	\$ 25,300,492	\$ 28,804,340
Percentage Received	87.10%	76.95%	68.80%	63.14%	58.29%	52.05%	48.52%	45.35%	44.64%	48.23%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2005 through FY2014**



Source: ICCB System's Operating Budgets

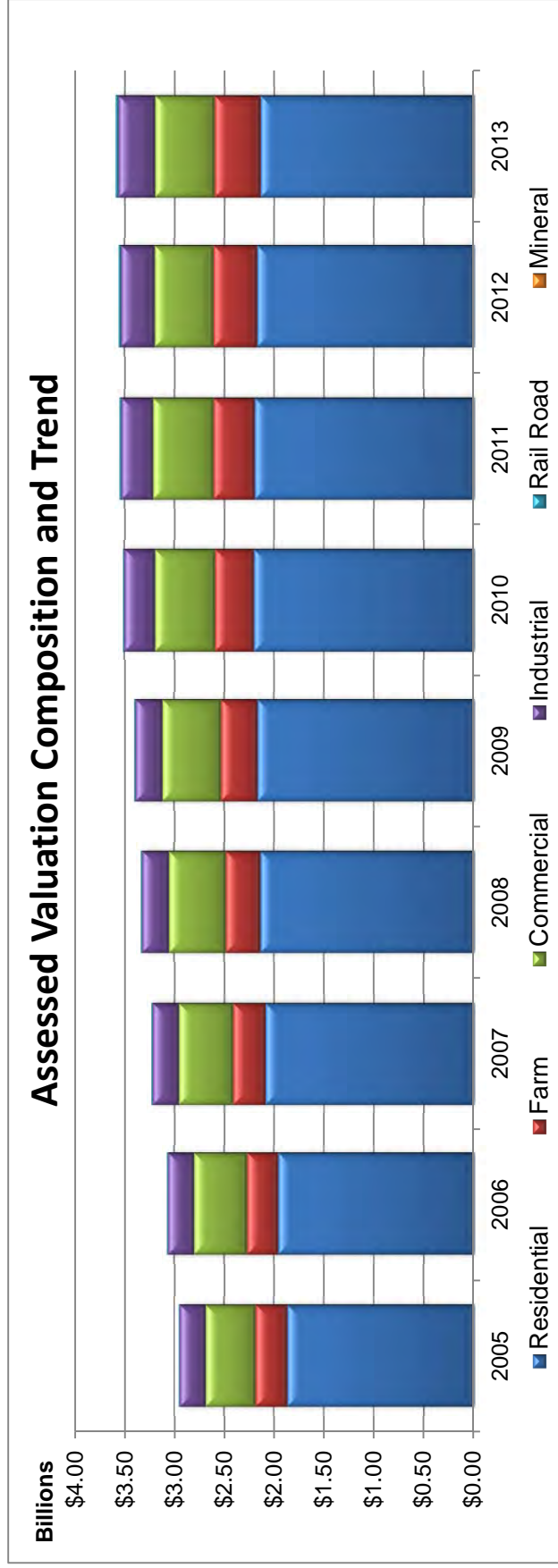
**Black Hawk College
Illinois Community College District No. 503**

Assessed and Estimated Actual Value of Taxable Property (Unaudited)
Tax Levy Years 2004 through 2013

Assessed Valuation by Property Type

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
2004	NA	NA	NA	NA	NA	NA	2,826,046,435	8,478,987,204
2005	\$ 1,870,425,989	\$ 314,255,886	\$ 502,964,495	\$ 257,165,711	\$ 6,568,809	\$ -	2,951,380,890	8,855,028,173
2006	1,962,173,095	309,548,885	531,490,526	260,706,801	7,282,286	-	3,071,201,593	9,214,526,232
2007	2,091,105,849	323,628,400	545,161,809	261,212,091	8,658,312	-	3,229,766,461	9,690,268,410
2008	2,138,725,354	345,734,151	570,868,409	266,916,159	8,197,605	-	3,330,441,678	9,992,324,266
2009	2,167,842,281	366,033,401	586,464,484	268,665,674	8,676,981	-	3,397,682,821	10,194,067,870
2010	2,204,812,845	390,730,975	600,753,081	305,756,819	10,948,746	-	3,513,002,466	10,540,061,404
2011	2,199,256,948	412,091,076	608,557,475	315,981,890	14,957,174	-	3,550,844,563	10,653,599,049
2012	2,175,310,702	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

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 2013 is the most current information available
3. The total direct rate applied to tax year 2013 is \$0.5427.

NA = Not Available

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 (Unaudited)
Tax Levy Years 2004 through 2013

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	Years	Amount	Percent of Extension	
2004	2005	2,826,046,435	0.4021	11,352,291	3,828,809	34%	7,563,578	11,392,387	100%	
2005	2006	2,951,380,890	0.4145	12,233,474	4,143,408	34%	8,087,207	12,230,615	100%	
2006	2007	3,071,201,593	0.4579	14,063,032	4,678,917	33%	9,365,085	14,044,002	100%	
2007	2008	3,229,766,461	0.5016	16,200,510	5,464,473	34%	10,681,197	16,145,670	100%	
2008	2009	3,330,441,678	0.5356	17,837,846	5,980,833	34%	11,810,395	17,791,228	100%	
2009	2010	3,397,682,821	0.5337	18,133,434	6,037,571	33%	12,046,820	18,084,391	100%	
2010	2011	3,513,002,466	0.5324	18,703,225	6,123,362	33%	12,547,662	18,671,024	100%	
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	12,462,381	19,035,803	100%	
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	12,755,585	19,134,516	100%	
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	-	6,877,997	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 2013 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 (Unaudited)
Tax Years 2004 through 2013

Taxing Districts	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013
Black Hawk College District No. 503	\$ 0.4021	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403	\$ 0.5427
Rock Island County	0.8040	0.7976	0.7956	0.7890	0.8480	0.8542	0.8574	0.8684	0.8872	1.0184
South Moline Township	0.0692	0.0700	0.1412	0.1416	0.1432	0.1432	0.1420	0.1318	0.1358	0.1304
Road & Bridge - South Moline Township	0.0052	0.0054	0.0058	0.0061	0.0064	0.0070	0.0070	0.0085	0.0093	0.0152
Road & Bridge - City of Moline	0.0044	0.0044	0.0042	0.0041	0.0042	0.0042	0.0042	0.0043	0.0047	0.0047
South Moline Township Cemetery	0.0002	0.0002	0.0002	0.0002	0.0002	0.0030	0.0038	0.0038	0.0038	0.0040
City of Moline	1.9116	1.9594	1.9646	2.0062	1.9966	1.9288	1.9324	1.9744	2.0268	2.0500
School District No. 40	5.1108	5.1508	5.1152	5.0586	5.0188	5.0266	5.0584	5.0600	5.0590	5.1090
Metropolitan Airport Authority	0.0750	0.0718	0.0726	0.0716	0.0734	0.0742	0.0734	0.0750	0.0750	0.0750
Metropolitan Transit Authority	0.1646	0.1652	0.1754	0.1742	0.1768	0.1812	0.1822	0.1872	0.1948	0.2054
Total	\$ 8.5471	\$ 8.6393	\$ 8.7327	\$ 8.7532	\$ 8.8032	\$ 8.7561	\$ 8.7932	\$ 8.8503	\$ 8.9367	\$ 9.1548

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 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013
Black Hawk College District No. 503	\$ 0.4021	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406	\$ 0.5344
Henry County	0.9280	0.9439	0.9026	0.9069	0.8945	0.9173	0.9498	0.9270	0.9316	0.9004
Kewanee Township	0.2054	0.2113	0.1978	0.1756	0.1721	0.1735	0.1742	0.1774	0.1789	0.1832
Kewanee Township Road District	0.2227	0.2207	0.2188	0.2084	0.2179	0.2180	0.2163	0.2167	0.2168	0.2173
City of Kewanee	2.5402	2.5760	2.1251	2.7294	2.3552	2.2611	2.3865	2.4857	2.6888	2.8057
Kewanee Park District	1.1338	1.0752	1.1009	1.0474	1.0881	1.0573	1.0518	1.0692	1.0891	1.1188
Kewanee Library District	0.6336	0.6395	0.6362	0.6862	0.6965	0.7524	0.7627	0.7680	0.8065	0.7493
Kewanee Airport	0.0163	0.0145	0.0139	0.0128	0.0127	0.0116	0.0121	0.0123	0.0131	0.0133
Kewanee School District No. 229	4.3047	4.2700	4.4177	4.4650	4.5351	4.5267	4.5174	4.3535	4.0950	4.0929
Total	\$ 10.3868	\$ 10.3692	\$ 10.0708	\$ 10.7340	\$ 10.5077	\$ 10.4533	\$ 10.6049	\$ 10.5470	\$ 10.5604	\$ 10.6153

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

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

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

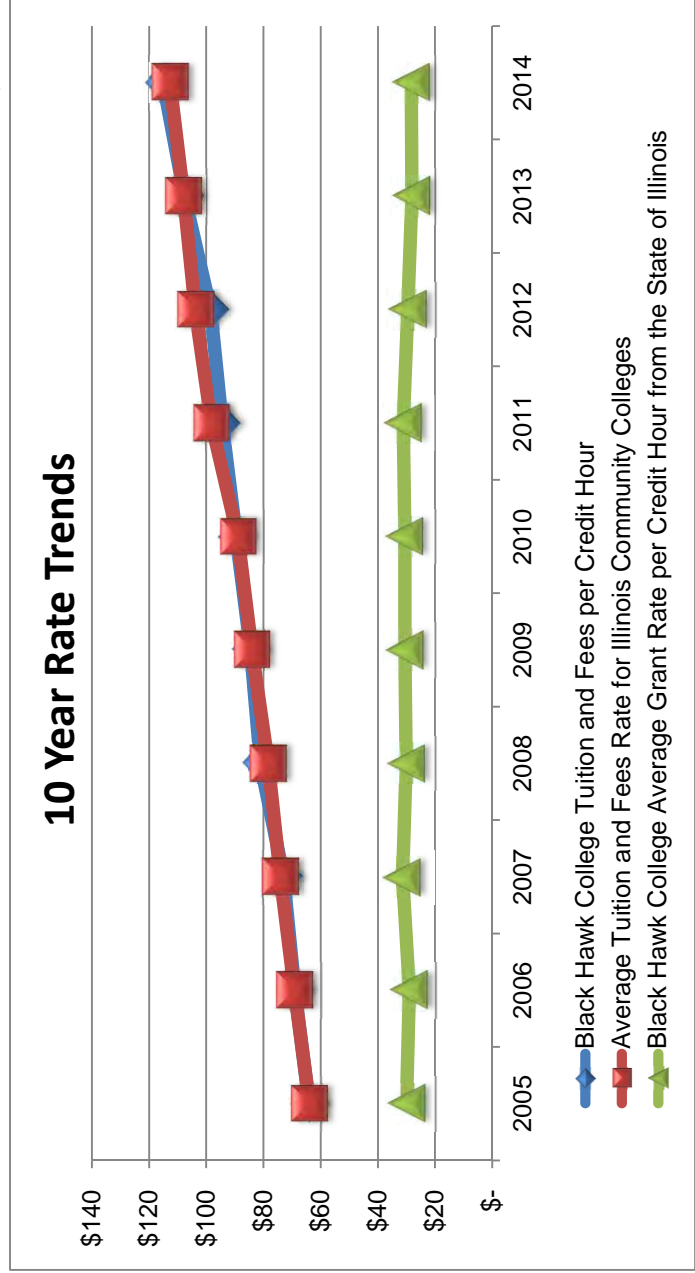
		2004				2013			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV		
Commonwealth Edison	\$ 77,316,682	1	3.84%	Commonwealth Edison	\$ 155,000,000	1	4.32%		
Deere and Company	26,908,572	2	1.34%	Deere and Company	29,050,925	2	0.81%		
SDG Macerich/Southpark Mall	13,039,657	3	0.65%	DNC Gaming/Jumers Casino	22,000,375	3	0.61%		
Modern Woodmen of America	7,999,200	4	0.40%	SDG Macerich/Southpark Mall	9,768,540	4	0.27%		
Jl Case Company	5,736,244	5	0.28%	Modern Woodmen of America	7,823,999	5	0.22%		
Minnesota Mining & Manufacturing	5,238,436	6	0.26%	Fed Ex Freight	4,946,651	6	0.14%		
PFG Thomas Proestler Co.	4,864,453	7	0.24%	Walmart - Silvis	4,819,033	7	0.13%		
Barjan Products LLC	4,470,152	8	0.22%	PFG Thomas Proestler Co.	4,640,955	8	0.13%		
Cordova Energy Company	4,331,206	9	0.21%	Cordova Energy Company	4,578,523	9	0.13%		
IBP Incorporated	4,130,478	10	0.20%	Minnesota Mining & Manufacturing Co.	4,538,295	10	0.13%		
	<u>\$ 154,035,080</u>		<u>7.64%</u>		<u>\$ 247,167,296</u>		<u>6.88%</u>		

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

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

Mandatory Tuition and Fees (Unaudited)
FY2005 through FY2014

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
2005	64.00	63.92	29.94	144,087
2006	69.00	69.11	28.94	140,900
2007	73.00	74.04	31.36	132,392
2008	81.00	78.36	30.08	128,450
2009	84.50	84.04	30.51	124,771
2010	89.50	88.95	30.59	135,521
2011	94.50	98.26	31.08	139,479
2012	98.50	103.89	29.49	137,989
2013	107.50	107.89	28.09	135,791
2014	115.00	112.65	28.25	129,755



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type (Unaudited)
FY2005 through FY2014

Fiscal Year	General Obligation Bonds		Installment Contracts	Total Outstanding Debt		Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2005	5,300,000	143,375	143,375	5,443,375	8,478,987,204	0.064%	20.63	
2006	4,800,000	103,393	103,393	4,903,393	8,855,028,173	0.055%	18.59	
2007	8,600,000	60,995	60,995	8,660,995	9,214,526,232	0.094%	32.83	
2008	15,380,000	24,560	24,560	15,404,560	9,690,268,410	0.159%	58.39	
2009	12,210,000	-	-	12,210,000	9,992,324,266	0.122%	46.28	
2010	27,145,000	-	-	27,145,000	10,194,067,870	0.266%	102.89	
2011	22,600,000	-	-	22,600,000	10,540,061,404	0.214%	90.40	
2012	17,740,000	-	-	17,740,000	10,653,599,049	0.167%	79.49	
2013	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	

Notes:

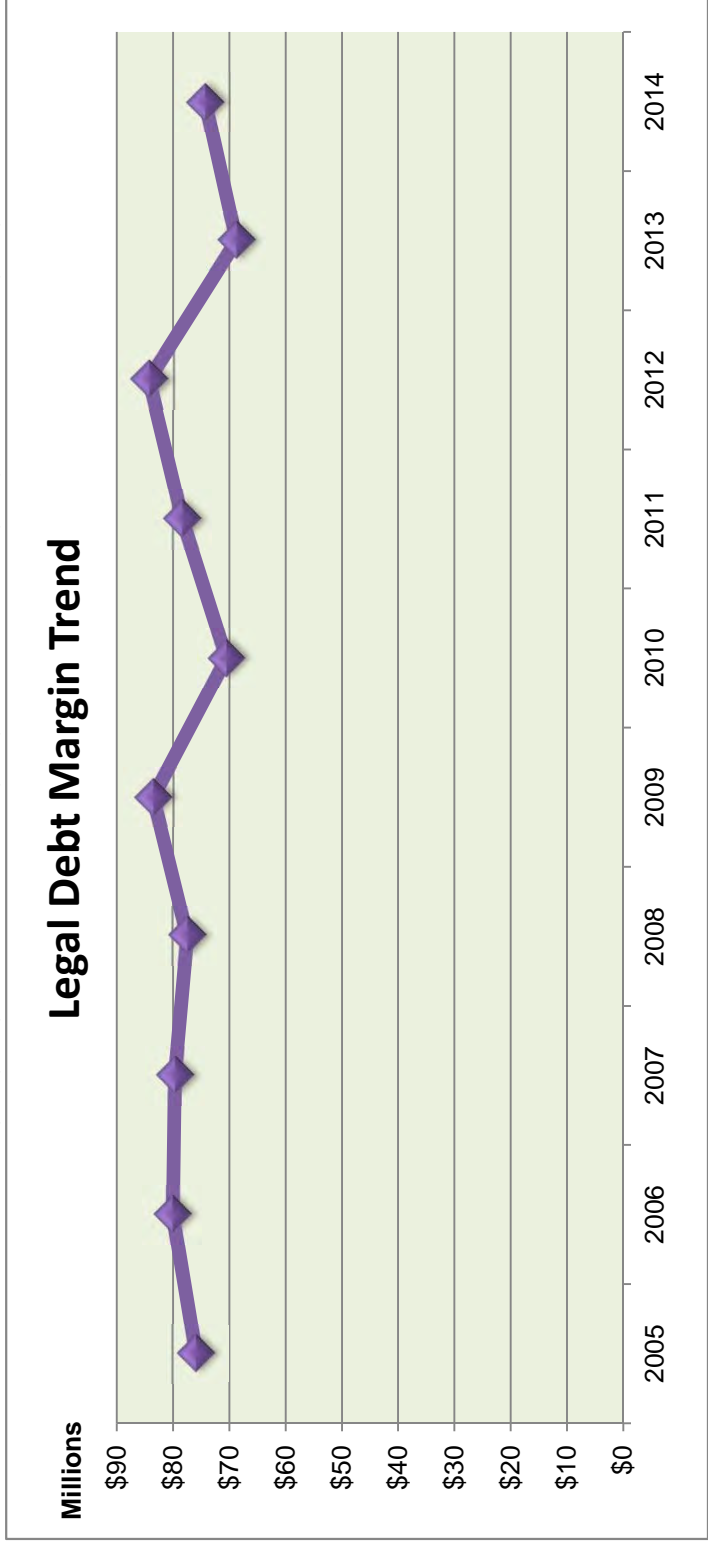
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census population for each of the nine counties, included either in part or whole, in the district adjusted by the percentage of each counties population located within the district.
3. Estimated Actual Taxable Property Value is based on property located within the district only.

Sources: College Records, County Clerk Offices, and the 2010 U.S. Census

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

Computation of Legal Debt Margin (Unaudited)
FY2005 through FY2014

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
2005	2,826,046,435	81,248,835	5,300,000	75,948,835
2006	2,951,380,890	84,852,201	4,800,000	80,052,201
2007	3,071,201,593	88,297,046	8,600,000	79,697,046
2008	3,229,766,461	92,855,786	15,380,000	77,475,786
2009	3,330,441,678	95,750,198	12,210,000	83,540,198
2010	3,397,682,821	97,683,381	27,145,000	70,538,381
2011	3,513,002,466	100,998,821	22,600,000	78,398,821
2012	3,550,844,563	102,086,781	17,740,000	84,346,781
2013	3,556,752,463	102,256,633	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	29,033,462	74,217,453



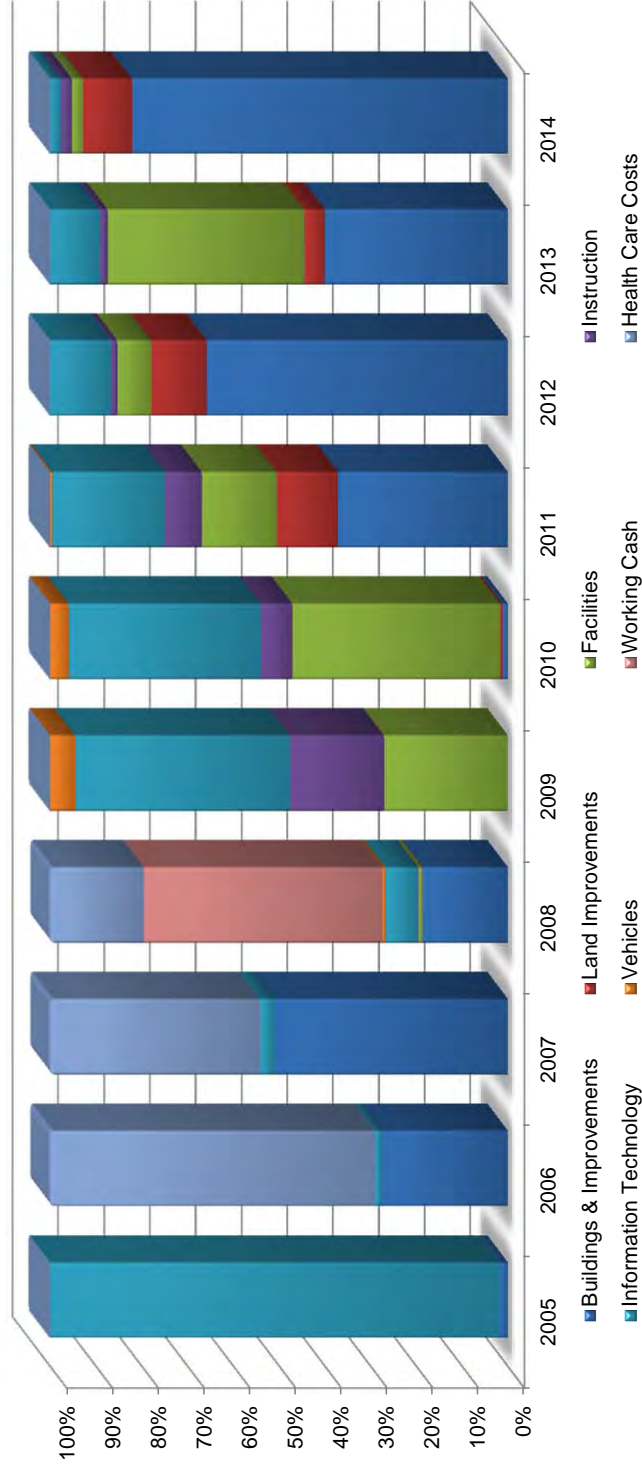
Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds (Unaudited)
FY2005 through FY2014

Purpose	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Buildings & Improvements	\$ 7,843	\$ 625,324	\$ 1,788,579	\$ 1,461,284	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615
Land Improvements	-	-	-	7,300	-	11,726	359,872	803,531	404,588	538,514
Facilities	-	-	-	68,408	511,727	972,659	434,725	494,661	3,821,944	122,738
Instruction	-	-	-	15,909	388,952	148,970	215,168	83,700	151,212	122,476
Information Technology	432,896	30,714	112,726	558,500	882,422	894,804	652,498	883,528	962,605	116,314
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	\$ 440,739	\$ 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

Bond Proceeds Usage

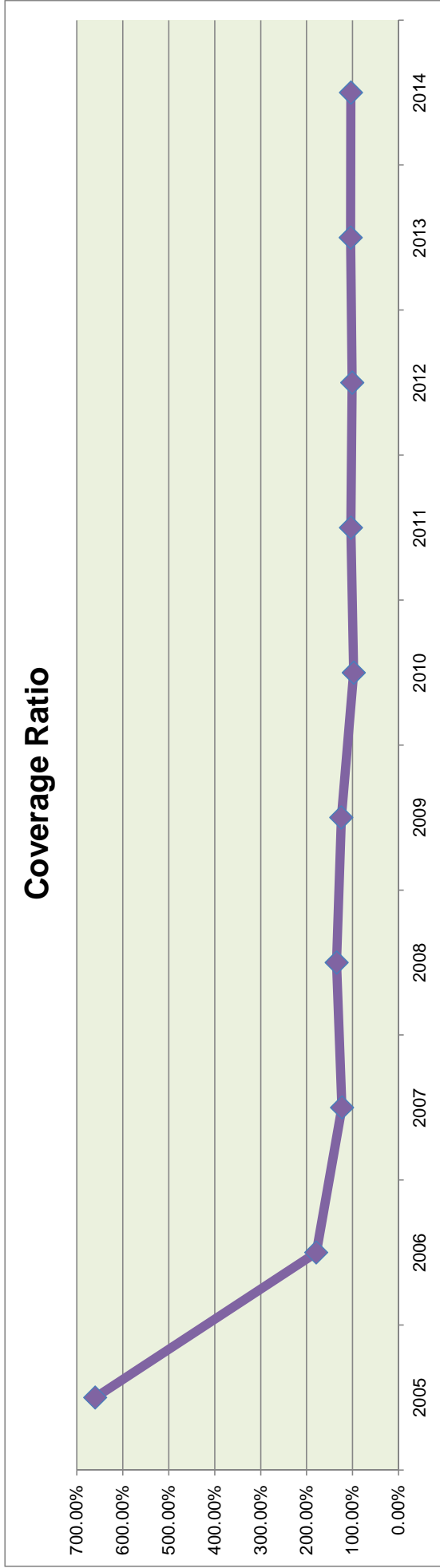


The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, and 2012.
Source: College records

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

Schedule of Bond Coverage (Unaudited)
FY2005 through FY2014

Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		2013 Bonds		Coverage Ratio
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2005	732,435	284	732,719	-	111,000	-	-	-	-	-	-	-	-	660.11%
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	-	-	-	-	-	-	-	-	123.18%
2008	3,214,755	31,313	3,246,068	1,220,000	115,539	600,000	319,333	-	-	-	-	-	-	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	400,000	563,349	-	-	-	-	103.82%
2012	5,452,396	49,787	5,502,183	-	-	3,000,000	50,000	1,860,000	528,513	-	-	-	-	101.17%
2013	5,895,161	1,171	5,896,332	-	-	-	-	5,025,000	419,263	-	-	-	-	104.17%
2014	6,418,164	1,040	6,419,204	-	-	-	-	5,150,000	296,366	-	-	-	-	103.85%



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

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

Direct and Overlapping General Obligation Bonded Debt (Unaudited)

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
Coal Valley Fire District (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 (Unaudited)

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:

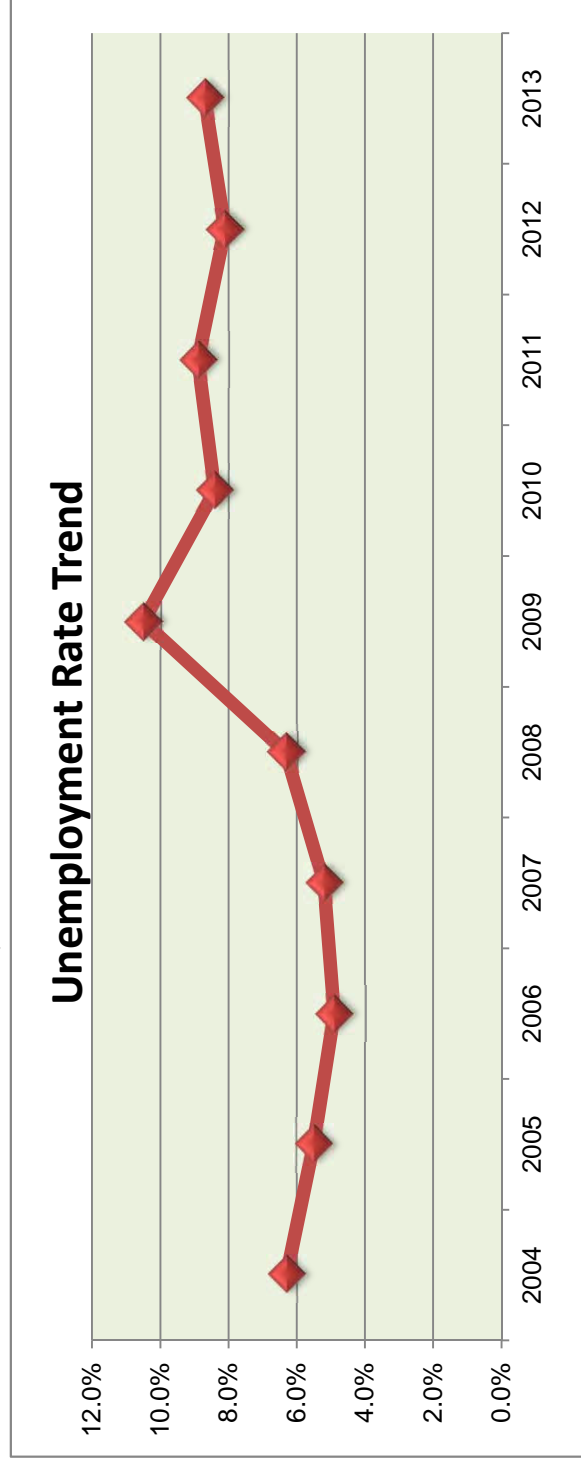
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied 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 (Unaudited)
Calendar Years 2004 through 2013

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2004	391,549	11,089,571	28,129	6.3%
2005	391,171	11,130,144	27,773	5.5%
2006	389,768	11,652,337	29,127	4.9%
2007	386,191	12,620,479	31,890	5.2%
2008	385,161	13,832,570	36,243	6.3%
2009	383,799	13,573,610	35,293	10.5%
2010	386,826	14,073,186	35,635	8.4%
2011	385,554	14,593,243	38,394	8.9%
2012	383,639	15,129,873	38,833	8.1%
2013	382,037	N/A	N/A	8.7%



Notes:

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

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

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

Principal Employers (Unaudited)
FY2004-FY2013

Rock Island County							
2004			2013				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Deere & Co.	Construction and agricultural equipment	7,317	10.26%	Rock Island Arsenal	Defense manufacturing	7,900	11.37%
Rock Island Arsenal	Defense manufacturing	6,000	8.41%	Deere & Co.	Construction and agricultural equipment	5,800	8.35%
Trinity Regional Health System	Health care system	2,500	3.51%	Trinity Regional Health System	Health care system	2,692	3.87%
ILBP	Food Processing	2,300	3.23%	Tyson Fresh Meats	Food processing	2,500	3.60%
Illini Hospital	Hospital	950	1.33%	Group O Companies	Third party logistics	1,100	1.58%
Case New Holland	Agriculture & industrial equipment	816	1.14%	Export Packaging (XPAC)	Supply chain management and logistics	1,000	1.44%
Kone Inc.	Corporate headquarters; elevators, escalators and autowalks installation and maintenance for vertical transportation industry	600	0.84%	Genesis Medical Center - Silvis	Hospital	970	1.40%
Norcross Safety Products	Rubber and waterproof footwear	471	0.66%	Black Hawk College	Community College	825	1.19%
Modern Woodmen of America	Fraternal life insurance company	430	0.60%	Rock Island County	County administration	802	1.15%
Minnesota Mining & Manufacturing	Consumer/Professional Products/Service	423	0.59%	Exelon	Utility/energy delivery	700	1.01%

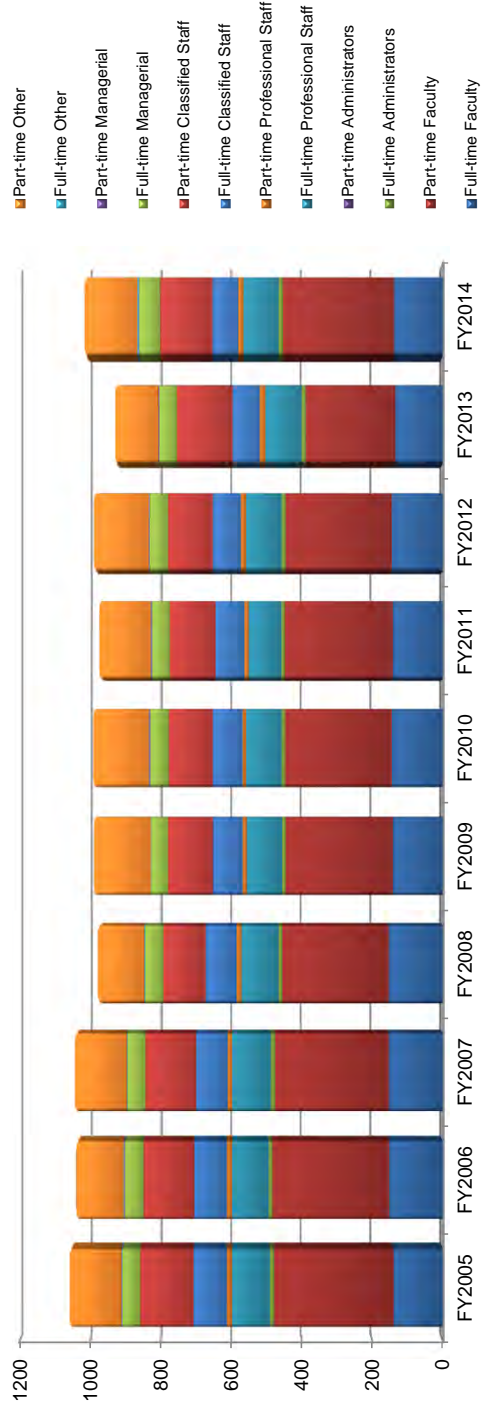
City of Kewanee							
2004			2013				
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Great Dane Trailers	Manufactures semi-truck trailers	500	7.88%	Great Dane Trailers	Manufactures semi-truck trailers	600	10.54%
Kewanee Hospital	Hospital	400	6.30%	OSF Saint Luke Medical Center	Hospital	300	5.27%
Exceller Sheepskin & Leather Coat Co.	Manufactures leather products	200	3.15%	Wal Mart	Retail	300	5.27%
Compaction America	Manufactures self-propelled compactors	150	2.36%	Peterson Health Care	Nursing home/assisted living	280	4.92%
Kewanee Corp.	Manufactures metal doors & frames	100	1.58%	Kewanee Community School District #229	Elementary/secondary school district	250	4.39%
				Bomag Americas	Manufactures soil compactors/ashpalt	200	3.51%
				Exceller Sheepskin & Leather Coat Co.	Manufactures/Distributes coats & jackets	150	2.63%
				Henry County Health Department	County government health department	150	2.63%
				Menard, Inc.	Retail - Building materials/home improv.	150	2.63%
				Black Hawk College East Campus	Community College	100	1.76%
				Boss Manufacturing	Manufactures gloves, boots, & rainwear	100	1.76%
				City of Kewanee	Government / Municipality	100	1.76%
				Good's Furniture	Furniture Retail	100	1.76%

Sources: Rock Island County, Illinois Annual Financial Report
Kewanee Fact Book - Russell Medley, Executive Director, Kewanee Economic Development Corporation
U.S. Census Bureau

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

Faculty and Staff Headcount (Unaudited)
FY2005 through FY2014

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Faculty										
Full-time	141	153	154	154	143	145	143	145	136	139
Part-time	337	330	322	301	303	302	306	300	253	314
Administrators										
Full-time	13	11	12	10	9	10	9	12	12	13
Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Full-time	50	53	52	51	49	52	51	52	51	60
Part-time	2	2	0	1	1	2	2	2	1	2
Professional Staff										
Full-time	107	103	109	106	101	101	92	101	102	99
Part-time	15	15	12	13	12	10	13	14	16	15
Classified Staff										
Full-time	93	93	90	88	83	84	82	80	77	73
Part-time	151	142	143	120	127	125	128	127	157	147
Other										
Full-time	2	2	1	1	1	1	1	0	0	4
Part-time	147	135	148	133	160	159	147	156	124	149
Total Employees										
Full-time	406	415	418	410	386	393	378	390	378	388
Part-time	652	624	625	568	603	598	596	599	551	627
Grand Total	1,058	1,039	1,043	978	989	991	974	989	929	1,015

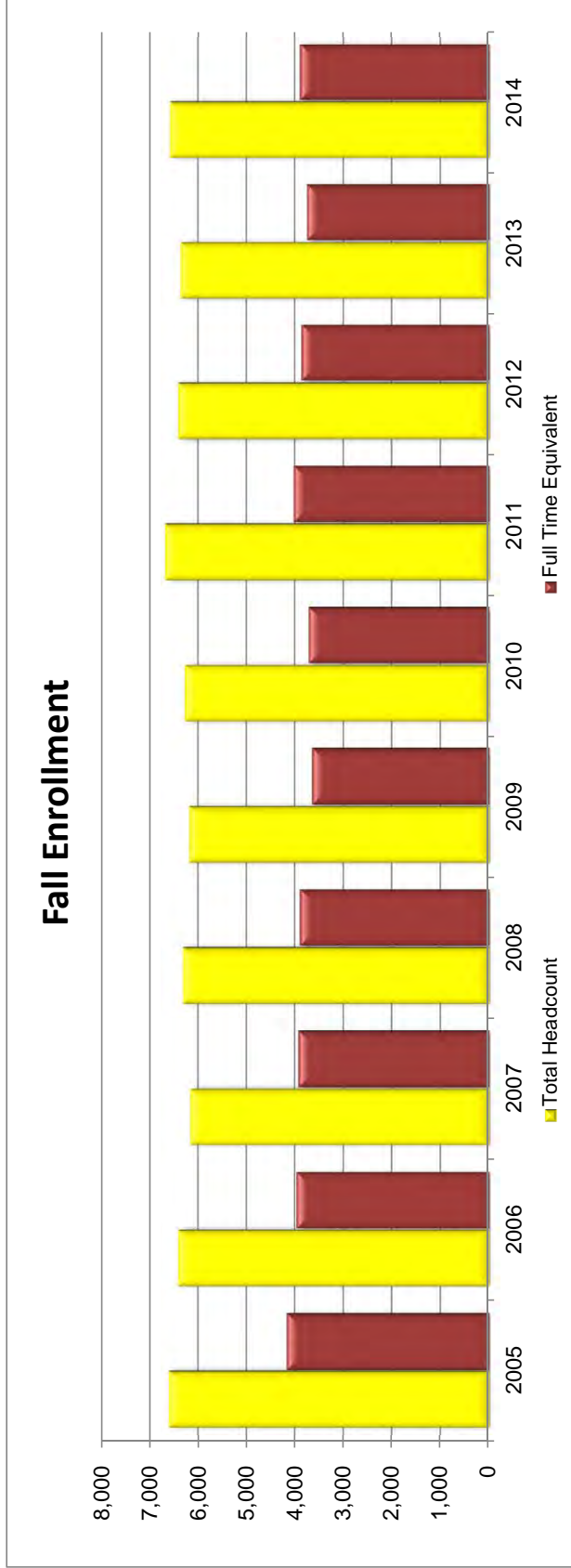


Source: ICCB Salary Survey C1 Report

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

Student Enrollment Demographic Statistics (Unaudited)
FY2005 through FY2014

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
2005	4,175	6,600	2,544	4,056	3,138	3,462	3,610	1,511	323	1,155	NR	NR	27.4
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



Source: ICCB E1 Report
NR = Not Recorded

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

Financial Aid Recipients
FY2005 through FY2014

Full-Time Students

Type of Aid	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Federal Aid										
College Work Study	140	133	142	134	72	92	73	84	78	80
PELL Grant	1,449	1,272	1,301	1,272	1,120	1,437	1,746	1,730	1,519	1,433
SEOG	384	316	286	308	277	243	440	187	282	518
Stafford Loan - subsidized	486	486	481	486	378	346	381	506	517	454
Stafford Loan - unsubsidized	226	243	215	252	246	221	231	271	489	447
PLUS (Parent) Student Loan	10	17	13	12	11	9	15	13	12	12
Chapter 33 (a GI Bill fund)	0	0	0	0	0	26	42	42	45	56
State Aid										
MAP Grant	1,130	986	1,008	959	775	661	663	737	605	508
IL Veterans Grant (IVG)	100	101	105	96	77	96	77	61	62	57
National Guard	22	37	35	27	19	25	25	31	22	16
POW/MIA Dependents	6	5	6	7	5	5	5	3	4	4
DORS	8	8	8	6	4	4	7	12	9	12
Local Aid										
Private Grant/Scholarship	162	159	143	163	150	187	190	229	200	201
Achievement Awards	318	272	263	281	329	320	300	295	280	308
Foundation Scholarships	134	111	131	136	147	171	186	158	153	168
Donor Scholarships	17	15	19	22	26	86	23	12	14	94
Student Bank Loan										
Employer Assistance										
TOTAL	4,592	4,161	4,156	4,161	3,636	3,929	4,404	4,371	4,291	4,368

Part-Time Students

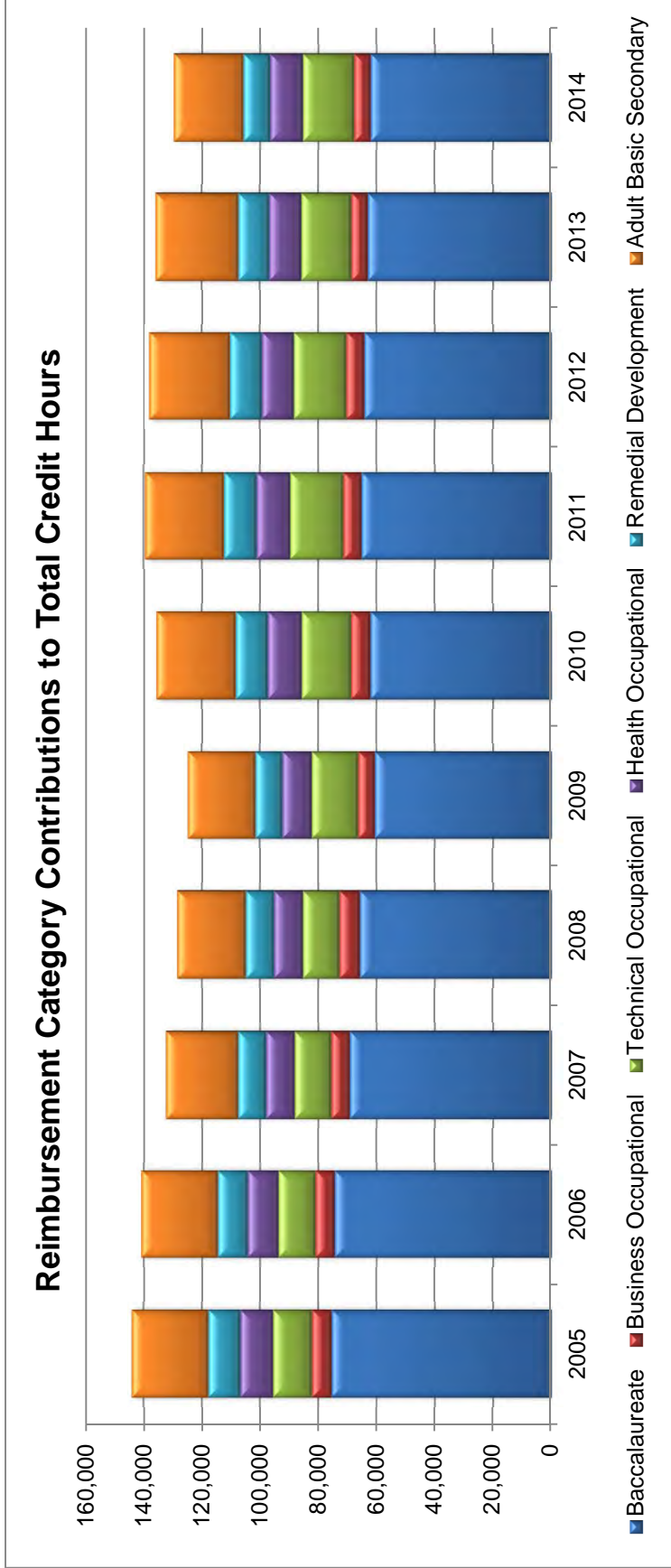
Type of Aid	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Federal Aid										
College Work Study	33	26	30	23	13	25	15	13	15	20
PELL Grant	1,144	1,067	1,021	926	883	1,108	1,322	1,285	1,160	1,076
SEOG	218	140	148	189	169	123	195	61	123	278
Stafford Loan - subsidized	171	174	189	223	131	110	127	216	258	191
Stafford Loan - unsubsidized	43	52	52	60	50	45	52	63	179	145
PLUS (Parent) Student Loan	1	0	0	3	2	1	0	2	0	1
Chapter 33 (a GI Bill fund)	0	0	0	0	0	14	28	37	24	22
State Aid										
MAP Grant	770	679	674	616	518	332	367	399	309	291
IL Veterans Grant (IVG)	99	110	110	99	77	82	74	73	69	47
National Guard	15	30	15	14	12	12	6	12	14	11
POW/MIA Dependents	4	4	6	3	2	3	1	2	1	2
DORS	10	4	9	17	6	10	16	17	19	20
Local Aid										
Private Grant/Scholarship	55	49	50	47	42	54	48	64	63	49
Achievement Awards	117	102	78	64	101	83	70	25	41	46
Foundation Scholarships	24	45	59	66	54	47	37	47	68	58
Donor Scholarships	8	5	11	12	15	26	8	13	12	13
Student Bank Loan										
Employer Assistance										
TOTAL	2,712	2,487	2,452	2,362	2,075	2,075	2,366	2,329	2,355	2,270

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 (Unaudited)
FY2005 through FY2014

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% Change 2005 vs. 2014
Baccalaureate	75,552.4	74,557.5	69,337.3	65,866.3	60,658.2	62,219.0	65,304.7	64,300.2	63,117.0	62,224.2	-17.64%
Business Occupational	6,757.8	6,536.8	6,368.6	6,976.0	5,756.6	6,633.1	6,284.3	6,177.5	5,660.4	5,604.5	-17.07%
Technical Occupational	13,310.7	12,766.0	12,550.4	12,516.8	15,920.1	16,956.0	18,238.5	17,967.3	17,165.0	17,687.1	32.88%
Health Occupational	11,326.3	10,540.9	9,888.6	10,025.6	10,119.6	11,690.7	11,510.2	11,028.1	11,012.9	11,236.6	-0.79%
Remedial Development	10,935.0	10,305.0	9,587.0	9,670.0	9,218.0	10,957.0	11,172.0	10,915.0	10,521.0	9,149.0	-16.33%
Adult Basic Secondary	26,205.1	26,193.7	24,660.5	23,395.0	23,098.0	27,065.3	26,969.0	27,600.5	28,314.9	23,853.8	-8.97%
Total	144,087.3	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	-9.95%



Note: Total credit hours includes both restricted and unrestricted credit hours.
Source: College Audited Financial Statements

Black Hawk College
Illinois Community College District No. 503

Schedule of Capital Assets - Instructional Facilities Information (Unaudited)
 FY2005 through FY2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Buildings - Permanent	18	18	18	19	19	19	19	21	21	21
Total acres	267.8	267.8	267.8	271.9	271.9	271.9	271.9	272.8	273.0	273.0
Net Assignable Square Feet:										
Classrooms and general use	75,921	76,868	76,251	74,977	71,702	71,968	71,831	78,033	79,463	84,325
Laboratory	85,299	83,439	97,016	130,723	128,713	128,713	129,373	137,122	141,793	139,191
Office	60,466	61,044	60,553	61,034	59,693	59,225	59,601	62,340	71,249	72,809
Study	24,864	24,864	24,307	24,491	24,307	24,307	24,307	24,873	24,944	20,166
Special use (Athletics, PE)	65,833	66,073	45,448	45,448	47,353	45,448	45,448	45,569	64,217	64,217
General use (Theater)	37,652	37,305	36,882	36,138	32,977	34,882	33,181	35,193	34,121	34,121
Support functions	32,444	32,035	31,274	29,874	29,014	29,216	29,154	33,357	35,958	37,630
Unassigned	-	-	-	-	-	-	-	-	2,719	3,363
Total	382,479	381,628	371,731	402,685	393,759	393,759	392,895	416,487	454,464	455,822

Parking capacity:

On campus parking spots	1,826	1,826	1,826	1,920	1,920	1,920	1,920	1,935	2,004	2,004
Acres	20	20	20	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 (Unaudited)
Year ended June 30, 2014

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 2014

Associate in Arts	256
Associate in Science	147
Associate in Liberal Studies	1
Associate in Applied Science	257
Associate in Arts in Teaching	1
Certificates	317

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		
	2013	2012	2011
Equalized assessed valuations:			
Bureau County	\$ 22,035,642	\$ 20,972,410	\$ 20,093,388
Henderson County	2,230,397	2,153,854	2,123,177
Henry County	813,367,177	771,178,621	756,965,531
Knox County	12,430,472	11,895,820	11,219,776
Marshall County	107,368	101,819	110,849
Mercer County	234,871,750	227,172,035	222,354,896
Rock Island County	2,356,301,920	2,377,980,495	2,397,690,456
Stark County	92,163,311	89,397,772	85,568,081
Whiteside County	57,828,134	55,899,637	54,718,409
	<u>\$ 3,591,336,171</u>	<u>\$ 3,556,752,463</u>	<u>\$ 3,550,844,563</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	0.1724	0.1794	0.1538
Liability, Protection, and Settlement Fund	0.0560	0.0514	0.0782
Audit Fund	-	0.0012	0.0028
Operations and Maintenance, restricted	0.0500	0.0500	0.0500
Equity	0.0743	0.0683	0.0621
	<u>0.5427</u>	<u>0.5403</u>	<u>0.5369</u>
Tax extensions:			
Education Fund	\$ 6,070,723	\$ 5,871,416	\$ 5,672,261
Operations and Maintenance Fund	3,421,179	3,315,676	3,279,418
Bond and Interest Fund	6,191,464	6,380,814	5,461,199
Liability, Protection, and Settlement Fund	2,011,148	1,828,171	2,776,760
Audit Fund	-	42,681	99,424
Operations and Maintenance, restricted	1,795,668	1,778,376	1,775,422
	<u>\$ 19,490,182</u>	<u>\$ 19,217,134</u>	<u>\$ 19,064,484</u>
Less tax collections (cumulative through June 30, 2014):			
Education Fund	\$ 2,140,546	\$ 5,846,174	\$ 5,663,727
Operations and Maintenance Fund	1,206,313	3,301,421	3,274,485
Bond and Interest Fund	2,182,849	6,353,382	5,452,984
Liability, Protection, and Settlement Fund	709,134	1,820,311	2,772,583
Audit Fund	-	42,498	99,274
Operations and Maintenance, restricted	633,156	1,770,731	1,772,750
	<u>\$ 6,871,997</u>	<u>\$ 19,134,516</u>	<u>\$ 19,035,803</u>
Taxes receivable:			
Tax receivable	\$ 12,618,185	\$ -	\$ -
Written off	-	(82,618)	(28,681)
Allowance for uncollectible taxes	(19,492)	-	-
	<u>\$ 12,598,693</u>	<u>\$ (82,618)</u>	<u>\$ (28,681)</u>
Taxes receivable by fund:			
Education Fund	\$ 3,924,105	\$ -	\$ -
Operations and Maintenance Fund	2,211,445	-	-
Bond and Interest Fund	4,002,423	-	-
Liability, Protection, and Settlement Fund	1,300,003	-	-
Audit Fund	-	-	-
Operations and Maintenance, restricted	1,160,716	-	-
	<u>\$ 12,598,692</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>35.26%</u>	<u>99.57%</u>	<u>99.85%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2013 levy	<u>\$ 3,591,336,171</u>
Debt limit, 2.875% of assessed valuation	\$ 103,250,915
Bonded indebtedness	<u>(28,299,231)</u>
Legal debt margin	<u>\$ 74,951,684</u>

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

Certification of Chargeback Reimbursement for Fiscal Year 2015

**All Fiscal Year 2014 Noncapital Audited Operating
Expenditures from the Following Funds**

1 Education Fund	\$ 30,588,642	
2 Operations and Maintenance Fund	4,311,292	
3 Operations and Maintenance Fund - restricted	-	
4 Bond and Interest Fund	6,182,133	
5 Public Building Commission Rental Fund	-	
6 Restricted Purposes Fund	13,913,946	
7 Audit Fund	87,175	
8 Liability, Protection, and Settlement Fund	2,095,916	
9 Auxiliary Enterprises Fund (Subsidy Only)	-	
10 Total noncapital expenditures		\$ 57,179,104
11 Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds		<u>1,532,708</u>
12 Total costs included (line 10 plus line 11)		<u>58,711,812</u>
13 Total certified semester credit hours for FY 2014	<u>129,755.20</u>	
14 Per capita cost (line 12 divided by line 13)		<u>452.48</u>
15 All fiscal year 2014 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>12,726,045</u>	
16 Fiscal year 2014 state and federal grants per semester credit hour (line 15 divided by line 13)		<u>98.08</u>
17 District's average ICCB grant rate (excluding equalization grants) for fiscal year 2015		<u>28.74</u>
18 District's student tuition and fee rate per semester credit hour for fiscal year 2015		<u>120.00</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)		<u><u>\$ 205.66</u></u>

Approved: Steve Fromm

Date: September 29, 2014

Approved: Dr. Bettie A. Truitt

Date: September 29, 2014

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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, 2014

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance (deficit), beginning	\$ 9,382,902	\$ 1,129,419	\$ 2,973,723
Revenues:			
Local tax revenue	6,074,408	3,383,669	6,278,922
All Other Local Revenue	1,229,368	136,183	-
ICCB grants	6,821,819	623,656	-
All other state revenue	8,712	-	-
Federal revenue	35,967	-	-
Student tuition and fees	15,929,809	104,427	-
All other revenue	679,602	142,393	9,034
Total revenues	30,779,685	4,390,328	6,287,956
Expenditures:			
Instruction	13,606,894	-	-
Academic support	4,039,615	-	-
Student services	2,797,905	-	-
Public service	800,720	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	4,311,292	-
Institutional support	5,795,148	-	6,182,133
Scholarships, student grants and waivers	3,548,360	-	-
Total expenditures	30,588,642	4,311,292	6,182,133
Net transfers	(100,000)	-	-
Fund balance, end of year	\$ 9,473,945	\$ 1,208,455	\$ 3,079,546

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 29,762,861	\$ 711,344	\$ 495,369	\$ 13,042,823	\$ 200,222	\$ 2,402,140	\$ 60,100,803
1,785,894	-	-	-	21,377	1,918,221	19,462,491
406,000	-	-	-	-	-	1,771,551
299,694	-	609,785	-	-	-	8,354,954
-	-	1,828,678	-	-	-	1,837,390
-	-	9,959,957	-	-	-	9,995,924
-	231,005	761,601	-	-	-	17,026,842
948,457	2,988,445	792,777	63,929	854	40,595	5,666,086
3,440,045	3,219,450	13,952,798	63,929	22,231	1,958,816	64,115,238
739,425	-	713,347	-	-	-	15,059,666
231,643	-	981,002	-	-	-	5,252,260
-	-	705,953	-	-	-	3,503,858
-	-	1,029,598	-	-	-	1,830,318
-	3,454,672	126,120	-	-	-	3,580,792
6,587,413	-	2,230	-	-	827,423	11,728,358
817,375	-	404,408	-	87,175	1,268,493	14,554,732
-	-	9,951,288	-	-	-	13,499,648
8,375,856	3,454,672	13,913,946	-	87,175	2,095,916	69,009,632
-	1,774	98,226	-	-	-	-
\$ 24,827,050	\$ 477,896	\$ 632,447	\$ 13,106,752	\$ 135,278	\$ 2,265,040	\$ 55,206,409

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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, 2014**

	Capital Asset/Debt June 30, 2013	Additions	Deletions	Capital Asset/Debt June 30, 2014
Capital Assets:				
Land	\$ 7,480,023	\$ 1,047,006	\$ (120,581)	\$ 8,406,448
Building and improvements	52,148,650	2,540,646	(907,789)	53,781,507
Equipment	7,503,695	509,841	(22,236)	7,991,300
Other	3,896,185	4,993,008	(1,183,713)	7,705,480
	<u>71,028,553</u>	<u>9,090,501</u>	<u>(2,234,319)</u>	<u>77,884,735</u>
Accumulated depreciation	(23,141,420)	(1,740,162)	287,874	(24,593,708)
Total capital assets	<u>\$ 47,887,133</u>	<u>\$ 7,350,339</u>	<u>\$ (1,946,445)</u>	<u>\$ 53,291,027</u>
 Capital Debt:				
Bonds payable	\$ 32,715,000	\$ -	\$ (5,150,000)	\$ 27,565,000
Total capital debt	<u>\$ 32,715,000</u>	<u>\$ -</u>	<u>\$ (5,150,000)</u>	<u>\$ 27,565,000</u>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2014**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 6,074,408	\$ 3,383,669	\$ 9,458,077
Corporate personal property replacement tax	1,225,645	136,183	1,361,828
Chargeback revenue	3,723	-	3,723
	<u>7,303,776</u>	<u>3,519,852</u>	<u>10,823,628</u>
State government:			
ICCB credit hour grants	3,274,197	623,656	3,897,853
ICCB equalization grants	3,264,676	-	3,264,676
ICCB - Career and Technical Education	282,946	-	282,946
Other state revenue	8,712	-	8,712
	<u>6,830,531</u>	<u>623,656</u>	<u>7,454,187</u>
Federal government:			
Department of Education	32,988	-	32,988
Other	2,979	-	2,979
	<u>35,967</u>	<u>-</u>	<u>35,967</u>
Student tuition and fees:			
Tuition	14,849,543	-	14,849,543
Fees	1,080,266	104,427	1,184,693
	<u>15,929,809</u>	<u>104,427</u>	<u>16,034,236</u>
Other sources:			
Sales and service fees	528,667	5,079	533,746
Facilities revenue	39,679	117,448	157,127
Investment revenue	28,799	5,981	34,780
Other	82,457	13,885	96,342
	<u>679,602</u>	<u>142,393</u>	<u>821,995</u>
Total revenues	30,779,685	4,390,328	35,170,013
Less nonoperating item, tuition chargeback revenue	(3,723)	-	(3,723)
Adjusted revenues	\$ 30,775,962	\$ 4,390,328	\$ 35,166,290

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2014**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 13,606,894	\$ -	\$ 13,606,894
Academic support	4,039,615	-	4,039,615
Student services	2,797,905	-	2,797,905
Public service	800,720	-	800,720
Operations and maintenance	-	4,311,292	4,311,292
Institutional support	5,795,148	-	5,795,148
Scholarships, student grants and waivers	3,548,360	-	3,548,360
Total expenditures	30,588,642	4,311,292	34,899,934
Less nonoperating item,			
tuition chargeback	(21,897)	-	(21,897)
Transfers, net	100,000	-	100,000
Adjusted expenditures	\$ 30,666,745	\$ 4,311,292	\$ 34,978,037
By object:			
Salaries	\$ 19,665,825	\$ 1,730,575	\$ 21,396,400
Employee benefits	4,631,210	530,662	5,161,872
Contractual services	956,251	421,630	1,377,881
General materials and supplies	1,447,316	250,920	1,698,236
Conference and meeting expenses	174,922	3,328	178,250
Fixed charges	61,624	131,057	192,681
Utilities	3,000	1,138,157	1,141,157
Capital outlay	71,496	104,089	175,585
Other	3,576,998	874	3,577,872
Total expenditures	30,588,642	4,311,292	34,899,934
Less nonoperating item,			
tuition chargeback	(21,897)	-	(21,897)
Transfers, net	100,000	-	100,000
Adjusted expenditures	\$ 30,666,745	\$ 4,311,292	\$ 34,978,037

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2014

Revenues by source:	
Local government	\$ -
State government:	
ICCB:	
Adult Education and Family Literacy	514,452
Early School Leaver	74,451
State Program Improvement	20,882
Dual Credit Enhancement	10,000
Illinois Veterans Grant	207,269
Illinois National Guard	62,781
MIA/POW	14,950
Illinois Coalition for Immigrant and Refugee Rights	
The New Americans Initiative Training	18,132
Illinois State Board of Education:	
Truancy and Alternative Education	167,538
Growing Agricultural Science Teachers	15,776
Illinois Department of Commerce and Economic Opportunity:	
Procurement Technical Assistance Center	39,600
Small Business Development Center/ITC	38,182
Illinois Department of Health & Human Services	
Department of Vocational Rehab	51,615
Illinois Department of Transportation	
Highway Construction Careers Training Program	285,689
Illinois Student Assistance Center	
Monetary Assistance Program	753,146
Secretary of State, LIFE	164,000
Total state government	2,438,463
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	154,567
Pell Grant	7,899,664
Supplemental Educational Opportunity Grant (SEOG)	130,875
Strengthening Institutions - Title III	472,344
Carl D. Perkins Vocational and Applied Technology Program	276,727
Adult Education & Family Literacy Leadership - ICAPS	5,000
Career & Technical Education - ICAPS	5,000
Local Programs of Study Implementation	5,000
Special Student Services	298,402
Adult Education and Family Literacy, Federal Basic Program	188,573
Adult Education English Language/Civics	34,524
Department of Labor	
TEAM	74,389
ESL for Seaford Employees	19,019
Department of Health and Human Services	
Refugee Social Services	37,248
Other Sources:	
Department of Defense	35,000
Small Business Administration	116,718
Veteran's Administration	206,907
Total federal government	9,959,957

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2014

Revenues by source (Continued):

Other sources:

Gifts from donors for scholarships	444,398
Student Fees	761,601
Student clubs and internal restricted funds	348,379
Total other	<u>1,554,378</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 13,952,798</u></u>

Expenditures by program:

Instruction	\$ 713,347
Academic support	981,002
Student services	705,953
Public service/continuing education	1,029,598
Auxiliary services	126,120
Operations and maintenance	2,230
Institutional support	404,408
Scholarships, student grants and waivers	9,951,288
Total expenditures by program	<u><u>\$ 13,913,946</u></u>

Expenditures by object:

Salaries	\$ 1,810,671
Employee benefits	451,153
Contractual services	907,048
General materials and supplies	452,620
Conference and meeting expenses	111,018
Fixed charges	49,626
Utilities	78,306
Capital outlay	147,995
Other	9,905,509
Total expenditures by object	<u><u>\$ 13,913,946</u></u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2014

Instruction	\$ 14,320,241
Academic support:	
Library center	546,594
Instructional materials center	281,674
Educational materials center	4,429
Academic computing support	1,407,595
Academic administration and planning	2,557,422
Other	222,903
Total academic support	<u>5,020,617</u>
Student services:	
Admissions and records	627,122
Counseling and career guidance	1,449,544
Financial aid administration	493,312
Social and cultural development	-
Other	933,880
Total student services	<u>3,503,858</u>
Public service/continuing education:	
Community education	306,859
Customized training (instructional)	279,172
Community services	1,043,444
Other	200,843
Total public service/continuing education	<u>1,830,318</u>
Auxiliary services	<u>3,580,792</u>
Operations and maintenance of plant:	
Maintenance	846,582
Custodial services	1,095,147
Grounds	412,765
Campus security	1,040,782
Utilities	1,223,724
Administration	521,945
Total operations and maintenance	<u>5,140,945</u>
Institutional support:	
Executive office	1,027,001
Fiscal operations	779,938
Community relations	1,333,230
Administrative support services	1,116,523
Board of Trustees	37,509
General institution	2,612,867
Administrative data processing	617,465
Other	30,691
Total institutional support	<u>7,555,224</u>
Scholarships, student grants and waivers	<u>13,499,648</u>
Total current funds expenditures	<u><u>\$ 54,451,643</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, 2014**

Fund Balances - Uniform Financial Statements	\$ 55,206,409
Capital assets in the Investment in Plant Fund	53,291,027
Long-term debt in the General Long Term Debt Fund	<u>(27,565,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 80,932,436</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2014**

Change in Fund Balances - Uniform Financial Statements	\$ (4,894,394)
Additions to buildings and equipment	7,906,788
Depreciation and loss of disposal of assets	<u>(2,502,894)</u>
Net Effect	<u>5,403,894</u>
Payment on long-term debt	5,150,000
Issuance of long-term debt	-
Net Effect	<u>5,150,000</u>
SURS revenue provided by state	8,068,818
SURS expenditure provided by state	<u>(8,068,818)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 5,659,500</u></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, 2014, 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, 2014, 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
September 24, 2014

Black Hawk College
Illinois Community College District #503

Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2014

	State Basic	Public Aid	Performance	Total
Assets				
Cash	\$ -	\$ -	\$ 1,550	\$ 1,550
Receivable from ICCB	17,535	7,921	16,840	42,296
Due from other funds	317	34	51	402
Total assets	<u>\$ 17,852</u>	<u>\$ 7,955</u>	<u>\$ 18,441</u>	<u>\$ 44,248</u>
Liabilities				
Accounts payable	\$ 2,837	\$ 654	\$ 884	\$ 4,375
Accrued salaries	7,725	2,446	1,963	12,134
Due to other funds	7,290	4,855	15,594	27,739
Total liabilities	<u>\$ 17,852</u>	<u>\$ 7,955</u>	<u>\$ 18,441</u>	<u>\$ 44,248</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, 2014

	State Basic	Public Aid	Performance	Total
Revenues, state sources	\$ 216,623	\$ 95,753	\$ 202,076	\$ 514,452
Expenditures:				
Current year's grant:				
Instruction	166,282	44,548	-	210,830
Social work services	-	-	-	-
Guidance services	18,876	19,227	51,228	89,331
Assessment and testing	92	16,953	442	17,487
Transportation	-	-	5	5
Literacy services	-	-	-	-
Improvement of Instructional Services	-	5	4,238	4,243
General administration	13,803	7,677	11,343	32,823
Workforce coordination	-	-	-	-
Data and information services	16,650	7,029	121,230	144,909
Operation of plant services	920	314	13,590	14,824
Total expenditures	<u>216,623</u>	<u>95,753</u>	<u>202,076</u>	<u>514,452</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2013				-
Ending, June 30, 2014				<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, 2014**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	166,282	76.76%
General Administration (15% Maximum Allowed)	13,803	6.37%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	44,548	46.52%
General Administration (15% Maximum Allowed)	7,677	8.02%

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

**ICCB State Program Improvement
Balance Sheet
June 30, 2014**

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, 2014**

Revenues, state sources	<u>\$ 20,882</u>
Expenditures:	
Salaries	-
Employee benefits	-
Supplies and materials	20,882
Total expenditures	<u>20,882</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2013	-
Ending, June 30, 2014	<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, 2014**

Assets	
Cash	\$ 161
Receivable	-
Total assets	<u>\$ 161</u>
Liabilities	
Due to other funds	\$ 161
Accrued salaries	-
Total liabilities	<u>\$ 161</u>
Fund balance , encumbered	-
Total liabilities and fund balance	<u>\$ 161</u>

**Early School Leaver Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2014**

Revenues, state sources	<u>\$ 74,451</u>
Expenditures:	
Salaries	54,257
Benefits	19,809
Contractual Services	22
Supplies and Materials	131
Travel	232
Student tuition and fees	-
Total expenditures	<u>74,451</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2013	-
Ending, June 30, 2014	<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, 2014. 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, 2014.

Capital Assets:

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

Encumbrances:

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

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

Background Information on State Grant Activity

Unrestricted Grants

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

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

Restricted Grants/Special Initiatives

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

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

Background Information on State Grant Activity

Statewide Initiatives

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

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

Restricted Adult Education Grants/State

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

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

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

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

**Schedule of Findings and Questioned Costs for Certain State Grants Summary
Year Ended June 30, 2014**

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, 2014. 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, 2014, in conformity with the Illinois Community College Board's *Fiscal Management Manual*.

Wipfli LLP

Freeport, Illinois
September 24, 2014

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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, 2014

Categories	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer		Fall		Spring		(Note 3) Total	
Notes 1 and 2	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	5,332.5	-	30,188.1	25.9	26,677.7	-	62,198.3	25.9
Business Occupational	386.5	-	2,664.0	-	2,554.0	-	5,604.5	-
Technical Occupational	1,380.4	-	8,488.8	-	7,817.9	-	17,687.1	-
Health Occupational	740.3	-	5,912.1	-	4,584.2	-	11,236.6	-
Remedial Developmental	668.0	-	5,054.0	-	3,427.0	-	9,149.0	-
Adult Basic/Secondary Education	2,639.9	437.5	2,601.8	7,870.7	7,985.4	2,318.5	13,227.1	10,626.7
Total	11,147.6	437.5	54,908.8	7,896.6	53,046.2	2,318.5	119,102.6	10,652.6

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

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

Note 3) Total of unrestricted and restricted should equal the S-3 record totals.

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Semester Credit Hours	124,845.8	112.0	124,957.8
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	10,547.5	203.0	
District Prior Year Equalized Assessed Valuation			3,591,336,171

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, 2014

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	62,198.3	62,198.3	-	25.9	25.9	-
Business Occupational	5,604.5	5,604.5	-	-	-	-
Technical Occupational	17,687.1	17,687.1	-	-	-	-
Health Occupational	11,236.6	11,236.6	-	-	-	-
Remedial Developmental	9,149.0	9,149.0	-	-	-	-
Adult Basic/Secondary Ed.	13,227.1	13,227.1	-	10,626.7	10,626.7	-
Total	119,102.6	119,102.6	-	10,652.6	10,652.6	-

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

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Resident	124,845.8	124,845.8	-
Out-of-District on Chargeback or Contractual Agreement	112.0	112.0	-
Dual Credit	10,547.5	10,547.5	-
Dual Enrollment	203.0	203.0	-

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
2013	\$ 3,591,336,171
2012	3,556,752,463
2011	3,550,844,563

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, 2014, 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 September 24, 2014.

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 2014-01.

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*.

Responses to Findings

Black Hawk College, Illinois Community College District #503's responses to the findings identified in our audit are 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.

Wipfli LLP

Freeport, Illinois
September 24, 2014

**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, 2014. 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, 2014.

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 119 through 125 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Black Hawk College, Illinois Community College District #503. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wipfli LLP

Freeport, Illinois
September 24, 2014

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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	P063P131337	\$7,899,664
Federal Supplemental Educational Opportunity Grant	84.007	P007A131107	130,875
Federal Family Education Loans	84.268	P268K141337	3,086,935
Federal Work-Study Program	84.033	P033A131107	154,567
Total student financial aid			11,272,041
Federal Strengthen Institution Program	84.031	P031A090064	472,344
TRIO - Student Support Services	84.042A	P042A100151	298,402
Total direct programs			\$12,042,787
Passed through Illinois Community College Board:			
Adult Education State Grant Program (Fed Basic)	84.002A	50301	188,573
Adult Education State Grant Program (EL Civics)	84.002A	50301	34,524
Adult Ed & Family Literacy Leadership (I-CAPS)	84.002A	AEL ICAPS 50314	5,000
			228,097
Vocational Education (Perkins)	84.048	CTE50314	276,727
Local Programs of Study	84.048	14CTE POSI 503	5,000
Career & Technical Education (I-CAPS)	84.048	CTE ICAPS 50314	5,000
			286,727
Total pass through programs from Illinois Community College Board			514,824
Total U.S. Department of Education:			\$12,557,611
U.S. Department of Health and Human Services			
Passed through Illinois Department of Human Services:			
Refugee Social Services Program	93.566		37,248
Total U.S. Department of Health and Human Services			37,248
U.S. Department of Defense			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Procurement Technical Assistance Center	12.002	14-601109	35,000
Total U.S. Department of Defense:			35,000
U.S. Department of Veterans Affairs			
VA Rehabilitation	64.116		50,189
Veteran's Educational Assistance	64.120		156,718
Total U.S. Department of Veterans Affairs			206,907

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

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	13-181119	21,175
Small Business Development Center/ITC	59.037	13-181119	20,285
Small Business Development Center/ITC	59.037	14-561119	75,258
Total Small Business Administration:			116,718
U.S. Department of Labor			
Passed through Illinois Department of Employment:			
WIA - Training Employee Academic Mastery	17.259		74,390
Passed through Illinois Department of Commerce and Economic Opportunity:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		19,019
Total U.S. Department of Labor:			93,409
Total Expenditures of Federal Awards:			\$13,046,893

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, 2014**

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, 2014. 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, 2014, the College had no sub-recipients of federal funds.

Note 4. Nonmonetary Assistance

For the year ended June 30, 2014, 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, 2014.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

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

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

Auditee qualified as low risk auditee? Yes No

Schedule of Findings and Questioned Costs
Year Ending June 30, 2014

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

2014-01

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.

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, 2014**

2014-01

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.

Anticipated Date of Completion – December 31, 2014

Contact Person – Leanna Bowers, Payroll Manager

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

**Summary Schedule of Prior Audit Findings
June 30, 2014**

Comment	Status	Corrective Action or Other Explanation
None		

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Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2014

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 6,020,480	\$ 816,904	\$ 11,357	\$ 587,946	\$ 154,903
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	3,924,105	2,211,445	-	-	-
Federal government claims	-	-	-	622,373	-
State government claims	1,841,981	127,060	-	686,708	-
Student tuition and fees	5,811,413	-	-	-	-
Other	23,055	3,861	432,378	47,064	-
Due from other funds	1,181,230	8,903	-	422	-
Inventory	-	-	664,629	-	-
Prepaid expenses	110,960	15,845	17,150	156,353	-
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$24,593,708 depreciation	-	-	-	-	-
Total assets	<u>\$ 18,913,224</u>	<u>\$ 3,184,018</u>	<u>\$ 1,125,514</u>	<u>\$ 2,100,866</u>	<u>\$ 154,903</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Accounts payable	\$ 427,548	\$ 130,195	\$ 108,609	\$ 123,212	\$ 19,625
Accrued expenses					
Payroll	666,101	21,312	2,255	33,976	-
Early retirement	81,108	-	-	-	-
Accrued vacation	664,769	95,016	35,667	39,146	-
Other	-	-	-	-	-
Due to other funds	-	-	427,768	777,526	-
Unearned revenues					
Student tuition and fees	4,513,586	-	72,369	230,430	-
Other liabilities	50,306	16,350	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>6,403,418</u>	<u>262,873</u>	<u>646,668</u>	<u>1,204,290</u>	<u>19,625</u>
Deferred inflows of resources					
Property taxes	3,035,361	1,710,589	-	-	-
Other	500	2,101	950	264,129	-
Total deferred inflows of resources	<u>3,035,861</u>	<u>1,712,690</u>	<u>950</u>	<u>264,129</u>	<u>-</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	632,447	135,278
Unrestricted	9,473,945	1,208,455	477,896	-	-
Total fund balance	<u>9,473,945</u>	<u>1,208,455</u>	<u>477,896</u>	<u>632,447</u>	<u>135,278</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 18,913,224</u>	<u>\$ 3,184,018</u>	<u>\$ 1,125,514</u>	<u>\$ 2,100,866</u>	<u>\$ 154,903</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
\$ 1,927,890	\$ 13,106,752	\$ 2,258,400	\$ 25,139,417	\$ -	\$ -	\$ 50,024,049
-	-	-	-	-	-	-
1,300,003	-	4,002,423	1,160,716	-	-	12,598,692
-	-	-	-	-	-	622,373
-	-	-	1,000,000	-	-	3,655,749
-	-	-	-	-	-	5,811,413
-	-	-	-	-	-	506,358
14,739	-	-	97,806	-	-	1,303,100
-	-	-	-	-	-	664,629
100,021	-	-	3,494	-	-	403,823
-	-	-	-	927,464	-	927,464
-	-	-	-	7,705,480	-	7,705,480
-	-	-	-	44,658,083	-	44,658,083
\$ 3,342,653	\$ 13,106,752	\$ 6,260,823	\$ 27,401,433	\$ 53,291,027	\$ -	\$ 128,881,213
<hr/>						
\$ 21,770	\$ -	\$ -	\$ 1,578,742	\$ -	\$ -	\$ 2,409,701
16,875	-	-	-	-	-	740,519
-	-	-	-	-	-	81,108
33,394	-	-	-	-	-	867,992
-	-	81,954	-	-	-	81,954
-	-	-	97,806	-	-	1,303,100
-	-	-	-	-	-	4,816,385
-	-	-	-	-	-	66,656
-	-	-	-	-	27,565,000	27,565,000
-	-	-	-	-	-	-
72,039	-	81,954	1,676,548	-	27,565,000	37,932,415
1,005,574	-	3,099,323	897,835	-	-	9,748,682
-	-	-	-	-	-	267,680
1,005,574	-	3,099,323	897,835	-	-	10,016,362
<hr/>						
-	-	-	-	53,291,027	(27,565,000)	25,726,027
2,265,040	10,194,190	3,079,546	23,018,654	-	-	39,325,155
-	2,912,562	-	1,808,396	-	-	15,881,254
2,265,040	13,106,752	3,079,546	24,827,050	53,291,027	(27,565,000)	80,932,436
\$ 3,342,653	\$ 13,106,752	\$ 6,260,823	\$ 27,401,433	\$ 53,291,027	\$ -	\$ 128,881,213

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2014**

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
Revenues:					
Local governmental sources					
Property taxes	\$ 6,074,408	\$ 3,383,669	\$ -	\$ -	\$ 21,377
Personal Property Replacement Tax	1,225,645	136,183	-	-	-
Other	3,723	-	-	-	-
Total local government sources	7,303,776	3,519,852	-	-	21,377
State governmental sources	6,830,531	623,656	-	2,438,463	-
Federal governmental sources	35,967	-	-	9,959,957	-
Student tuition and fees	15,929,809	104,427	231,005	761,601	-
Sales, services and rental of facilities and equipment	568,346	122,527	2,910,423	162,864	-
Investment earnings	28,799	5,981	1,226	-	854
Other sources	82,457	13,885	76,796	629,913	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	8,068,818	-
Total revenues	30,779,685	4,390,328	3,219,450	22,021,616	22,231
Expenditures:					
Instruction	13,606,894	-	-	713,347	-
Academic support	4,039,615	-	-	981,002	-
Student services	2,797,905	-	-	705,953	-
Public services	800,720	-	-	1,029,598	-
Institutional support	5,795,148	-	-	404,408	87,175
Auxiliary services	-	-	3,454,672	126,120	-
Scholarships, student grants, and waivers	3,548,360	-	-	9,951,288	-
SURS contribution provided by state	-	-	-	8,068,818	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	4,311,292	-	2,230	-
Total expenditures	30,588,642	4,311,292	3,454,672	21,982,764	87,175
Excess (deficiency) of revenues over expenditures	191,043	79,036	(235,222)	38,852	(64,944)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	1,774	98,226	-
Operating transfers out	(100,000)	-	-	-	-
Total other financing sources (uses)	(100,000)	-	1,774	98,226	-
Net change in fund balance	91,043	79,036	(233,448)	137,078	(64,944)
Fund balance					
Beginning	9,382,902	1,129,419	711,344	495,369	200,222
Ending	\$ 9,473,945	\$ 1,208,455	\$ 477,896	\$ 632,447	\$ 135,278

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
\$ 1,918,221	\$ -	\$ 6,278,922	\$ 1,785,894	\$ -	\$ -	\$ 19,462,491
-	-	-	-	-	-	1,361,828
-	-	-	406,000	-	-	409,723
1,918,221	-	6,278,922	2,191,894	-	-	21,234,042
-	-	-	299,694	-	-	10,192,344
-	-	-	-	-	-	9,995,924
-	-	-	-	-	-	17,026,842
-	-	-	-	-	-	3,764,160
40,595	63,929	9,034	136,102	-	-	286,520
-	-	-	812,355	-	-	1,615,406
-	-	-	-	7,906,788	-	7,906,788
-	-	-	-	-	5,150,000	5,150,000
-	-	-	-	-	-	8,068,818
1,958,816	63,929	6,287,956	3,440,045	7,906,788	5,150,000	85,240,844
-	-	-	739,425	-	-	15,059,666
-	-	-	231,643	-	-	5,252,260
-	-	-	-	-	-	3,503,858
-	-	-	-	-	-	1,830,318
1,268,493	-	6,182,133	817,375	-	-	14,554,732
-	-	-	-	-	-	3,580,792
-	-	-	-	-	-	13,499,648
-	-	-	-	-	-	8,068,818
-	-	-	-	1,740,162	-	1,740,162
-	-	-	-	762,732	-	762,732
827,423	-	-	6,587,413	-	-	11,728,358
2,095,916	-	6,182,133	8,375,856	2,502,894	-	79,581,344
(137,100)	63,929	105,823	(4,935,811)	5,403,894	5,150,000	5,659,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	100,000
-	-	-	-	-	-	(100,000)
-	-	-	-	-	-	-
(137,100)	63,929	105,823	(4,935,811)	5,403,894	5,150,000	5,659,500
2,402,140	13,042,823	2,973,723	29,762,861	47,887,133	(32,715,000)	75,272,936
\$ 2,265,040	\$ 13,106,752	\$ 3,079,546	\$ 24,827,050	\$ 53,291,027	\$ (27,565,000)	\$ 80,932,436

**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	\$ 80,932,436
Long-term portion of early retirement liability	<u>(1,754,469)</u>
Unamortized bond premium	<u>(734,231)</u>
Net Position of Statement of Net Position	<u><u>\$ 78,443,736</u></u>

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

Net Increase in Fund Balances	\$ 5,659,500
Reduction in student tuition and fees	(10,933,245)
Reduction in financial aid	10,933,245
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	7,906,788
Expended for capital assets	(7,906,788)
Net Effect	<u>-</u>
Long-term debt retired	5,150,000
Additions to general long-term debt fund	(5,150,000)
Net Effect	<u>-</u>
Amortization of bond premium	<u>108,027</u>
Increase in long-term early retirement liability	<u>-</u>
Change in Net Position	<u><u>\$ 5,767,527</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, 2014

	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	\$ 6,071,050	\$ 6,074,408	\$ 3,358	\$ 3,098,042	\$ 3,383,669	\$ 285,627
Personal property taxes	1,080,000	1,225,645	145,645	120,000	136,183	16,183
Other	-	3,723	3,723	-	-	-
Total local government sources	<u>7,151,050</u>	<u>7,303,776</u>	<u>152,726</u>	<u>3,218,042</u>	<u>3,519,852</u>	<u>301,810</u>
State governmental sources	6,260,115	6,830,531	570,416	564,188	623,656	59,468
Federal governmental sources	36,000	35,967	(33)	-	-	-
Student tuition and fees	17,858,538	15,929,809	(1,928,729)	85,000	104,427	19,427
Sales, services and rental of facilities	703,746	568,346	(135,400)	132,640	122,527	(10,113)
Investment earnings	24,500	28,799	4,299	-	5,981	5,981
Other sources	16,200	82,457	66,257	20,150	13,885	(6,265)
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
Total revenues	<u>32,450,149</u>	<u>30,779,685</u>	<u>(1,670,464)</u>	<u>4,270,020</u>	<u>4,390,328</u>	<u>120,308</u>
Expenditures:						
Current						
Instruction	14,836,456	13,606,894	(1,229,562)	-	-	-
Academic support	4,873,579	4,039,615	(833,964)	-	-	-
Student services	2,285,454	2,797,905	512,451	-	-	-
Public services	845,174	800,720	(44,454)	-	-	-
Institutional support	5,160,852	5,795,148	634,296	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	4,015,000	3,548,360	(466,640)	-	-	-
Operation of physical facilities	-	-	-	4,313,654	4,311,292	(2,362)
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
Total expenditures	<u>32,541,515</u>	<u>30,588,642</u>	<u>(1,952,873)</u>	<u>4,578,654</u>	<u>4,311,292</u>	<u>(267,362)</u>
Excess (deficiency) of revenues over expenditures	<u>(91,366)</u>	<u>191,043</u>	<u>282,409</u>	<u>(308,634)</u>	<u>79,036</u>	<u>387,670</u>
Other financing sources (uses):						
Operating transfers in	400,000	-	(400,000)	-	-	-
Operating transfers out	-	(100,000)	(100,000)	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	<u>400,000</u>	<u>(100,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 308,634</u>	<u>91,043</u>	<u>\$ (217,591)</u>	<u>\$ (308,634)</u>	<u>79,036</u>	<u>\$ 387,670</u>
Fund balance						
Beginning		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</u>	
Ending		<u>\$ 9,473,945</u>			<u>\$ 1,208,455</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, 2014

	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	\$ 6,071,050	\$ 6,074,408	\$ 3,358	\$ 3,098,042	\$ 3,383,669	\$ 285,627
Personal property taxes	1,080,000	1,225,645	145,645	120,000	136,183	16,183
Other	-	3,723	3,723	-	-	-
Total local government sources	<u>7,151,050</u>	<u>7,303,776</u>	<u>152,726</u>	<u>3,218,042</u>	<u>3,519,852</u>	<u>301,810</u>
State governmental sources	6,260,115	6,830,531	570,416	564,188	623,656	59,468
Federal governmental sources	36,000	35,967	(33)	-	-	-
Student tuition and fees	17,858,538	15,929,809	(1,928,729)	85,000	104,427	19,427
Sales, services and rental of facilities	703,746	568,346	(135,400)	132,640	122,527	(10,113)
Investment earnings	24,500	28,799	4,299	-	5,981	5,981
Other sources	16,200	82,457	66,257	20,150	13,885	(6,265)
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
Total revenues	<u>32,450,149</u>	<u>30,779,685</u>	<u>(1,670,464)</u>	<u>4,270,020</u>	<u>4,390,328</u>	<u>120,308</u>
Expenditures:						
Current						
Salaries	21,003,703	19,665,825	(1,337,878)	1,749,875	1,730,575	(19,300)
Benefits	3,943,152	4,631,210	688,058	597,317	530,662	(66,655)
Contractual Services	1,052,512	956,251	(96,261)	477,820	421,630	(56,190)
Supplies & Materials	1,625,362	1,447,316	(178,046)	321,229	250,920	(70,309)
Conference & Meetings	299,122	174,922	(124,200)	28,098	3,328	(24,770)
Fixed Charges	16,435	61,624	45,189	186,960	131,057	(55,903)
Utilities	10,588	3,000	(7,588)	952,355	1,138,157	185,802
Capital Outlay	-	71,496	71,496	-	104,089	104,089
Other	4,065,641	3,576,998	(488,643)	-	874	874
Contingency	525,000	-	(525,000)	265,000	-	(265,000)
Total expenditures	<u>32,541,515</u>	<u>30,588,642</u>	<u>(1,952,873)</u>	<u>4,578,654</u>	<u>4,311,292</u>	<u>(267,362)</u>
Excess (deficiency) of revenues over expenditures	<u>(91,366)</u>	<u>191,043</u>	<u>282,409</u>	<u>(308,634)</u>	<u>79,036</u>	<u>387,670</u>
Other financing sources (uses):						
Operating transfers in	400,000	-	(400,000)	-	-	-
Operating transfers out	-	(100,000)	(100,000)	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	<u>400,000</u>	<u>(100,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 308,634</u>	<u>91,043</u>	<u>\$ (217,591)</u>	<u>\$ (308,634)</u>	<u>79,036</u>	<u>\$ 387,670</u>
Fund balance						
Beginning		<u>\$ 9,382,902</u>			<u>\$ 1,129,419</u>	
Ending		<u>\$ 9,473,945</u>			<u>\$ 1,208,455</u>	

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, 2014

	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	\$ -	\$ -	\$ -	\$ 36,219	\$ 21,377	\$ (14,842)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	36,219	21,377	(14,842)
State governmental sources	2,010,000	2,438,463	428,463	-	-	-
Federal governmental sources	14,257,895	9,959,957	(4,297,938)	-	-	-
Student tuition and fees	812,500	761,601	(50,899)	-	-	-
Sales, services and rental of facilities	-	162,864	162,864	-	-	-
Investment earnings	-	-	-	-	854	854
Other sources	440,000	629,913	189,913	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
Total revenues	19,520,395	13,952,798	(5,567,597)	36,219	22,231	(13,988)
Expenditures:						
Current						
Instruction	673,546	713,347	39,801	-	-	-
Academic support	2,126,612	981,002	(1,145,610)	-	-	-
Student services	985,607	705,953	(279,654)	-	-	-
Public services	1,634,300	1,029,598	(604,702)	-	-	-
Institutional support	291,173	404,408	113,235	60,000	87,175	27,175
Auxiliary services	114,293	126,120	11,827	-	-	-
Scholarships, student grants, and waivers	11,628,415	9,951,288	(1,677,127)	-	-	-
Operation of physical facilities	26,301	2,230	(24,071)	-	-	-
Contingency	2,040,148	-	(2,040,148)	-	-	-
Total expenditures	19,520,395	13,913,946	(5,606,449)	60,000	87,175	27,175
Excess (deficiency) of revenues over expenditures	-	38,852	38,852	(23,781)	(64,944)	(41,163)
Other financing sources (uses):						
Operating transfers in	-	98,226	98,226	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	-	98,226	98,226	-	-	-
Net change in fund balance	\$ -	137,078	\$ 137,078	\$ (23,781)	(64,944)	\$ (41,163)
Fund balance						
Beginning		<u>\$ 495,369</u>			<u>\$ 200,222</u>	
Ending		<u>\$ 632,447</u>			<u>\$ 135,278</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
\$ 1,810,931	\$ 1,918,221	\$ 107,290	\$ 6,172,555	\$ 6,278,922	\$ 106,367	\$ 1,775,000	\$ 1,785,894	\$ 10,894
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	406,000	406,000
<u>1,810,931</u>	<u>1,918,221</u>	<u>107,290</u>	<u>6,172,555</u>	<u>6,278,922</u>	<u>106,367</u>	<u>1,775,000</u>	<u>2,191,894</u>	<u>416,894</u>
-	-	-	-	-	-	360,000	299,694	(60,306)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	40,595	40,595	-	9,034	9,034	3,000	136,102	133,102
-	-	-	-	-	-	-	812,355	812,355
-	-	-	-	-	-	1,200,000	-	(1,200,000)
<u>1,810,931</u>	<u>1,958,816</u>	<u>147,885</u>	<u>6,172,555</u>	<u>6,287,956</u>	<u>115,401</u>	<u>3,338,000</u>	<u>3,440,045</u>	<u>102,045</u>
-	-	-	-	-	-	1,000,000	739,425	(260,575)
-	-	-	-	-	-	-	231,643	231,643
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,532,872	1,268,493	(264,379)	6,172,555	6,182,133	9,578	150,000	817,375	667,375
-	-	-	-	-	-	350,000	-	(350,000)
-	-	-	-	-	-	-	-	-
837,792	827,423	(10,369)	-	-	-	13,673,000	6,587,413	(7,085,587)
-	-	-	-	-	-	400,000	-	(400,000)
<u>2,370,664</u>	<u>2,095,916</u>	<u>(274,748)</u>	<u>6,172,555</u>	<u>6,182,133</u>	<u>9,578</u>	<u>15,573,000</u>	<u>8,375,856</u>	<u>(7,197,144)</u>
<u>(559,733)</u>	<u>(137,100)</u>	<u>422,633</u>	<u>-</u>	<u>105,823</u>	<u>105,823</u>	<u>(12,235,000)</u>	<u>(4,935,811)</u>	<u>7,299,189</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (559,733)</u>	<u>(137,100)</u>	<u>\$ 422,633</u>	<u>\$ -</u>	<u>105,823</u>	<u>\$ 105,823</u>	<u>\$ (12,235,000)</u>	<u>(4,935,811)</u>	<u>\$ 7,299,189</u>
	<u>\$ 2,402,140</u>			<u>\$ 2,973,723</u>			<u>\$ 29,762,861</u>	
	<u>\$ 2,265,040</u>			<u>\$ 3,079,546</u>			<u>\$ 24,827,050</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2014

	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	\$ -	\$ -	\$ -	\$ 36,219	\$ 21,377	\$ (14,842)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	36,219	21,377	(14,842)
State governmental sources	2,010,000	2,438,463	428,463	-	-	-
Federal governmental sources	14,257,895	9,959,957	(4,297,938)	-	-	-
Student tuition and fees	812,500	761,601	(50,899)	-	-	-
Sales, services and rental of facilities	-	162,864	162,864	-	-	-
Investment earnings	-	-	-	-	854	854
Other sources	440,000	629,913	189,913	-	-	-
Contingency	2,000,000	-	(2,000,000)	-	-	-
Total revenues	19,520,395	13,952,798	(5,567,597)	36,219	22,231	(13,988)
Expenditures:						
Current						
Salaries	2,230,679	1,810,671	(420,008)	-	-	-
Benefits	529,453	451,153	(78,300)	-	-	-
Contractual Services	1,846,658	907,048	(939,610)	60,000	87,175	27,175
Supplies & Materials	630,576	452,620	(177,956)	-	-	-
Conference & Meetings	127,387	111,018	(16,369)	-	-	-
Fixed Charges	70,093	49,626	(20,467)	-	-	-
Utilities	185,312	78,306	(107,006)	-	-	-
Capital Outlay	135,270	147,995	12,725	-	-	-
Other	11,724,819	9,905,509	(1,819,310)	-	-	-
Contingency	2,040,148	-	(2,040,148)	-	-	-
Total expenditures	19,520,395	13,913,946	(5,606,449)	60,000	87,175	27,175
Excess (deficiency) of revenues over expenditures	-	38,852	38,852	(23,781)	(64,944)	(41,163)
Other financing sources (uses):						
Operating transfers in	-	98,226	98,226	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	-	98,226	98,226	-	-	-
Net change in fund balance	\$ -	137,078	\$ 137,078	\$ (23,781)	(64,944)	\$ (41,163)
Fund balance						
Beginning		<u>\$ 495,369</u>			<u>\$ 200,222</u>	
Ending		<u>\$ 632,447</u>			<u>\$ 135,278</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
\$ 1,810,931	\$ 1,918,221	\$ 107,290	\$ 6,172,555	\$ 6,278,922	\$ 106,367	\$ 1,775,000	\$ 1,785,894	\$ 10,894
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	406,000	406,000
<u>1,810,931</u>	<u>1,918,221</u>	<u>107,290</u>	<u>6,172,555</u>	<u>6,278,922</u>	<u>106,367</u>	<u>1,775,000</u>	<u>2,191,894</u>	<u>416,894</u>
-	-	-	-	-	-	360,000	299,694	(60,306)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	40,595	40,595	-	9,034	9,034	3,000	136,102	133,102
-	-	-	-	-	-	-	812,355	812,355
-	-	-	-	-	-	1,200,000	-	(1,200,000)
<u>1,810,931</u>	<u>1,958,816</u>	<u>147,885</u>	<u>6,172,555</u>	<u>6,287,956</u>	<u>115,401</u>	<u>3,338,000</u>	<u>3,440,045</u>	<u>102,045</u>
813,431	758,643	(54,788)	-	-	-	-	-	-
892,569	801,193	(91,376)	-	-	-	-	-	-
158,403	169,369	10,966	-	-	-	-	148,595	148,595
19,370	20,724	1,354	-	-	-	150,000	625,671	475,671
20,041	11,344	(8,697)	-	-	-	-	-	-
455,000	334,731	(120,269)	6,172,555	6,182,133	9,578	-	73	73
11,850	-	(11,850)	-	-	-	-	-	-
-	-	-	-	-	-	15,023,000	7,601,477	(7,421,523)
-	(88)	(88)	-	-	-	-	40	40
-	-	-	-	-	-	400,000	-	(400,000)
<u>2,370,664</u>	<u>2,095,916</u>	<u>(274,748)</u>	<u>6,172,555</u>	<u>6,182,133</u>	<u>9,578</u>	<u>15,573,000</u>	<u>8,375,856</u>	<u>(7,197,144)</u>
<u>(559,733)</u>	<u>(137,100)</u>	<u>422,633</u>	<u>-</u>	<u>105,823</u>	<u>105,823</u>	<u>(12,235,000)</u>	<u>(4,935,811)</u>	<u>7,299,189</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (559,733)</u>	<u>(137,100)</u>	<u>\$ 422,633</u>	<u>\$ -</u>	<u>105,823</u>	<u>\$ 105,823</u>	<u>\$ (12,235,000)</u>	<u>(4,935,811)</u>	<u>\$ 7,299,189</u>
	<u>\$ 2,402,140</u>			<u>\$ 2,973,723</u>			<u>\$ 29,762,861</u>	
	<u>\$ 2,265,040</u>			<u>\$ 3,079,546</u>			<u>\$ 24,827,050</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2014

	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	5,000	63,929	58,929
Other sources	-	-	-
Contingency	-	-	-
Total revenues	5,000	63,929	58,929
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	5,000	63,929	58,929
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(400,000)	-	400,000
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
Total other financing sources (uses)	(400,000)	-	400,000
Net change in fund balance	\$ (395,000)	63,929	\$ 458,929
Fund balance			
Beginning		\$ 13,042,823	
Ending		\$ 13,106,752	

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, 2014

	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	250,500	231,005	(19,495)
Sales, services and rental of facilities	3,091,200	2,910,423	(180,777)
Investment earnings	-	1,226	1,226
Other sources	71,800	76,796	4,996
Contingency	250,000	-	(250,000)
Total revenues	<u>3,663,500</u>	<u>3,219,450</u>	<u>(444,050)</u>
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	4,013,407	3,454,672	(558,735)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	260,000	-	(260,000)
Total expenditures	<u>4,273,407</u>	<u>3,454,672</u>	<u>(818,735)</u>
Excess (deficiency) of revenues over expenditures	<u>(609,907)</u>	<u>(235,222)</u>	<u>374,685</u>
Other financing sources (uses):			
Operating transfers in	-	1,774	1,774
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,774</u>	<u>1,774</u>
Net change in fund balance	<u>\$ (609,907)</u>	<u>(233,448)</u>	<u>\$ 376,459</u>
Fund balance			
Beginning		<u>\$ 711,344</u>	
Ending		<u>\$ 477,896</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, 2014

	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	250,500	231,005	(19,495)
Sales, services and rental of facilities	3,091,200	2,910,423	(180,777)
Investment earnings	-	1,226	1,226
Other sources	71,800	76,796	4,996
Contingency	250,000	-	(250,000)
Total revenues	3,663,500	3,219,450	(444,050)
Expenditures:			
Current			
Salaries	630,806	610,542	(20,264)
Benefits	135,373	123,516	(11,857)
Contractual Services	196,984	159,461	(37,523)
Supplies & Materials	2,426,055	2,316,979	(109,076)
Conference & Meeting	242,419	207,546	(34,873)
Fixed Charges	12,850	12,275	(575)
Utilities	-	-	-
Capital Outlay	350,000	-	(350,000)
Other	18,920	24,353	5,433
Contingency	260,000	-	(260,000)
Total expenditures	4,273,407	3,454,672	(818,735)
Excess (deficiency) of revenues over expenditures	(609,907)	(235,222)	374,685
Other financing sources (uses):			
Operating transfers in	-	1,774	1,774
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
Total other financing sources (uses)	-	1,774	1,774
Net change in fund balance	\$ (609,907)	(233,448)	\$ 376,459
Fund balance			
Beginning		\$ 711,344	
Ending		\$ 477,896	

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

APPRECIATION OF DIVERSITY • INTEGRITY • RESPONSIBILITY

Black Hawk College East Campus Ag Arena



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