



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Illinois Community College District 503

Quad-Cities Campus
Moline, Illinois

East Campus
Galva, Illinois

**Caring and Compassion •
Respect • Fairness • Honesty •**





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, 2011**

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

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Office of the President
www.bhc.edu

October 14, 2011

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, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes and currently known facts.

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

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

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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 6,357 from 2003 to 2010. The College experienced an increase in total credit hours in fiscal year 2011 of 3,957.6, which includes both restricted and unrestricted credit hours. This was an increase of 2.9%; however, the College is anticipating a decrease for the upcoming fiscal as the local economy continues to rebound.

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

Mission, Vision, and Goals

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

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

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

Major Initiatives

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

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

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

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

The College also continues to review its course offerings and implement new programs that meet the above mentioned strategic priorities and better serve the District. For example, the College recently broke ground on a new Sustainable Technologies building designed to better serve our sustainable energy programs through increased learning opportunities and lab spaces. Additionally, the College has increased outreach efforts to the K-12 schools within our district for the purposes of growing dual credit and dual enrollment programs as well as generating awareness of college readiness requirements. Finally, the College has begun reviewing the various completion and performance based funding proposals being discussed at both the state and national level for the purposes of determining potential impact and process/program modifications.

Local Economy

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

Tuition and fee revenues accounted for approximately 52% of total operating revenue received in fiscal year 2011. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, increased by 2.9% in fiscal year 2011. However, fiscal year 2012 credit hours realized are budgeted to decrease 3% as the local economy and employment outlook continues to slowly improve.

State funding, which accounted for approximately 26% of total non-operating revenue received, continues to be problematic for the College as the level of state funding continues to decline and

delays in receipt of allocated funds continue to increase. The College anticipates funding levels will continue to decline in future years primarily due to fluctuations in the allocation of the ICCB Equalization Grant. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized during fiscal years 2001 through 2003. Additionally, performance based funding discussions are currently underway in Illinois and the exact impact of funding formula changes is unknown at this time. These funding concerns have prompted the College to raise tuition and fee rates as well as cut spending on certain programs.

Property taxes, which accounted for approximately 41% 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 previously declining enrollment. These steps include:

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

In addition, the College utilizes its Financial Plan, presented to the Board of Trustees, to ensure focus and attention is given to critical areas in a more efficient manner. This financial planning process is coordinated with the budget preparation process. The current financial plan covers fiscal year 2011 through 2013 and focuses on three main objectives:

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

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

The annual budget, adopted as balanced after transfers, 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 develop an efficient cash flow strategy for minimizing the impact of delayed or eliminated funding sources.

Finally, the College implemented a capital budgeting process during fiscal year 2011 designed to provide a systematic, repeatable process used to identify, prioritize, approve, and fund both capital projects and non-capital fixed assets. In conjunction with the improved capital budgeting process, the College will focus on ensuring timely expenditure of existing bond proceeds in a manner consistent with statutory requirements and approved purposes. 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

During fiscal year 2010, the Board of Trustees adopted a fund balance policy designed to ensure the maintenance of adequate reserves and protect against unanticipated events that would adversely affect the financial condition of the College and jeopardize the continuation of necessary programs and services.

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

on capital expenditures upon recommendation 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, 2011 the General Fund ending fund balance is 31.0% of fiscal year 2011 expenditures. Consequently, a transfer of the General Fund surplus in the amount of \$2,372,306 was recorded to the Operations & Maintenance Restricted Fund in accordance with policy as all capital expenditures are processed through this fund.

Risk Management

The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains stop loss coverage of \$125,000 specific and \$4,960,949 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

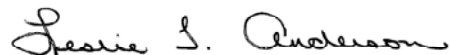
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2011 audit. The auditor's report on the financial statements and schedules is unqualified and is included in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

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

Respectfully submitted,



Dr. R. Gene Gardner
President



Leslie T. Anderson
Vice President for Finance



Illinois Community College District No. 503

Board of Trustees



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Moline
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Dr. R. Gene Gardner
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Vice President
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Leslie Anderson
Vice President
for Finance



Michael Phillips
Vice President
for Administration



Dr. Richard Vallandingham
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Dean of Students

Black Hawk College District



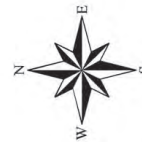
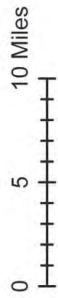
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Black Hawk College District

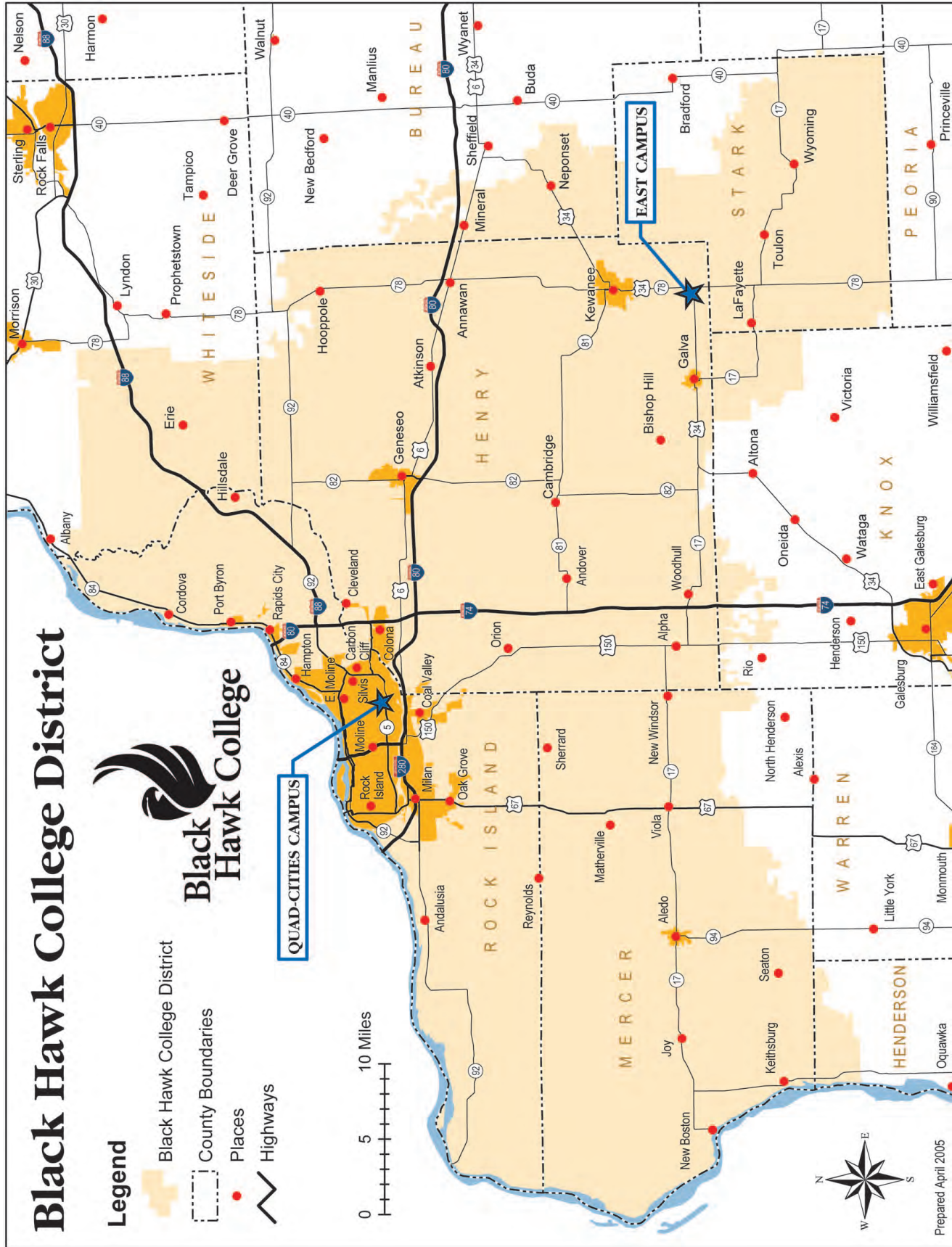
County Boundaries

Places

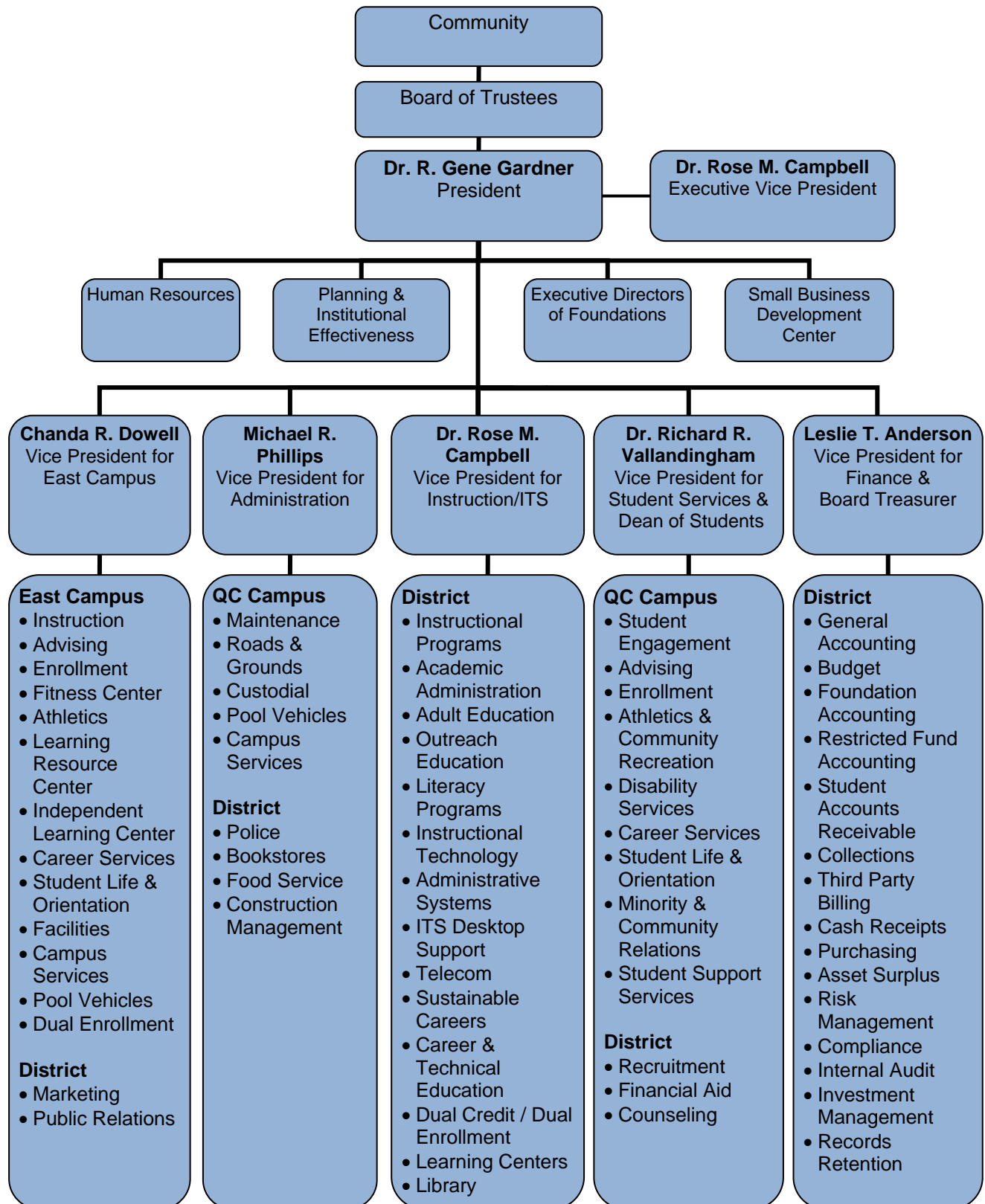
Highways



Prepared April 2005



Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

Financial Section

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Hawk College, Illinois Community College District #503 and its discretely presented component units as of June 30, 2011, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 15 through 26 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Wipfli LLP

Freeport, Illinois
September 30, 2011

Management's Discussion and Analysis

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Introduction

This section of Black Hawk College's (College) Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2011 and June 30, 2010. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Overview of the Basic Financial Statements

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

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

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

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

Financial Highlights

For the year ended June 30, 2011, the College recorded total operating revenues of \$15,206,231 and total operating expenses of \$50,439,902. The difference produced an operating loss of \$35,233,671. Net non-operating revenue of \$45,155,028 offsets this loss and results in an overall increase in net assets of \$9,921,357.

Non-operating revenue included local property taxes of \$18,692,853, state grants and contracts of \$11,697,372, federal grants and contracts of \$11,941,906, and other net miscellaneous revenue of \$2,822,897.

Operating revenue accounted for 25% of the College's total revenue, while non-operating revenues accounted for the other 75% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid allowances, totaling \$7,916,703, sales, services, and rentals of facilities revenues totaling \$2,992,034, and other miscellaneous revenue of \$4,297,494. The payment made by the state, on behalf of the College, to the State University Retirement System (SURS) was \$4,293,814 of the other miscellaneous revenue total. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2010 was \$3,881,957.

Operating expenses accounted for 99% of the College's total expenses, while non-operating expenses accounted for the remaining 1%. Operating expenses consisting of instruction, academic support, student services, public service, financial aid, operations of physical facilities, institutional support and other categories increased 1.2% in fiscal year 2011.

Overall, the College's financial position improved during fiscal year 2011 primarily due to increased enrollments and credit hours as well as effective control of expenditures. Enrollment and credit hour trend information is provided in the Statistical section of this document. Additionally, fiscal year 2011 results compared to budget were favorable for all funds before transfers. Details by fund can be found in the Management Information section of this document.

Long-Term Debt

The College did not issue additional long-term debt during fiscal year 2011. The unused legal debt capacity of the College is currently \$78,398,821, which represents 2.875% of the assessed valuation of the College's district less the \$22,600,000 in outstanding debt. See Notes to the Financial Statements for further information.

Economic Factors

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

Property tax revenue accounts for 31.0% 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. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

The State of Illinois continues to struggle financially and delays in receipt of appropriated funding have grown. The College remains optimistic all monies will eventually be received, but cautious with regards to expenditures and firmly dedicated to maintaining acceptable reserves to minimize disruption. However, Federal funding for education has increased and students at Black Hawk College received approximately \$1.7 million additional in Pell Grant awards during fiscal year 2011.

Due to the countercyclical nature of higher education, the College has experienced sizable enrollment growth over the past several semesters, however is anticipating this trend to subside during fiscal year 2012. As a community college, Black Hawk is well positioned to serve displaced workers seeking to enhance existing skills or develop additional skills necessary to re-enter the workforce due to the relatively short-term nature of many programs offered. Furthermore, both the College Administration and Board of Trustees are committed to ensuring student needs are effectively met and to this end, the institution prides itself on being nimble and capable of efficiently implementing programmatic changes designed to maximize student success.

Other Significant Financial Factors

During fiscal year 2011, the College renegotiated labor agreements with two of its employee unions, the Police Chapter United Professionals (IEA-NEA) and the Adjunct Faculty Union, Illinois Federation of Teachers (AFL-CIO). The new contract end date for each unit is June 30, 2015.

The Board of Trustees adopts tuition and fee rates each February with the adopted rates becoming effective for the Summer, Fall and Spring semesters of the upcoming fiscal year. Tuition rates for fiscal year 2011 increased 5.6% over fiscal year 2010 rates and will increase by an additional 4.2% for fiscal year 2012. Additional information regarding tuition and fee rate trend is provided in the Statistical section.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2011 tax levy increased 3.39% over fiscal year 2010 primarily due to the increase in EAV throughout the district. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Assets – Fiscal Years 2011 and 2010

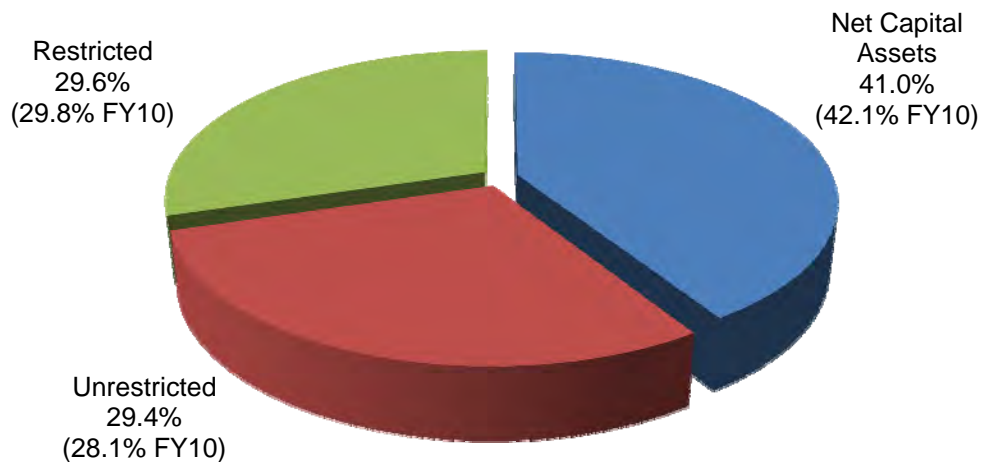
	2011	2010	Increase (Decrease)	Percent Change
Current Assets	\$ 67,583,484	\$64,634,431	\$ 2,949,053	4.6%
Non-Current Assets	32,495,572	30,307,509	2,188,063	7.2
Total Assets	\$100,079,056	\$94,941,940	\$ 5,137,116	5.4%
Current Liabilities	\$ 7,946,433	\$ 8,254,338	\$ (307,905)	(3.7)%
Non-Current Liabilities	20,130,923	24,607,259	(4,476,336)	(18.2)
Total Liabilities	\$ 28,077,356	\$32,861,597	\$(4,784,241)	(14.6)%
Net Assets				
Investment in Capital Assets, Net	\$ 29,495,572	\$26,107,509	\$ 3,388,063	13.0%
Restricted	21,347,889	18,508,373	2,839,516	15.3
Unrestricted	21,158,239	17,464,461	3,693,778	21.2
Total Net Assets	\$ 72,001,700	\$62,080,343	\$ 9,921,357	16.0%

The College had net assets at the beginning of the year totaling \$62,080,343. The net increase in net assets of \$9,921,357 brought the total of net assets at the end of the year to \$72,001,700.

Notable changes in fiscal year 2011 include the significant increase in Total Assets as a result of approximately \$2.5 million owed to the College from the State of Illinois for both the Equalization Grant and Illinois Jobs Now!. Additionally, Non-Current Liabilities decreased significantly as a result of debt payments made during the fiscal year.

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

Net Assets - Fiscal Year 2011



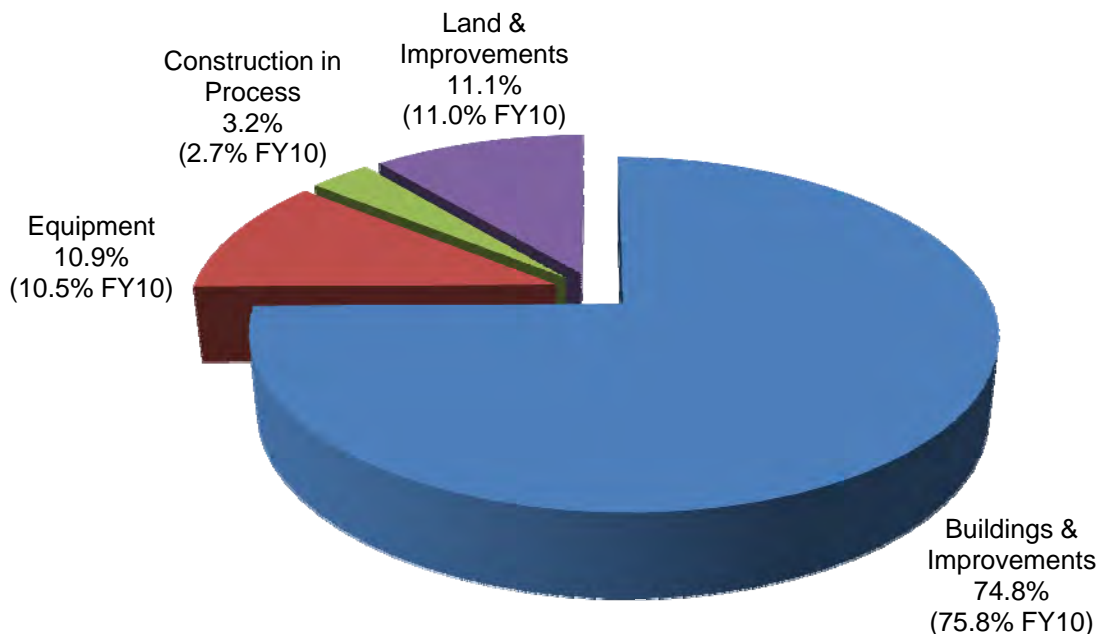
Comparison of Net Capital Assets Fiscal Years 2011 and 2010

Capital Assets	2011	2010	Increase (Decrease)	Percent Change
Land and Improvements	\$ 5,821,058	\$ 5,410,861	\$ 410,197	7.6%
Building and Improvements	39,429,857	37,403,079	2,026,778	5.4
Equipment	5,768,051	5,216,008	552,043	10.6
Construction In Process	1,673,724	1,346,740	326,984	24.3
Total Capital Assets	\$52,692,690	\$49,376,688	\$ 3,316,002	6.7%
Less Accumulated Depreciation	20,197,118	19,069,179	1,127,939	5.9
Net Capital Assets	\$32,495,572	\$30,307,509	\$ 2,188,063	7.2%

As of June 30, 2011, the College has recorded \$52,692,690 invested in capital assets, \$20,197,118 in accumulated depreciation and \$32,495,572 in net capital assets.

Total Capital Assets increased \$3,316,002, or 6.7%, and Net Capital Assets increased \$2,188,063, or 7.2%, due to the completion of several remodeling / improvement projects in fiscal year 2011. The current bonding strategy continues to allow the College to invest in additional technology and facility improvements and the expectation exists that Net Capital Assets will continue to increase in future years as a result. See Notes to Financial Statements for further information.

Capital Assets - Fiscal Year 2011



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

	2011	2010	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 7,916,703	\$ 6,999,903	\$ 916,800	13.1%
Sales, Services, and Rentals	2,992,034	3,104,115	(112,081)	(3.6)
Other	4,297,494	3,894,533	502,837	13.3
Total Operating Revenue	<u>\$ 15,206,231</u>	<u>\$ 13,998,551</u>	<u>\$1,307,556</u>	<u>9.3%</u>
Less: Operating Expenses	50,439,902	49,857,497	682,281	1.4
Operating Income (Loss)	<u>\$(35,233,671)</u>	<u>\$(35,858,946)</u>	<u>625,275</u>	<u>1.7%</u>
Non-operating Revenue:				
State Grants & Contracts	\$ 11,697,372	\$ 11,076,974	\$ 620,398	5.6%
Federal Grants & Contracts	11,941,906	10,110,004	1,831,902	18.1
Property Taxes	18,692,853	18,140,565	552,288	3.0
Other Income	2,822,897	2,669,741	153,156	5.7
Total Non-operating Revenue:	<u>\$ 45,155,028</u>	<u>\$ 41,997,284</u>	<u>\$3,157,744</u>	<u>7.5%</u>
Increase in Net Assets	9,921,357	6,138,338	\$3,783,019	61.6%
Net Assets, Beginning of Year	62,080,343	55,942,005	6,138,338	11.0
Net Assets, End of Year	<u>\$ 72,001,700</u>	<u>\$ 62,080,343</u>	<u>\$9,921,357</u>	<u>16.0%</u>

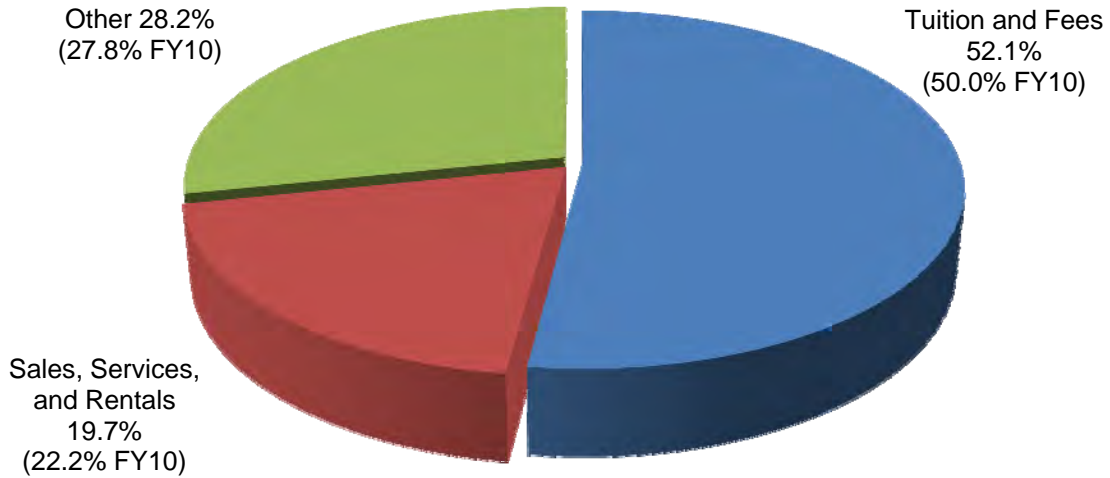
Operating revenue and expense for fiscal year 2011 were each higher than fiscal year 2010.

Tuition and fees increased \$916,800, or 13.1%, as a result of increased enrollment during fiscal year 2011. While recent economic challenges have resulted in increased enrollments during fiscal year 2011, this trend does appear to be slowing. Additionally, the SURS contribution provided by the state in fiscal year 2011 was \$411,857 greater than the fiscal year 2010 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.

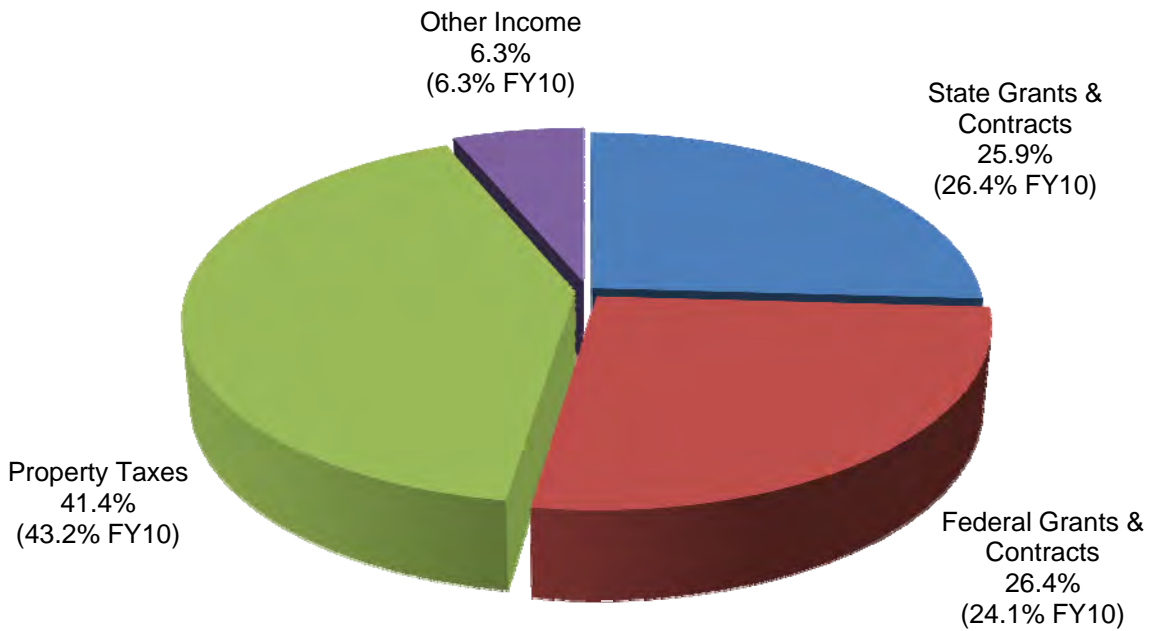
Non-operating revenue increased in total by \$3,157,744. The primary driver of this increase was the additional \$1,831,902 received in Federal Grants & Contracts, which is mostly attributable to a significant increase, approximately \$1.7 million, in Pell Grant awards to students.

State Grants & Contracts revenue increased \$620,398 in fiscal year 2011 in large part due to the allocation of \$1.1 million from Illinois Jobs Now! legislation and partially offset by a reduction in ICCB Equalization Grant as well as other State grant revenue. Property Tax revenue increased \$552,288 in part to continued EAV growth within the district and the Illinois tax amnesty program offered in the fall of 2010, which resulted in greater Corporation Personal Property Replacement Tax (CPPRT) receipts during fiscal year 2011.

Operating Revenues - Fiscal Year 2011



Non-Operating Revenues - Fiscal Year 2011



Comparison of Operating Expenses Fiscal Years 2011 and 2010

	2011	2010	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$13,787,062	\$13,177,063	\$ 609,999	4.6%
Academic Support	3,950,163	4,354,090	(403,927)	(9.3)
Student Services	3,595,126	3,034,440	560,686	18.5
Public Service / Continuing Ed.	1,840,080	2,387,685	(547,605)	(22.9)
Operations of Physical Facilities	4,792,520	4,083,672	708,848	17.4
Institutional Support	9,345,604	8,700,444	645,160	7.4
Financial Aid	3,748,071	4,257,545	(509,474)	(12.0)
Sales, Services, and Rentals of Facilities	3,766,883	3,472,459	294,424	8.5
Loss on Disposal of Equipment	22,464	1,308,112	(1,285,648)	(98.3)
SURS Contribution provided by State	4,293,814	3,881,957	411,857	10.6
Depreciation	1,298,115	1,200,030	98,085	8.2
Total Operating Expenses:	\$50,439,902	\$49,857,497	\$582,405	1.2%

Operating expenses for fiscal year 2011 increased slightly by 1.2% from fiscal year 2010. While the significant changes are discussed below, it should also be noted that several of the individual expense categories were impacted by the College's review and update of the methodologies and processes utilized for assigning programmatic classifications during fiscal year 2011.

Total operating expenditures for Instruction and Student Services increased by \$1,170,685 as a result of increased enrollments during fiscal year 2011. Operations of physical facilities expenses increased by \$708,848 in fiscal year 2011 due primarily to facility improvement projects completed in conjunction with the College's capital improvement process. Additionally, Institutional Support increased by \$645,160 as a result of increased health insurance costs, salaries and benefits expenses, and institutional renovations completed during fiscal year 2011.

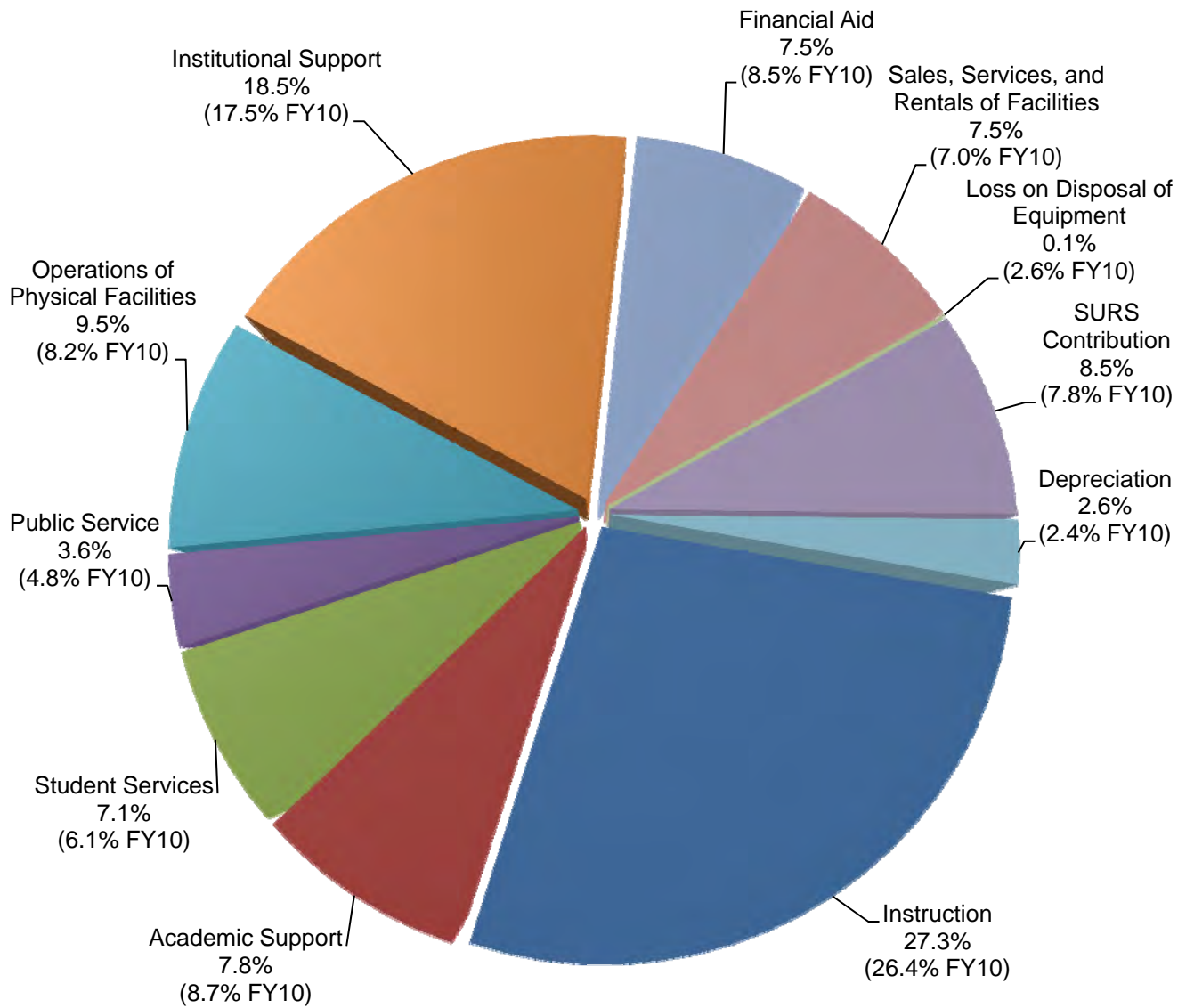
Academic Support decreased \$403,927 due primarily to programmatic classification process changes implemented to more closely coincide with ICCB Fiscal Management Manual requirements. Financial Aid decreased by \$509,474 due in part to decreased funding for several State student programs including Veterans and National Guard grants.

Public Service / Continuing Ed expenses decreased \$547,605 and Loss on Disposal of Equipment decreased \$1,285,648 primarily due to the transfer of the WQPT public television station and all revenue and expenses associated with the station to Western Illinois University at the end of fiscal year 2010.

In addition, a sizable increase in the SURS contribution provided by the state occurred as the fiscal year 2011 amount was \$411,857 greater than the fiscal year 2010 amount. As explained in Note 5 in the Notes to Financial Statements, this SURS contribution is shown as both operating revenue and operating expense by the College.

The following graphic illustration shows the operating expenses by program for fiscal year 2011 by percentage of the total with the comparable percentage for fiscal year 2010 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2011



Requests for Information

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

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

Basic Financial Statements

Black Hawk College
Illinois Community College District #503

Statement of Net Assets
June 30, 2011

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 42,694,711	\$ 293,002	\$ 339,397
Investments	4,851,703	1,900,608	1,417,307
Receivables, net of allowance for uncollectibles of \$163,427:			
Property taxes	12,561,348	-	-
Federal government claims	1,450,043	-	-
State of Illinois claims	4,485,910	-	-
Student tuition and fees	404,235	-	-
Other	260,576	31,577	15,931
Inventory	783,587	-	-
Prepaid expenses	91,371	-	-
Total current assets	67,583,484	2,225,187	1,772,635
Noncurrent Assets:			
Capital assets:			
Land	760,862	-	-
Construction in process	1,673,724	-	-
Building, improvements and equipment, net of \$20,197,118 and \$625,674, respectively	30,060,986	-	1,473,485
Total capital assets, net of depreciation	32,495,572	-	1,473,485
Total noncurrent assets	32,495,572	-	1,473,485
Total assets	100,079,056	2,225,187	3,246,120
Liabilities			
Current Liabilities:			
Accounts payable	1,205,235	35,711	33,487
Accrued liabilities:			
Payroll	777,047	-	-
Early retirement	97,230	-	-
Accrued vacation	120,000	-	-
Other	56,532	-	-
Deferred revenues:			
Student tuition and fees	431,292	-	-
Other	354,414	-	-
Notes and bonds due in less than one year	4,860,000	-	29,880
Other liabilities	44,683	-	-
Total current liabilities	7,946,433	35,711	63,367
Noncurrent Liabilities:			
Early retirement	1,628,890	-	-
Accrued vacation	762,033	-	-
Notes and bonds payable in more than one year	17,740,000	-	846,485
Total noncurrent liabilities	20,130,923	-	846,485
Total liabilities	28,077,356	35,711	909,852
Net Assets			
Investment in capital assets, net of related debt	29,495,572	-	597,120
Restricted for audit	172,765	-	-
Restricted for liability, protection and settlement	1,952,072	-	-
Restricted for working cash	10,194,190	-	-
Restricted for bond & interest	2,704,975	-	-
Restricted for operations and maintenance	4,930,072	-	-
Restricted for grants and scholarships	1,393,815	1,647,958	965,757
Unrestricted	21,158,239	541,518	773,391
Total net assets	\$ 72,001,700	\$ 2,189,476	\$ 2,336,268

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2011

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship allowances	\$ 7,916,703	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,992,034	-	-
SURS contribution provided by state	4,293,814	-	-
Other operating revenue	3,680	-	-
Total operating revenues	15,206,231	-	-
Operating expenses:			
Instruction	13,787,062	-	-
Academic support	3,950,163	-	-
Student services	3,595,126	-	-
Public service	1,840,080	-	-
Auxiliary services	3,766,883	-	-
Institutional support	9,345,604	96,159	170,324
Scholarships, student grants and waivers	3,748,071	104,025	91,530
SURS contribution provided by state	4,293,814	-	-
Operation of physical facilities	4,792,520	-	-
Loss on disposal of equipment	22,464	-	-
Depreciation and amortization	1,298,115	-	46,228
Total operating expenses	50,439,902	200,184	308,082
Operating (loss)	(35,233,671)	(200,184)	(308,082)
Non-operating revenues (expenses):			
Property taxes	18,692,853	-	-
Personal property replacement taxes	1,432,216	-	-
State government sources	11,697,372	-	-
Federal government sources	11,941,906	-	-
Investment earnings	1,304,926	352,329	239,868
Other sources	846,037	326,847	458,343
Interest expense	(760,282)	-	(61,079)
Total non-operating revenues (expenses)	45,155,028	679,176	637,132
Change in net assets	9,921,357	478,992	329,050
Net assets:			
Beginning	62,080,343	1,710,484	2,007,218
Ending	\$ 72,001,700	\$ 2,189,476	\$ 2,336,268

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2011

	<u>Primary Government</u>
	<u>Black Hawk College</u>
Cash Flows from Operating Activities:	
Tuition and fees	\$ 6,736,332
Payments to employees	(20,581,600)
Payments to suppliers	(23,492,653)
Sales, service, and rental of facilities and equipment	5,052,481
Other receipts, net	3,680
Net cash provided by (used in) operating activities	<u>(32,281,760)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	20,424,359
Personal property replacement taxes	1,432,216
Property taxes	18,212,404
Net cash provided by non-capital financing activities	<u>40,068,979</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(3,508,642)
Proceeds on debt	-
Principal paid on debt	(4,545,000)
Interest paid on debt	(760,282)
Net cash provided by (used in) capital and related financing activities	<u>(8,813,924)</u>
Cash Flows from Investing Activities	
Purchase of investments	(4,851,703)
Interest received	1,304,926
Net cash provided by (used in) investing activities	<u>(3,546,777)</u>
Net increase (decrease) in cash	(4,573,482)
Cash and cash equivalents:	
Beginning	47,268,193
Ending	<u>\$ 42,694,711</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (35,233,671)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,298,115
Loss on disposal of equipment	22,464
Changes in assets and liabilities:	
(Increase) decrease in receivables	1,962,656
(Increase) decrease in inventory	(111,842)
(Increase) decrease in prepaid expenses	156,983
Increase (decrease) in accounts payable	497,269
Increase (decrease) in accrued expenditures	218,567
Increase (decrease) in deferred revenue	(1,082,580)
Increase (decrease) in other liabilities	(9,721)
Total adjustments	<u>2,951,911</u>
Net cash provided by (used in) operating activities	<u>\$ (32,281,760)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 4,293,814

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Assets
June 30, 2011**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,970,450
Liabilities	
Claims payable	443,446
Due to others	-
Total liabilities	<u>443,446</u>
Net Assets, unrestricted	<u><u>\$ 1,527,004</u></u>

**Statement of Changes in Fiduciary Net Assets
Year Ended June 30, 2011**

Additions:	
Employer paid premiums	\$ 4,180,000
Employee paid premiums	534,272
Investment earnings	67,930
Total additions	<u>\$ 4,782,202</u>
Deductions:	
Health and dental claims	4,184,013
Administrative	484,327
Total deductions	<u>\$ 4,668,340</u>
Change in net assets	113,862
Net assets:	
Beginning	1,413,142
Ending	<u><u>\$ 1,527,004</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, continuing education, and community service programs. The College was organized to provide an excellent, affordable alternative in higher education with campus locations in Moline and Galva, Illinois and numerous outreach sites.

Significant Accounting Policies:

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

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

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

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

During the year ended June 30, 2011, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$104,025 and \$91,530 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.

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2010 levy. Property tax revenue recorded on the financial statements relates to the 2010 levy. Property taxes are levied each year on all taxable real property in the College District. Property taxes are certified on or before the last Tuesday in December and are attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in 2011 and are collected by the county collectors in the College District who in turn remit to the College District its respective share. An allowance is provided for uncollectible taxes. Property taxes that are not budgeted for current year operations are shown as deferred revenue.

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

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

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

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

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

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

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

Investments: Investments are stated at fair value.

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

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

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

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

Note 2. Cash and Investments

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

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

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

At June 30, 2011, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$42,694,711
Petty cash	<u>11,900</u>
Total cash and cash equivalents	42,706,611
Fiduciary funds	<u>1,970,450</u>
Total cash and cash equivalents	<u>\$44,677,061</u>
Less: Petty cash	<u>11,900</u>
Total carrying amount of deposits	<u>\$44,665,161</u>

As of June 30, 2011, the carrying amount of the College's deposits totaled \$44,665,161, with a bank balance of \$45,184,461. Of the \$45,184,461 bank balance, \$45,184,461 was covered by federal depository insurance or collateral held by the College's agent in the College's name. The College has no foreign currency risk for deposits at year end.

At June 30, 2011, the College's investment balances are as follows:

	<u>Fair Value</u>
Brokered CDs	\$2,275,570
U.S. Government Obligations	<u>2,576,133</u>
Total	<u>\$4,851,703</u>

Interest Rate Risk:

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

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

	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-60 Months</u>	<u>60+ Months</u>	
Brokered CDs	\$251,813	\$2,023,757	\$ -	\$2,275,570
U.S. Government obligations	<u>-</u>	<u>2,576,133</u>	<u>-</u>	<u>2,576,133</u>
Total	<u>\$251,813</u>	<u>\$4,599,890</u>	<u>\$ -</u>	<u>\$4,851,703</u>

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Credit Risk:

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

Concentration of Credit Risk:

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

Custodial Credit Risk:

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

As of June 30, 2011 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, 2011:

Security & safety related salaries and benefits	\$ 757,881
Risk management & loss prevention	100,768
Insurance	934,332
Legal services	209,437
Security and safety related	<u>91,279</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$2,093,697</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, 2011, is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 760,862	\$ -	\$ -	\$ 760,862
Construction in process	1,346,740	2,870,976	(2,543,992)	1,673,724
Total capital assets not being depreciated	2,107,602	2,870,976	(2,543,992)	2,434,586
Capital assets being depreciated:				
Buildings and improvements	37,403,079	2,105,472	(78,694)	39,429,857
Land improvements	4,649,999	410,197	-	5,060,196
Equipment	5,216,008	665,989	(113,946)	5,768,051
Total capital assets being depreciated	47,269,086	3,181,658	(192,640)	50,258,104
Less accumulated depreciation for:				
Buildings and improvements	14,383,956	769,063	(49,406)	15,103,613
Land improvements	575,053	97,102	-	672,155
Equipment	4,110,170	431,950	(120,770)	4,421,350
Total accumulated depreciation	19,069,179	1,298,115	(170,176)	20,197,118
Total capital assets being depreciated, net	28,199,907	1,883,543	(22,464)	30,060,986
Total capital assets, net	\$30,307,509	\$4,754,519	\$(2,566,456)	\$32,495,572

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 writing to SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

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

Notes to Financial Statements

Note 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 24.21% 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, 2011, 2010, and 2009 were \$107,234, \$144,036, and \$157,039, 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 \$4,293,814, \$3,881,957, and \$2,513,078 for the years ended June 30, 2011, 2010, and 2009, 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, 2011, are as follows:

	Balance July 1, 2010	Additions	Repayments	Balance June 30, 2011	Due Within One Year
Bonds payable	\$27,145,000	\$ -	\$(4,545,000)	\$22,600,000	\$4,860,000
Accrued vacation	820,066	181,967	(120,000)	882,033	120,000
Early retirement	1,407,015	418,927	(99,822)	1,726,120	97,230
	<u>\$29,372,081</u>	<u>\$600,894</u>	<u>\$(4,764,822)</u>	<u>\$25,208,153</u>	<u>\$5,077,230</u>

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2011, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30: 2012	<u>\$3,000,000</u>	<u>\$60,000</u>	<u>\$3,060,000</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 2010: On March 5, 2010 the College issued \$20,000,000 in General Obligation Bonds. The bonds were used to pay outstanding claims of the College and increase funding levels. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2011. Interest only payments are due June 1 of each year. Interest rates range from 2.0% to 3.5% over the life of the bonds. The interest rate includes bond issuance costs of approximately \$623,000.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2011, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2012	\$ 1,860,000	\$ 532,775	\$ 2,392,775
2013	5,025,000	431,825	5,456,825
2014	5,150,000	304,950	5,454,950
2015	5,300,000	160,700	5,460,700
2016	<u>2,265,000</u>	<u>33,975</u>	<u>2,298,975</u>
Total	<u>\$19,600,000</u>	<u>\$1,464,225</u>	<u>\$21,064,225</u>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,513,002,466. As of June 30, 2011 the College had \$78,398,821 of remaining legal debt margin.

Operating Leases: The College leases space at the Illinois Employment & Training Center for \$7,202 per month through February 2012 and \$7,702 per month from March 2012 through February 2013. Lease expense for the year ended June 30, 2011 was \$94,424. In addition, the College leases space for the Industrial Training Lab Extension Center for \$2,126.25 per month through October 2011. Lease expense for the year ended June 30, 2011 was \$25,515.

The annual requirements for operating leases as of June 30, 2011, are as follows:

Year ending June 30:	
2012	\$96,929
2013	<u>61,616</u>
Total operating leases	<u>\$158,545</u>

Notes to Financial Statements

Note 7. Early Retirement and Voluntary Separation Plans

The College has offered a number of voluntary separation and early retirement incentive plans (plans) covering individuals of specified employee groups who met stated age and service requirement, therefore the College is subject to the requirements set forth in GASB Statement Number 47. The plans generally provided benefits at the time of employee separation based upon combinations of employee age, years of continuous service, and salary. In addition, the plans provide health, vision, and dental insurance; certain of the plans also offer life insurance benefits. The length of coverage varies from five years following the date of separation, up to the life of the separated participant. Some plans require retiree co-payment. Currently 48 participants are covered under the various voluntary separation and early retirement plans. Costs related to these plans are funded on a pay-as-you-go basis. The liability was determined by factoring in the present value of projected future unit costs. The assumptions used in calculating the liability were a discount rate of 5%, compounded annually, a return on assets of 5%, compounded annually, and a decreasing health care trend rate of 6.5% to 4.0%. Mortality rates were obtained from the UP-1994 table with generational projection scale AA. It was assumed that 75% of retirees were married at retirement and that male spouses are three years older than female spouses. The recorded liability for these plans is \$1,726,120 as of June 30, 2011.

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 \$4,960,949 with a \$125,000 per covered person stop/loss amount. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

Note 9. Commitments

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

Note 10. New Accounting Pronouncements

Fund Balance Reporting and Governmental Fund Type Definitions is effective for the fiscal year ending June 30, 2011. The pronouncement significantly changes the reporting and disclosure of "fund balance" information in the financial statements. Management has determined there is no material effect on the financial statements with regard to adoption of this standard.

Notes to Financial Statements

Note 11. Pending Accounting Pronouncements

OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans is effective for the fiscal year ending June 30, 2012. The pronouncement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

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

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

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

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

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

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

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Statistical Section (Unaudited)

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

Statistical Narrative

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

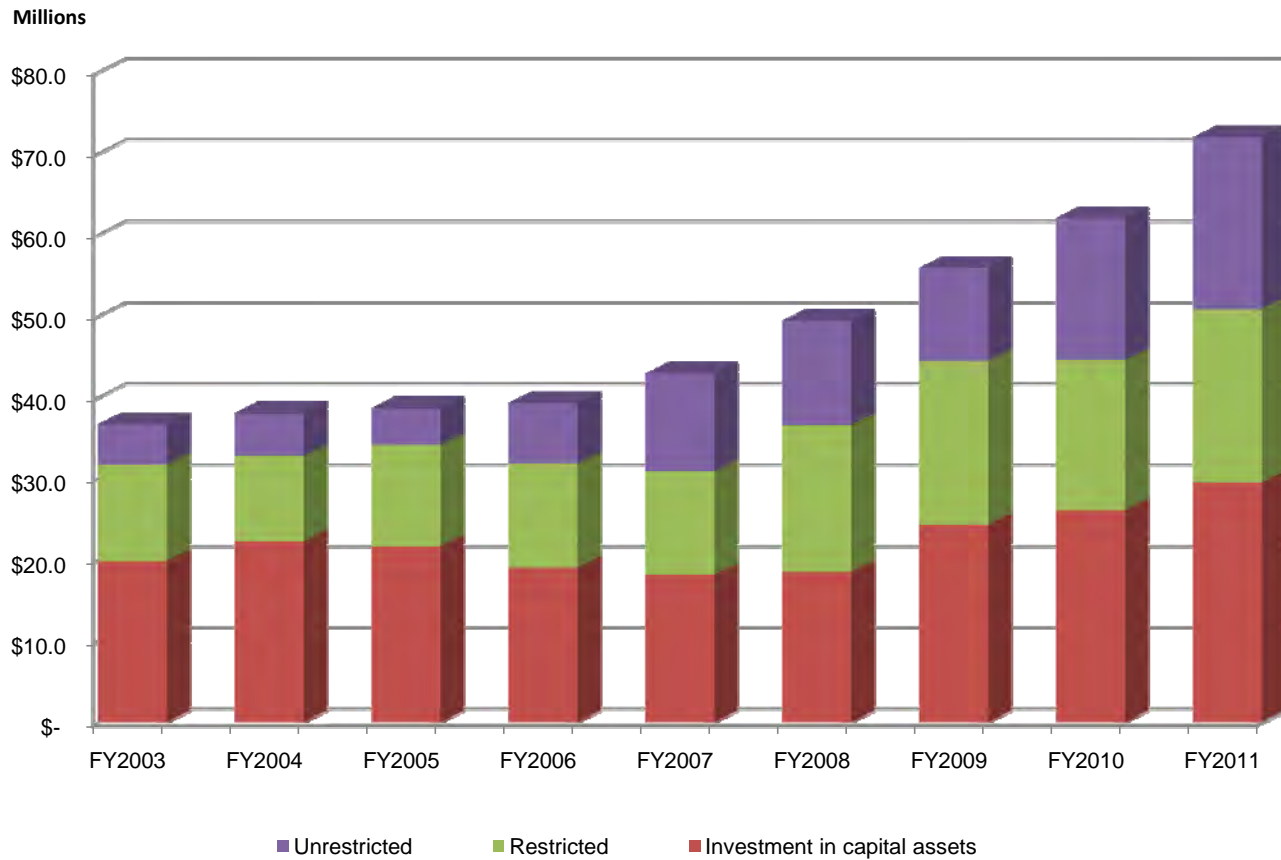
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

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Illinois Community College District No. 503

Schedule of Net Assets by Component
FY2003 through FY2011

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Investment in capital assets, net of related debt	\$ 19,869,807	\$ 22,247,545	\$ 21,663,203	\$ 19,064,372	\$ 18,158,170	\$ 18,504,208	\$ 24,287,182	\$ 26,107,509	\$ 29,495,572
Restricted	11,885,335	10,521,353	12,468,851	12,776,417	12,698,405	18,116,477	20,212,636	18,508,373	21,347,889
Unrestricted	4,929,472	5,314,174	4,547,818	7,482,628	12,083,254	12,826,789	11,442,187	17,464,461	21,158,239
Total net assets	\$ 36,684,614	\$ 38,083,072	\$ 38,679,872	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700



Note: GASB 35 implemented in FY2003. Data presented is from that point forward for comparative purposes.
Source: College audited financial statements.

Black Hawk College
Illinois Community College District No. 503

Schedule of Changes in Net Assets
FY2003 through FY2011

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Operating Revenues:									
Student tuition and fees, net of allowance	\$ 4,746,980	\$ 4,926,478	\$ 5,836,757	\$ 6,473,972	\$ 6,589,369	\$ 6,830,918	\$ 6,563,186	\$ 6,999,903	\$ 7,916,703
Sales, service, and rental of facilities	3,343,748	3,304,371	3,462,532	3,410,705	3,422,932	3,456,655	3,024,705	3,104,115	2,992,034
Tuition Chargeback	43,005	65,881	43,451	39,822	38,421	(1,702)	-	-	-
SURS contribution provided by state	1,783,758	11,448,455	1,739,529	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814
Other operating revenue	5,245	7,500	4,760	7,638	28,532	5,705	6,901	12,576	3,680
Total operating revenue	9,922,736	19,752,685	11,087,029	10,954,104	11,565,867	12,246,218	12,107,870	13,998,551	15,206,231
Operating expenses:									
Instruction	12,108,507	12,436,718	12,904,624	12,881,139	13,002,230	13,417,138	13,071,503	13,177,063	13,787,062
Academic support	3,323,628	3,427,233	3,414,267	3,477,715	3,829,341	4,214,199	4,344,918	4,359,360	3,950,163
Student services	3,609,389	3,149,025	3,233,551	3,418,731	3,174,670	3,151,038	3,022,823	3,083,006	3,595,126
Public service	4,183,386	3,125,843	3,018,143	3,025,891	2,776,572	2,603,870	2,327,188	2,393,896	1,840,080
Auxiliary services	3,522,521	3,521,670	3,907,782	3,715,320	3,480,656	3,567,023	3,265,960	3,472,459	3,766,883
Institutional support	6,732,660	7,292,833	7,285,564	8,373,692	9,172,580	7,147,272	6,843,449	8,700,444	9,345,604
Scholarships, student grants and waivers	4,511,437	4,157,168	4,238,687	3,908,098	3,863,985	3,798,739	3,456,874	4,197,498	3,748,071
SURS contribution provided by state	1,783,758	11,448,455	1,739,529	1,021,967	1,486,613	1,954,642	2,513,078	3,881,957	4,293,814
Operation of physical facilities	3,306,069	3,800,309	3,951,142	3,572,762	3,463,281	4,202,026	4,454,574	4,083,672	4,792,520
Loss on disposal of equipment	63,067	21,632	41,307	3,516	33,979	5,097	7,409	1,308,112	22,464
Depreciation	1,187,279	1,202,194	1,289,155	1,361,306	1,385,121	1,453,453	1,788,953	1,200,030	1,298,115
Total operating expenses	44,331,701	53,583,080	45,023,751	44,760,137	45,669,028	45,514,497	45,096,729	49,857,497	50,439,902
Operating (loss)	(34,408,965)	(33,830,395)	(33,936,722)	(33,806,033)	(34,103,161)	(33,268,279)	(32,988,859)	(35,858,946)	(35,233,671)
Non-operating revenues (expense)									
Property taxes	10,110,571	10,721,008	11,403,125	12,280,184	14,151,090	16,212,834	17,816,536	18,140,565	18,692,853
Personal property taxes	-	-	-	-	-	-	1,365,164	1,104,407	1,432,216
State government sources	16,667,736	14,756,792	13,876,740	13,523,521	14,370,178	14,154,600	11,653,779	11,076,974	11,697,372
Federal government sources	7,572,422	7,908,014	7,661,777	7,090,387	6,922,766	7,499,337	7,050,847	10,110,004	11,941,906
Investment earnings	566,729	441,356	556,738	710,851	1,076,367	893,351	927,444	1,079,642	1,304,926
Other sources	2,047,401	1,392,612	1,185,602	1,101,164	1,681,982	1,652,625	1,441,102	1,200,272	846,037
Interest expense	(4,050)	(3,796)	(150,460)	(256,529)	(482,810)	(636,823)	(771,482)	(714,580)	(760,282)
Total non-operating revenues (expenses)	36,960,809	35,215,986	34,533,522	34,449,578	37,719,573	39,775,924	39,483,390	41,997,284	45,155,028
Income before contributions	2,551,844	1,385,591	596,800	643,545	3,616,412	6,507,645	6,494,531	6,138,338	9,921,357
Capital contributions - facilities donation	360,000	-	-	-	-	-	-	-	-
Change in net assets	2,911,844	1,385,591	596,800	643,545	3,616,412	6,507,645	6,494,531	6,138,338	9,921,357
Net assets:									
Beginning	33,772,770	36,697,481	38,083,072	38,679,872	39,323,417	42,939,829	49,447,474	55,942,005	62,080,343
Ending	\$ 36,684,614	\$ 38,083,072	\$ 38,679,872	\$ 39,323,417	\$ 42,939,829	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700

Notes:

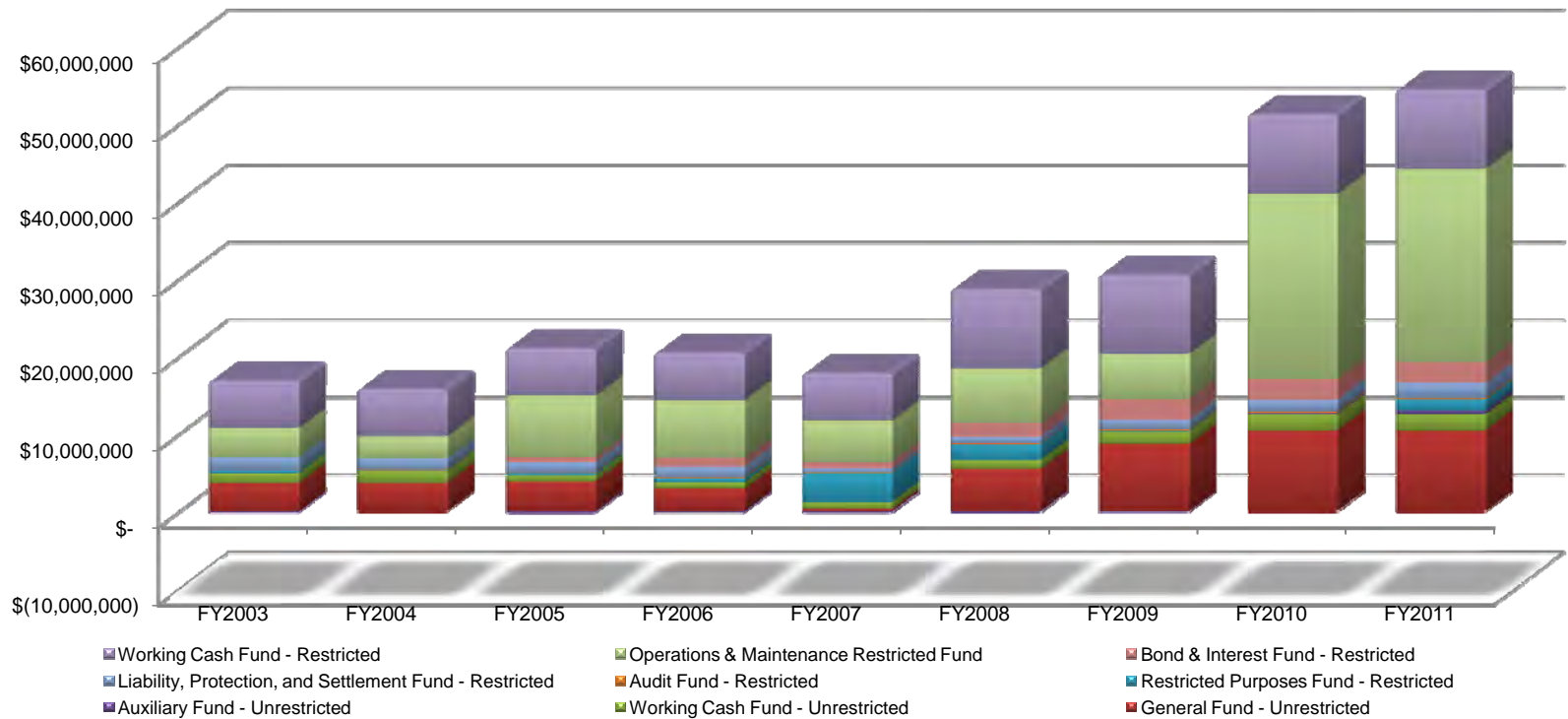
1. FY2003 beginning net assets restated to comply with GASB 35
2. FY2004 beginning net assets restated
3. For consistency and comparability purposes the information presented above limited to fiscal years in which GASB 35 was applied.

Source: Black Hawk College Audited Financial Statements

Black Hawk College
Illinois Community College District No. 503

Schedule of Fund Balance by Fund
FY2003 through FY2011

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

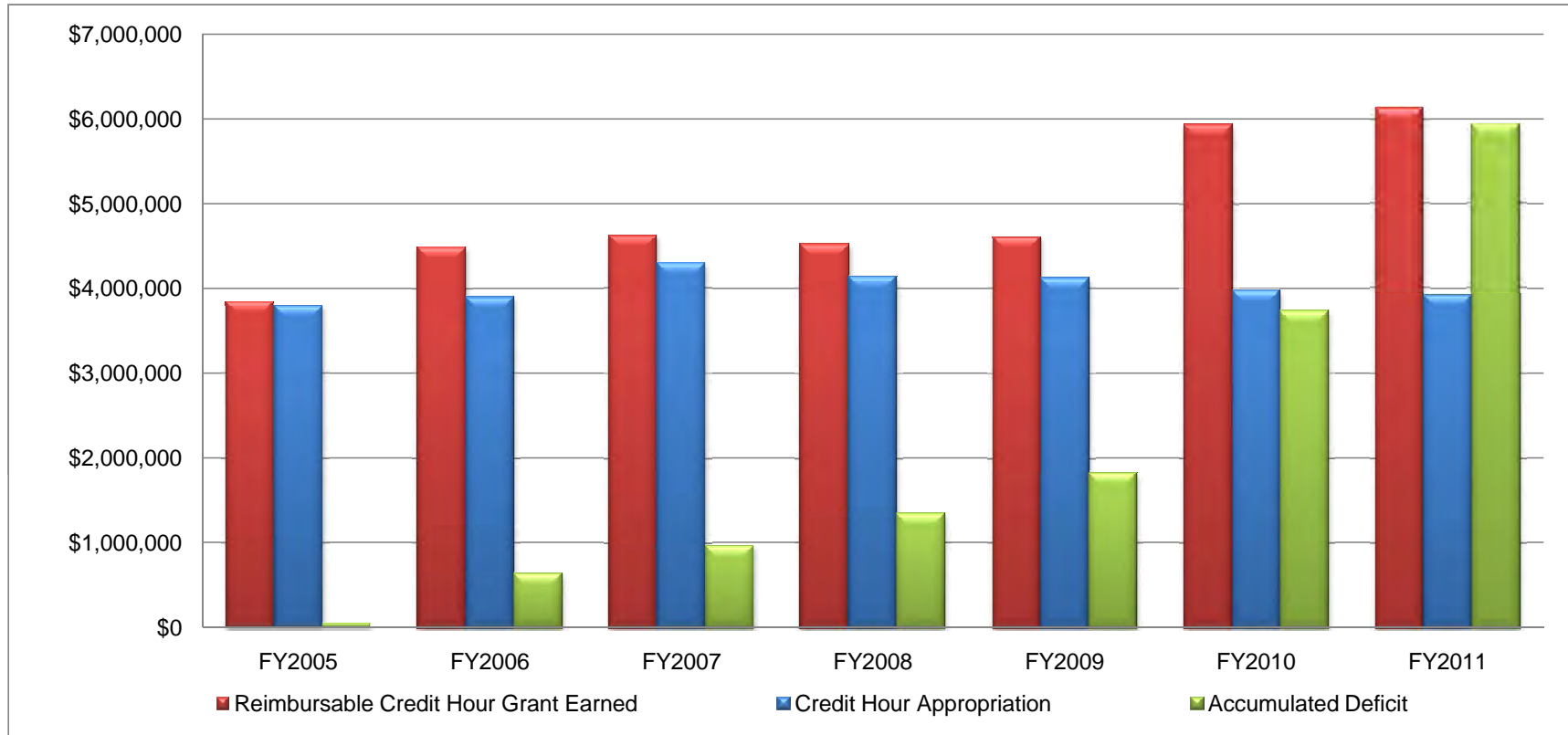


Note: GASB 35 implemented in FY2003. Data presented is from that point forward for comparative purposes.
 Excludes Investment in Plant and General Long Term Debt funds.

Source: College audited financial statements.

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2005 through FY2011**



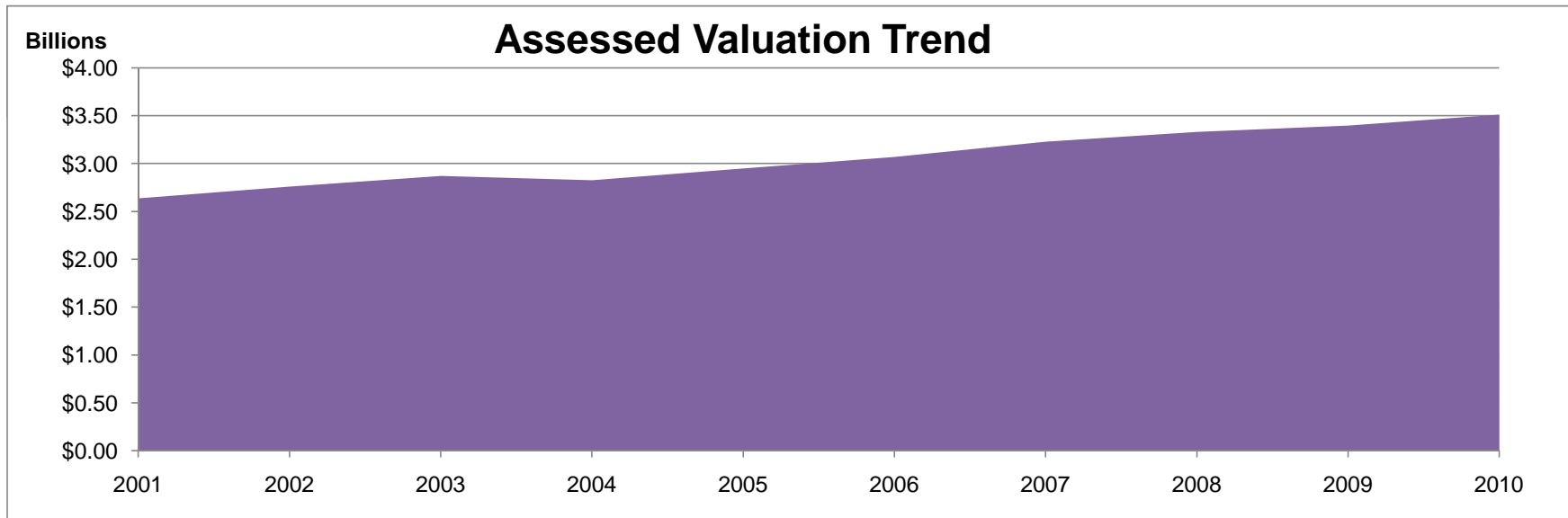
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Reimbursable Credit Hour Grant Earned	\$ 3,841,200	\$ 4,484,716	\$ 4,626,651	\$ 4,523,139	\$ 4,608,756	\$ 5,936,036	\$ 6,125,709
Credit Hour Appropriation	3,795,389	3,900,118	4,297,173	4,142,317	4,123,492	4,027,875	3,923,273
Annual Deficit	(45,811)	(584,598)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

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 2001 through 2010

Levy year	Assessed Valuation by Property Type						Total Assessed Valuation	Estimated Actual Value
	Residential	Farm	Commercial	Industrial	Rail Road	Mineral		
2001	NA	NA	NA	NA	NA	NA	\$ 2,638,073,392	\$ 7,915,011,677
2002	NA	NA	NA	NA	NA	NA	2,761,970,857	8,286,741,245
2003	NA	NA	NA	NA	NA	NA	2,870,452,838	8,612,219,736
2004	NA	NA	NA	NA	NA	NA	2,826,046,435	8,478,987,204
2005	NA	NA	NA	NA	NA	NA	2,951,380,890	8,855,028,173
2006	NA	NA	NA	NA	NA	NA	3,071,201,593	9,214,526,232
2007	NA	NA	NA	NA	NA	NA	3,229,766,461	9,690,268,410
2008	NA	NA	NA	NA	NA	NA	3,330,441,678	9,992,324,266
2009	NA	NA	NA	NA	NA	NA	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



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 2010 is the most current information available

NA = Not Available

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

Black Hawk College
Illinois Community College District No. 503

Property Tax Extensions and Collections (Unaudited)
 Tax Levy Years 2001 through 2010

Levy Year	Fiscal Year	Assessed Valuation	Tax Rate	Taxes Extended (Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Extension		Amount	Percent of Extension
2001	2002	2,638,073,392	0.3663	9,663,262	3,156,505	33%	6,469,016	9,625,521	100%
2002	2003	2,761,970,857	0.3671	10,139,195	1,925,971	19%	8,191,425	10,117,396	100%
2003	2004	2,870,452,838	0.3740	10,735,493	3,328,077	31%	7,447,042	10,775,119	100%
2004	2005	2,826,046,435	0.4021	11,352,291	3,828,809	34%	7,563,578	11,392,387	100%
2005	2006	2,951,380,890	0.4145	12,233,474	4,143,408	34%	8,087,207	12,230,615	100%
2006	2007	3,071,201,593	0.4579	14,063,032	4,678,917	33%	9,365,085	14,044,002	100%
2007	2008	3,229,766,461	0.5016	16,200,510	5,464,473	34%	10,681,197	16,145,670	100%
2008	2009	3,330,441,678	0.5356	17,837,846	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%	-	6,123,362	33%

Notes:

1. Property taxes which are measurable and available are recognized as revenue. Property taxes which are measurable but not available are deferred and recognized as revenue as they become available.
2. The tax levy for 2010 is the most current information available.
3. The tax rates reported for the College are blended rates based on the total taxes and the total assessed valuations for all counties combined.
4. The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation bonds.
5. Due to differences in the computational methods followed by the nine counties, portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.

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

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Illinois Community College District No. 503

Representative Tax Rates (Unaudited)
 Tax Years 2001 through 2010

Taxing Districts	Tax Year 2001	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010
Black Hawk College No. 503	\$ 0.3663	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4145	\$ 0.4579	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324
Rock Island County	0.8000	0.7850	0.7746	0.8040	0.7976	0.7956	0.7890	0.8480	0.8542	0.8574
South Moline Township	0.0370	0.0690	0.0656	0.0692	0.0700	0.1412	0.1416	0.1432	0.1432	0.1420
Road & Bridge - South Moline Township	0.0068	0.0054	0.0050	0.0052	0.0054	0.0058	0.0061	0.0064	0.0070	0.0070
Road & Bridge - City of Moline	0.0042	0.0040	0.0042	0.0044	0.0044	0.0042	0.0041	0.0042	0.0042	0.0042
South Moline Township Cemetery	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0030	0.0038
City of Moline	1.9004	1.8930	1.8988	1.9116	1.9594	1.9646	2.0062	1.9966	1.9288	1.9324
School District No. 40	5.3090	5.2536	5.2612	5.1108	5.1508	5.1152	5.0586	5.0188	5.0266	5.0584
Metropolitan Airport Authority	0.0672	0.0630	0.0714	0.0750	0.0718	0.0726	0.0716	0.0734	0.0742	0.0734
Metropolitan Transit Authority	0.1332	0.1322	0.1448	0.1646	0.1652	0.1754	0.1742	0.1768	0.1812	0.1822
Total	\$ 8.6243	\$ 8.5725	\$ 8.5998	\$ 8.5471	\$ 8.6393	\$ 8.7327	\$ 8.7532	\$ 8.8032	\$ 8.7561	\$ 8.7932

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 2001	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010
Black Hawk College No. 503	\$ 0.3663	\$ 0.3671	\$ 0.3740	\$ 0.4021	\$ 0.4181	\$ 0.4578	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341
Henry County	0.7950	0.8291	0.8869	0.9280	0.9439	0.9026	0.9069	0.8945	0.9173	0.9498
Kewanee Township	0.1187	0.1154	0.1769	0.2054	0.2113	0.1978	0.1756	0.1721	0.1735	0.1742
Kewanee Township Road District	0.2251	0.2217	0.2222	0.2227	0.2207	0.2188	0.2084	0.2179	0.2180	0.2163
City of Kewanee	2.2860	2.2501	2.3196	2.5402	2.5760	2.1251	2.7294	2.3552	2.2611	2.3865
Kewanee Park District	0.9445	0.9654	0.9993	1.1338	1.0752	1.1009	1.0474	1.0881	1.0573	1.0518
Kewanee Library District	0.4678	0.5511	0.5834	0.6336	0.6395	0.6362	0.6862	0.6965	0.7524	0.7627
Kewanee Airport	0.0158	0.0137	0.0136	0.0163	0.0145	0.0139	0.0128	0.0127	0.0116	0.0121
Unity School District No. 229	4.0127	3.9368	4.0955	4.3047	4.2700	4.4177	4.4650	4.5351	4.5267	4.5174
Total	\$ 9.2319	\$ 9.2504	\$ 9.6714	\$ 10.3868	\$ 10.3692	\$ 10.0708	\$ 10.7340	\$ 10.5077	\$ 10.4533	\$ 10.6049

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

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

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

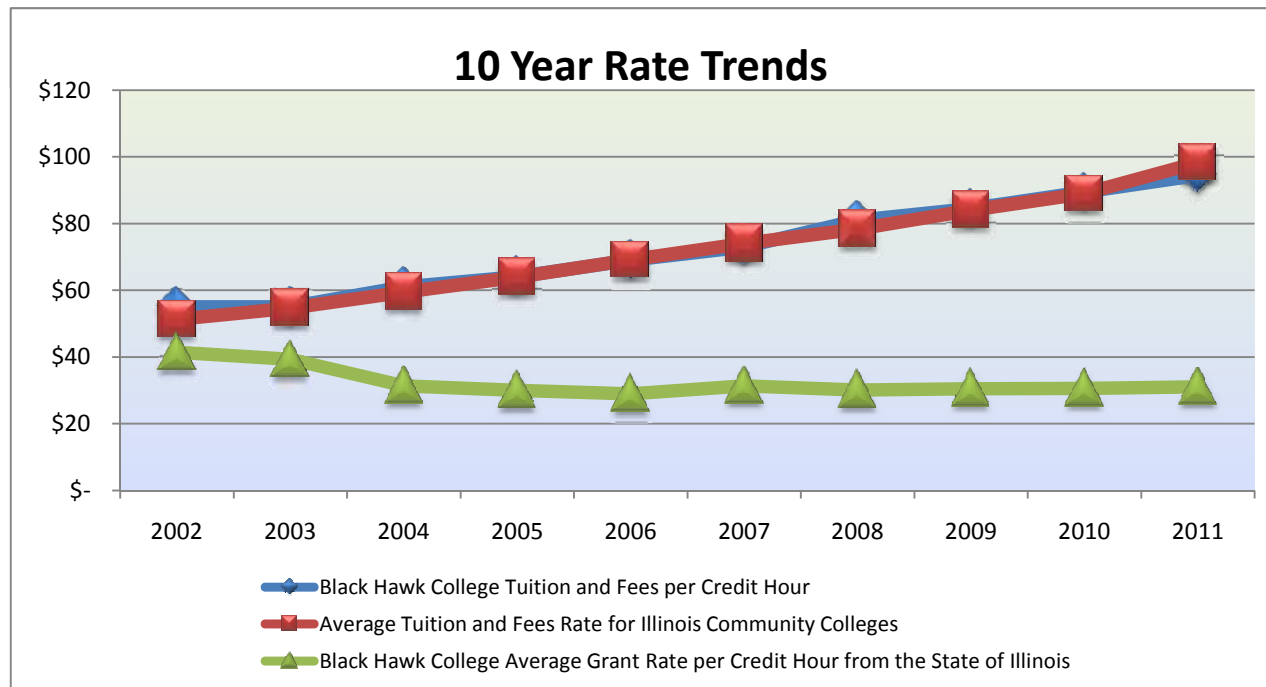
2003				2010			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV
Commonwealth Edison	\$ 76,107,947	1	2.65%	Commonwealth Edison	\$ 140,000,000	1	3.99%
Deere and Company	38,140,142	2	1.33%	Deere and Company	29,734,693	2	0.85%
SDG Macerich Properties	18,281,760	3	0.64%	Patriot Renewable Fuels, LLC.	22,942,607	3	0.65%
J. I. Case	5,704,594	4	0.20%	Rock Island Boatworks/Jumers Casino	22,519,448	4	0.64%
Minnesota Mining & Manufacturing	5,213,237	5	0.18%	Big River Resources Galva LLC	21,942,813	5	0.62%
Pioneer Hi-Bred	5,148,559	6	0.18%	SDG Macerich/Southpark Mall	16,632,476	6	0.47%
Thoms-Proestler Company	4,816,290	7	0.17%	Modern Woodmen of America	9,543,326	7	0.27%
Barjan Products LLC	4,425,893	8	0.15%	Thoms-Proestler Co.	5,643,419	8	0.16%
Cordova Energy	4,331,206	9	0.15%	Fed Ex Freight	5,025,042	9	0.14%
Tyson Foods	4,130,478	10	0.14%	Walmart - Silvis	4,895,401	10	0.14%
	<u>\$ 170,430,584</u>		<u>5.94%</u>		<u>\$ 283,064,725</u>		<u>8.07%</u>

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

Black Hawk College Illinois Community College District No. 503

Mandatory Tuition and Fees (Unaudited)
FY2002 through FY2011

<u>Fiscal Year</u>	<u>Black Hawk College Tuition and Fees per Credit Hour</u>	<u>Average Tuition and Fees Rate for Illinois Community Colleges</u>	<u>Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois</u>	<u>Black Hawk College Total Unrestricted and Restricted Credit Hours</u>
2002	55.00	51.32	41.40	145,370
2003	55.00	54.64	39.31	144,077
2004	61.00	59.45	31.33	144,359
2005	64.00	63.92	29.94	144,087
2006	69.00	69.11	28.94	140,900
2007	73.00	74.04	31.36	132,392
2008	81.00	78.36	30.08	128,450
2009	84.50	84.04	30.51	124,771
2010	89.50	88.95	30.59	135,521
2011	94.50	98.26	31.08	139,479



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)
 FY2002 through FY2011

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

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)
 FY2002 through FY2011

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



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

Black Hawk College
Illinois Community College District No. 503

Schedule of Bond Coverage (Unaudited)
 Last Ten Fiscal Years

General Obligation Bonds

Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		Total	Coverage Ratio
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2002	-	-	-	-	-	-	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	-	-	-	-	-	-	N/A
2005	732,435	284	732,719	-	111,000	-	-	-	-	-	-	111,000	660.11%
2006	1,150,348	9,695	1,160,043	500,000	147,645	-	-	-	-	-	-	647,645	179.12%
2007	1,800,339	18,863	1,819,202	1,000,000	157,513	-	319,333	-	-	-	-	1,476,846	123.18%
2008	3,214,755	31,313	3,246,068	1,220,000	115,539	600,000	323,597	-	144,337	-	-	2,403,473	135.06%
2009	4,707,582	40,115	4,747,697	1,265,000	70,395	1,700,000	228,689	205,000	341,700	-	-	3,810,784	124.59%
2010	5,466,013	62,113	5,528,126	1,315,000	20,547	2,500,000	74,479	1,250,000	306,770	-	190,117	5,656,913	97.72%
2011	5,444,629	54,878	5,499,507	-	-	-	-	4,145,000	189,039	400,000	563,349	5,297,388	103.82%

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

Source: College records

Black Hawk College
Illinois Community College District No. 503

Direct and Overlapping General Obligation Bonded Debt (Unaudited)
 Henry and Rock Island Counties Only
 (Which represents 88.85% of the Equalized Assessed Value of the District)

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
Henry County	\$ -	99.530%	\$ -
Rock Island County	7,445,000	100.000%	7,445,000
Metropolitan Airport Authority	-	100.000%	-
Metropolitan Transit Authority	-	100.000%	-
Annawan Township	-	100.000%	-
Atkinson Township	-	100.000%	-
Village of Cambridge	-	100.000%	-
Village of Carbon Cliff	-	100.000%	-
Village of Coal Valley	-	100.000%	-
City of Colona	-	100.000%	-
Village of Cordova	-	100.000%	-
City of East Moline	925,000	100.000%	925,000
City of Galva	-	100.000%	-
City of Geneseo	-	100.000%	-
Village of Hampton	-	100.000%	-
City of Kewanee	300,000	100.000%	300,000
Village of Milan	-	100.000%	-
City of Moline	70,370,000	100.000%	70,370,000
City of Rock Island	39,599,999	100.000%	39,599,999
City of Silvis	1,965,000	100.000%	1,965,000
Carbon Cliff Special Service Area #3	230,000	100.000%	230,000
Silvis Special Service Area #1	1,600,000	100.000%	1,600,000
Cambridge Fire District	1,500,000	100.000%	1,500,000
Coal Valley Fire District	590,000	100.000%	590,000
(Hammond) Henry Hospital District	-	100.000%	-
Illini Hospital (Ambulance) District	-	100.000%	-
Kewanee Library District	230,000	100.000%	230,000
Geneseo Park District	400,000	100.000%	400,000
Kewanee Park District	510,000	100.000%	510,000
Community Unit School District #1	985,000	100.000%	985,000

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

Direct and Overlapping General Obligation Bonded Debt (Unaudited)
Henry and Rock Island Counties Only
(Which represents 88.85% of the Equalized Assessed Value of the District)

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
School District #29	599,000	100.000%	599,000
High School District #30	475,000	100.000%	475,000
School District #34	4,165,000	100.000%	4,165,000
School District #36	1,380,000	100.000%	1,380,000
School District #37	5,193,262 ⁵	100.000%	5,193,262
Community Unit School District #40	28,528,575	100.000%	28,528,575
School District #41	39,485,000	100.000%	39,485,000
Community Unit School District #100 (Riverdale)	425,000	100.000%	425,000
Community Unit School District #100 (Stark)	7,765,000	100.000%	7,765,000
School District #190	915,000	100.000%	915,000
Community Unit School District #200	3,855,918 ⁵	100.000%	3,855,918
Community Unit School District #203	320,000	100.000%	320,000
Community Unit School District #223	5,044,006 ⁵	100.000%	5,044,006
Community Unit School District #224	200,000	100.000%	200,000
Community Unit School District #225	2,142,098	99.860%	2,139,099
Community Unit School District #227	975,000 ⁶	100.000%	975,000
Community Unit School District #228	9,820,000	99.999%	9,819,902
Community Unit School District #229	1,160,000 ⁶	100.000%	1,160,000
Community Unit School District #230	200,000	100.000%	200,000
Community Unit School District #300	1,140,000	100.000%	1,140,000
Total Overlapping General Obligation Bonded Debt			\$ 240,434,761

Notes:

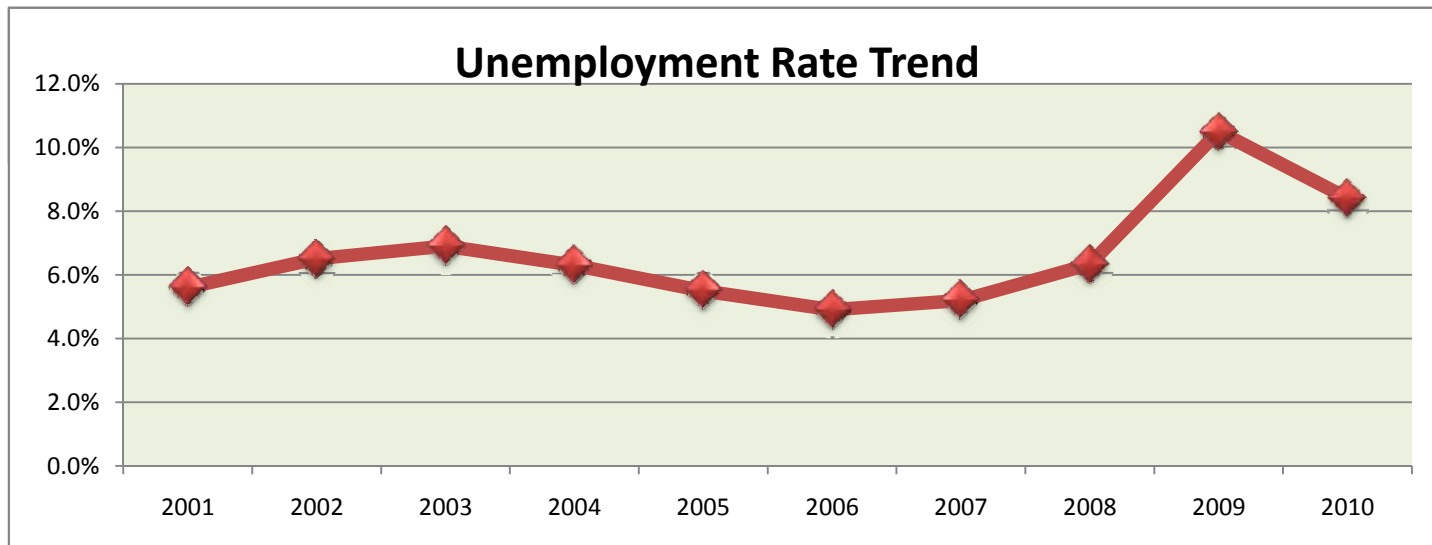
1. Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds that are expected to be paid from sources other than general taxation.
2. Includes Public Building Commission debt applicable to the County and secured by lease rentals payable from ad valorem taxes levied on all taxable property within the County.
3. Excludes lease agreements and installment contracts.
4. Includes self-supporting bonds that are expected to be abated annually.
5. Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
6. Includes principal amounts of an outstanding loan with the Illinois Environmental Protection Agency.
7. Information presented is as of September 2011.

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

Black Hawk College
Illinois Community College District No. 503

Demographic and Economic Statistics (Unaudited)
 Calendar Years 2001 through 2010

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	395,159	10,102,968	25,303	5.6%
2002	393,798	10,158,211	25,178	6.5%
2003	392,315	10,619,685	26,525	6.9%
2004	391,549	11,089,571	28,129	6.3%
2005	391,171	11,130,144	27,773	5.5%
2006	389,768	11,652,337	29,127	4.9%
2007	386,191	12,620,479	31,890	5.2%
2008	385,161	13,832,570	36,243	6.3%
2009	383,799	13,573,610	35,293	10.5%
2010	386,826	N/A	N/A	8.4%



Notes:

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

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

Black Hawk College
Illinois Community College District No. 503

Principal Employers (Unaudited)
 Current Year and Eight Years Ago

Rock Island County					
2003			2010		
Employer	Product/Service	Employees	Employer	Product/Service	Employees
Deere & Co.	Construction and agricultural equipment	6,200	Rock Island Arsenal	Defense Manufacturing	6,680
Rock Island Arsenal	Defense Manufacturing	6,000	Deere & Co.	Construction and agricultural equipment	6,300
Trinity Regional Health System	Health care system	3,600	Genesis Health System	Health care system	4,900
Case Corporation	Agriculture & Industrial equipment	2,500	Trinity Regional Health System	Health care system	4,400
John Deere Harvester Works	Construction and agricultural equipment	2,300	John Deere Harvester Works	Construction and agricultural equipment	2,400
John Deere Seeding Group	Planting equipment	1,000	John Deere Seeding Group	Planting equipment	1,918
Community Unit School District #40	Moline school district	1,000	Export Packaging (XPAC)	Supply chain management and logistics	1,065
MidAmerican Energy Co.	Utility/Energy delivery	990	MidAmerican Energy Co.	Utility/Energy delivery	1,060
Export Packaging (XPAC)	Supply chain management and logistics	975	Community Unit School District #40	Moline school district	990
US Army Corps of Engineers	National Security	950	US Army Corps of Engineers	National Security	900

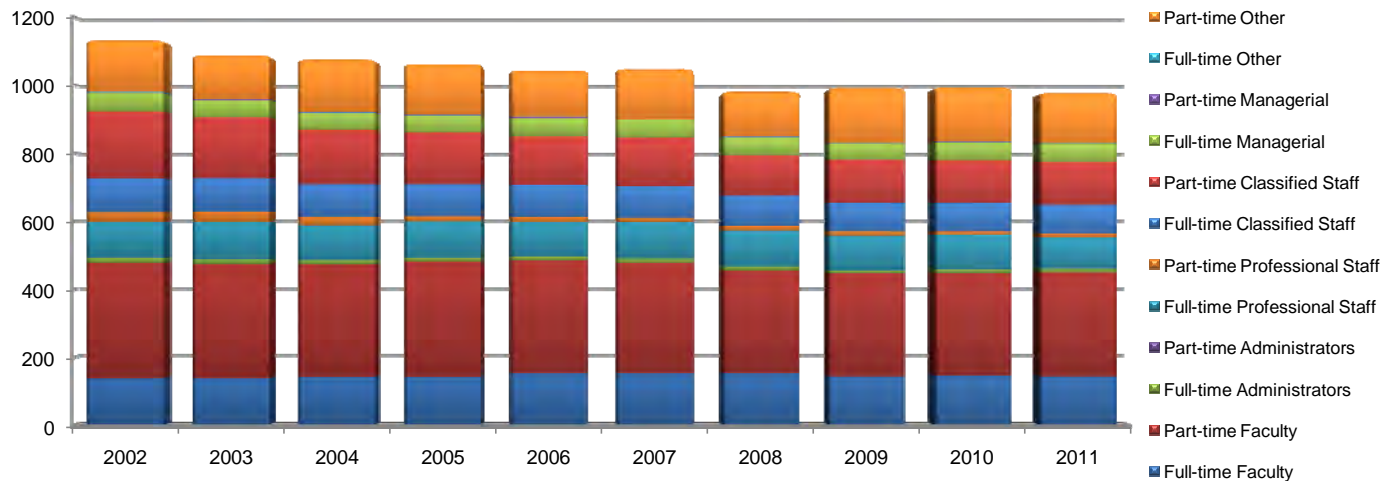
City of Kewanee					
2003			2010		
Employer	Product/Service	Employees	Employer	Product/Service	Employees
Great Dane Trailers	Manufactures semi-truck trailers	500	Kewanee Hospital	Hospital	305
Kewanee Hospital	Hospital	400	Wal-Mart	Retail	300
Excelled Sheepskin & Leather Coat Co.	Manufactures leather products	200	Kewanee Youth Center	Youth center	300
Compaction America	Manufactures self-propelled compactors	150	Peterson Health Care, Inc.	Nursing home/assisted living facilities	280
Kewanee Corp.	Manufactures metal doors & frames	100	Great Dane Trailers	Manufactures semi-truck trailers	250

Sources: Illinois Department of Commerce and Economic Opportunity
 Kewanee Fact Book

Black Hawk College
Illinois Community College District No. 503

Faculty and Staff Headcount (Unaudited)
 FY2002 through FY2011

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Faculty										
Full-time	139	137	141	141	153	154	154	143	145	143
Part-time	336	335	330	337	330	322	301	303	302	306
Administrators										
Full-time	14	14	13	13	11	12	10	9	10	9
Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Full-time	54	52	49	50	53	52	51	49	52	51
Part-time	1	2	2	2	2	0	1	1	2	2
Professional Staff										
Full-time	107	110	102	107	103	109	106	101	101	92
Part-time	29	31	25	15	15	12	13	12	10	13
Classified Staff										
Full-time	97	97	95	93	93	90	88	83	84	82
Part-time	197	177	159	151	142	143	120	127	125	128
Other										
Full-time	3	1	1	2	2	1	1	1	1	1
Part-time	151	128	154	147	135	148	133	160	159	147
Total Employees										
Full-time	414	411	401	406	415	418	410	386	393	378
Part-time	714	673	670	652	624	625	568	603	598	596
Grand Total	1128	1084	1071	1058	1039	1043	978	989	991	974

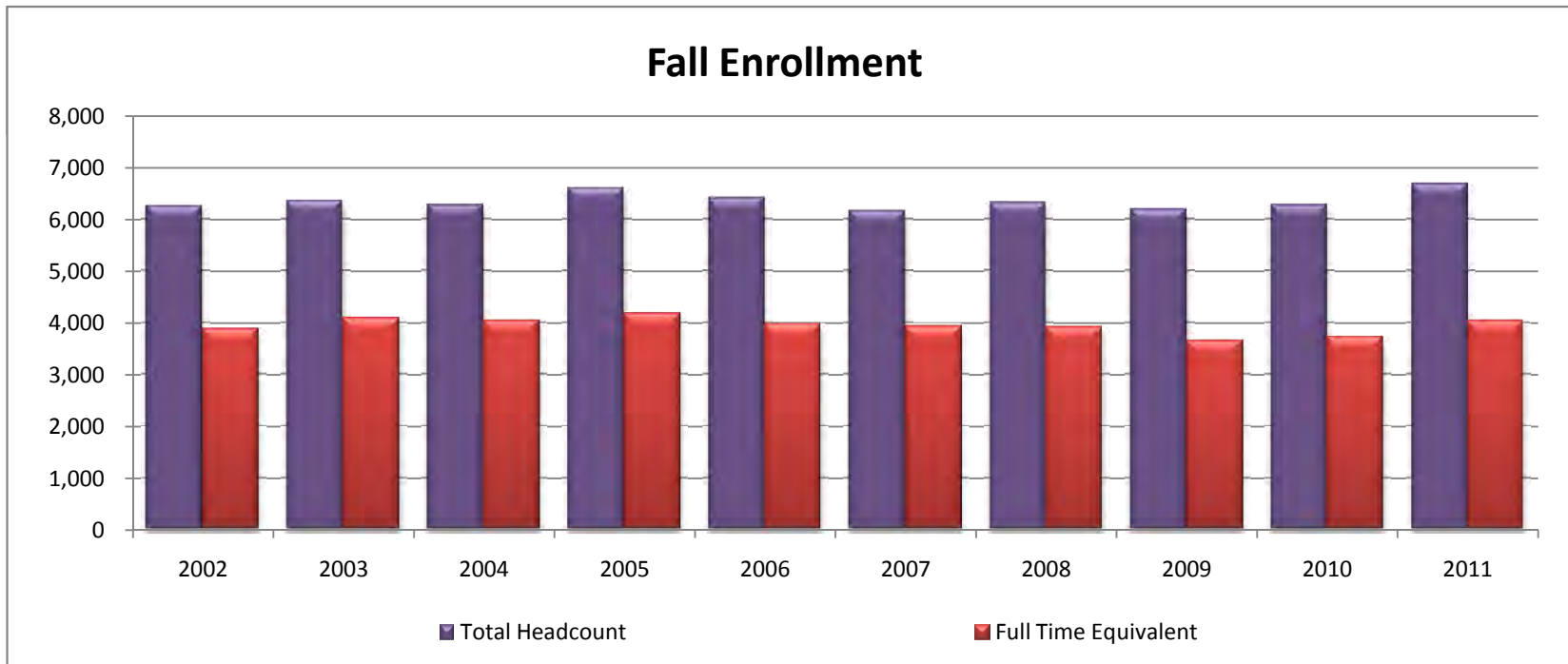


Source: ICCB Salary Survey C1 Report

Black Hawk College
Illinois Community College District No. 503

Student Enrollment Demographic Statistics (Unaudited)
 FY2002 through FY2011

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status					Age
	Full Time Equivalent	Total Headcount	Male	Female	Full Time	Part Time	Continuing Student	New Student	Transfer Student	Readmit Student	Degreed	Average Age
2002	3,880	6,248	2,509	3,739	2,878	3,370	3,441	1,672	37	1,098	NR	27.4
2003	4,081	6,350	2,531	3,819	3,069	3,281	3,531	1,680	26	1,113	NR	26.6
2004	4,044	6,266	2,509	3,757	3,092	3,174	3,578	1,479	125	1,084	NR	26.4
2005	4,175	6,600	2,544	4,056	3,138	3,462	3,610	1,511	323	1,155	NR	27.4
2006	3,975	6,407	2,511	3,896	2,940	3,467	3,505	1,467	327	1,108	NR	27.3
2007	3,932	6,151	2,386	3,765	2,953	3,198	3,297	1,286	295	1,273	NR	26.9
2008	3,905	6,311	2,539	3,772	2,884	3,427	3,288	1,458	334	1,231	NR	26.6
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	NR	27.5
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	27.4

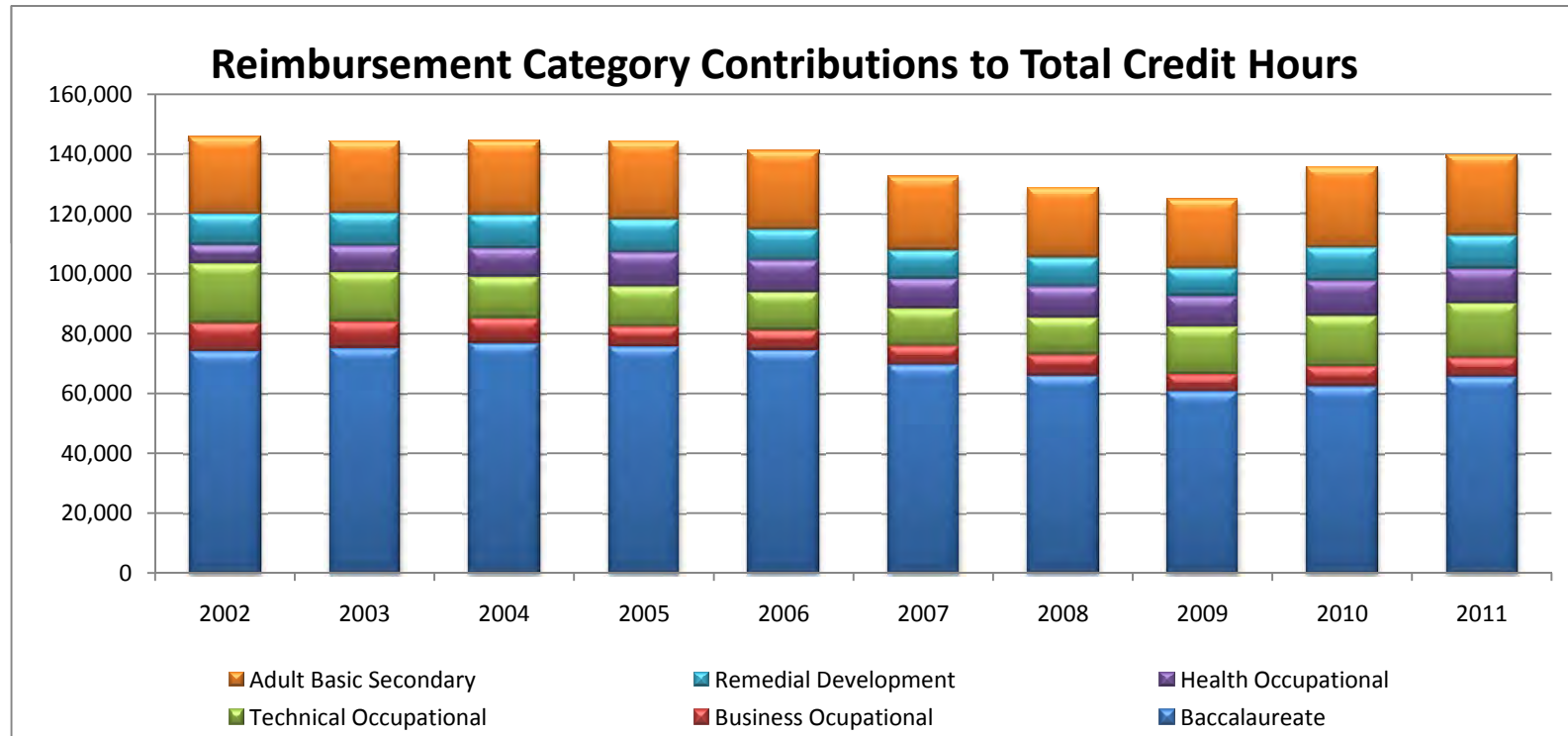


Source: ICCB E1 Report
 NR = Not Recorded

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories (Unaudited)
 FY2002 through FY2011

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% Change 2002 vs. 2011
Baccalaureate	73,818.7	75,102.3	76,770.2	75,552.4	74,557.5	69,337.3	65,866.3	60,658.2	62,219.0	65,304.7	-13.40%
Business Occupational	9,353.1	8,648.8	8,215.0	6,757.8	6,536.8	6,368.6	6,976.0	5,756.6	6,633.1	6,284.3	-23.52%
Technical Occupational	19,948.5	16,524.3	13,792.1	13,310.7	12,766.0	12,550.4	12,516.8	15,920.1	16,956.0	18,238.5	-10.74%
Health Occupational	6,273.5	8,683.7	9,574.8	11,326.3	10,540.9	9,888.6	10,025.6	10,119.6	11,690.7	11,510.2	115.33%
Remedial Development	10,274.0	10,779.0	10,906.0	10,935.0	10,305.0	9,587.0	9,670.0	9,218.0	10,957.0	11,172.0	20.25%
Adult Basic Secondary	25,701.7	24,338.9	25,100.5	26,205.1	26,193.7	24,660.5	23,395.0	23,098.0	27,065.3	26,969.0	6.76%
Total	145,369.5	144,077.0	144,358.6	144,087.3	140,899.9	132,392.4	128,449.7	124,770.5	135,521.1	139,478.7	-3.92%



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)
 FY2002 through FY2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Buildings - Permanent	17	17	17	18	18	18	19	19	19	19
Total Acres	267.8	267.8	267.8	267.8	267.8	267.8	271.9	271.9	271.9	271.9
Net Assignable Square Feet:										
Classrooms and general use	72,983	72,883	69,068	75,921	76,868	76,251	74,977	71,702	71,968	71,831
Laboratory	90,156	65,897	89,396	85,299	83,439	97,016	130,723	128,713	128,713	129,373
Office	59,175	60,074	59,130	60,466	61,044	60,553	61,034	59,693	59,225	59,601
Study	26,216	22,530	24,480	24,864	24,864	24,307	24,491	24,307	24,307	24,307
Special Use (Athletics, PE)	56,040	84,539	64,297	65,833	66,073	45,448	45,448	47,353	45,448	45,448
General Use (Theater)	39,022	37,901	37,346	37,652	37,305	36,882	36,138	32,977	34,882	33,181
Support functions	32,619	33,569	32,420	32,444	32,035	31,274	29,874	29,014	29,216	29,154
Total	<u>376,211</u>	<u>377,393</u>	<u>376,137</u>	<u>382,479</u>	<u>381,628</u>	<u>371,731</u>	<u>402,685</u>	<u>393,759</u>	<u>393,759</u>	<u>392,895</u>
Parking capacity:										
On campus parking spots	1,826	1,826	1,826	1,826	1,826	1,826	1,920	1,920	1,920	1,920
Acres	20	20	20	20	20	20	21	21	21	21

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

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

Miscellaneous Statistics (Unaudited)
June 30, 2011

Year Founded 1946

District Data

Population (approximation) 230,000

Communities served include:

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

Accreditation

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

2013

Degree and Certificates Awarded in Fiscal Year 2010

Associate in Arts	197
Associate in Science	75
Associate in Liberal Studies	4
Associate in Applied Science	193
Associate in Arts in Teaching	2
Certificates	257

Source: College records

ICCB Supplemental Information

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

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2010	2009	2008
Equalized assessed valuations:			
Bureau County	\$ 20,084,506	\$ 19,970,182	\$ 19,094,274
Henderson County	2,108,005	1,933,017	1,788,629
Henry County	744,715,274	743,934,705	721,211,551
Knox County	10,660,206	10,088,188	9,582,246
Marshall County	109,845	89,754	80,629
Mercer County	222,998,604	212,415,387	205,279,925
Rock Island County	2,376,747,388	2,278,568,190	2,248,655,323
Stark County	83,538,657	80,361,189	76,924,179
Whiteside County	52,039,981	50,322,209	47,824,922
	<u>\$ 3,513,002,466</u>	<u>\$ 3,397,682,821</u>	<u>\$ 3,330,441,678</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1196	0.1200	0.1200
Operations and Maintenance Fund	0.0698	0.0700	0.0700
Bond and Interest Fund	0.1554	0.1606	0.1648
Liability, Protection, and Settlement Fund	0.0736	0.0696	0.0666
Audit Fund	0.0026	0.0026	0.0026
Operations and Maintenance, restricted	0.0500	0.0496	0.0500
Equity	0.0614	0.0613	0.0616
	<u>0.5324</u>	<u>0.5337</u>	<u>0.5356</u>
Tax extensions:			
Education Fund	\$ 5,582,020	\$ 5,410,198	\$ 5,289,009
Operations and Maintenance Fund	3,228,590	3,128,179	3,090,383
Bond and Interest Fund	5,459,206	5,456,679	5,488,568
Liability, Protection, and Settlement Fund	2,585,570	2,364,787	2,218,074
Audit Fund	91,338	88,340	86,591
Operations and Maintenance, restricted	1,756,501	1,685,251	1,665,221
	<u>\$ 18,703,225</u>	<u>\$ 18,133,434</u>	<u>\$ 17,837,846</u>
Less tax collections (cumulative through June 30, 2011):			
Education Fund	\$ 1,827,531	\$ 5,395,566	\$ 5,272,517
Operations and Maintenance Fund	1,057,028	3,119,718	3,089,747
Bond and Interest Fund	1,787,323	5,441,921	5,471,455
Liability, Protection, and Settlement Fund	846,505	2,358,392	2,211,159
Audit Fund	29,904	88,101	86,322
Operations and Maintenance, restricted	575,071	1,680,693	1,660,028
	<u>\$ 6,123,362</u>	<u>\$ 18,084,391</u>	<u>\$ 17,791,228</u>
Tax extensions:			
Tax receivable	\$ 12,579,863	\$ -	\$ -
Written off	-	49,043	46,618
Allowance for uncollectible taxes	(18,704)	-	-
	<u>\$ 12,561,159</u>	<u>\$ 49,043</u>	<u>\$ 46,618</u>
Taxes receivable:			
Education Fund	3,748,988	\$ -	\$ -
Operations and Maintenance Fund	2,168,381	-	-
Bond and Interest Fund	3,666,419	-	-
Liability, Protection, and Settlement Fund	1,736,516	-	-
Audit Fund	61,345	-	-
Operations and Maintenance, restricted	1,179,699	-	-
	<u>\$ 12,561,348</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>32.74%</u>	<u>99.73%</u>	<u>99.74%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2010 levy	<u>\$ 3,513,002,466</u>
Debt limit, 2.875% of assessed valuation	\$ 100,998,821
Bonded indebtedness	<u>(22,600,000)</u>
Legal debt margin	<u>\$ 78,398,821</u>

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

Certification of Chargeback Reimbursement for Fiscal Year 2012 (Unaudited)

**All Fiscal Year 2011 Noncapital Audited Operating
Expenditures from the Following Funds**

1 Education Fund	\$ 29,931,445
2 Operations and Maintenance Fund	3,756,879
3 Operations and Maintenance Fund - restricted	-
4 Bond and Interest Fund	5,297,388
5 Public Building Commission Rental Fund	-
6 Restricted Purposes Fund	15,936,133
7 Audit Fund	67,100
8 Liability, Protection, and Settlement Fund	2,093,697
9 Auxiliary Enterprises Fund (Subsidy Only)	<u>-</u>
10 Total noncapital expenditures	\$ 57,082,642
11 Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	<u>1,172,738</u>
12 Total costs included (line 10 plus line 11)	<u>58,255,380</u>
13 Total certified semester credit hours for FY 2011	<u>139,478.69</u>
14 Per capital cost (line 12 divided by line 13)	<u>417.67</u>
15 All fiscal year 2011 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>14,925,780</u>
16 Fiscal year 2011 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>107.01</u>
17 District's average ICCB grant rate (excluding equalization grants) for fiscal year 2012	<u>29.49</u>
18 District's student tuition and fee rate per semester credit hour for fiscal year 2012	<u>98.50</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<u><u>\$ 182.66</u></u>

Approved: *R. Gene Gardner*
Chief Executive Officer

Date: September 23, 2011

Approved: *Leslie J. Anderson*
Chief Financial Officer

Date: September 23, 2011

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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, 2011

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance (deficit), beginning	\$ 9,689,557	\$ 768,902	\$ 2,642,136
Revenues:			
Local tax revenue	5,513,704	3,175,694	5,444,629
All Other Local Revenue	1,288,994	143,222	-
ICCB grants	7,150,954	627,724	-
All other state revenue	-	-	-
Federal revenue	19,838	-	-
Student tuition and fees	16,939,482	90,812	-
All other revenue	947,939	207,267	54,878
Total revenues	31,860,911	4,244,719	5,499,507
Expenditures:			
Instruction	13,178,507	-	-
Academic support	2,773,779	-	-
Student services	2,559,424	-	-
Public service	585,213	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,756,879	-
Institutional support	6,904,703	-	5,297,388
Scholarships, student grants and waivers	3,929,819	-	-
Total expenditures	29,931,445	3,756,879	5,297,388
Net transfers	(1,929,466)	(487,840)	(139,280)
Fund balance (deficit), end of year	\$ 9,689,557	\$ 768,902	\$ 2,704,975

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 23,911,458	\$ 143,703	\$ 37,322	\$ 12,240,384	\$ 150,245	\$ 1,573,022	\$ 51,156,729
1,716,695	-	-	-	89,620	2,469,190	18,409,532
-	-	3,680	-	-	3,557	1,439,453
-	-	914,982	-	-	-	8,693,660
-	-	3,003,712	-	-	-	3,003,712
-	-	11,922,068	-	-	-	11,941,906
-	405,444	610,285	-	-	-	18,046,023
507,330	3,604,479	792,899	435,352	-	-	6,550,144
2,224,025	4,009,923	17,247,626	435,352	89,620	2,472,747	68,084,430
-	-	668,353	-	-	-	13,846,860
-	-	1,210,145	-	-	-	3,983,924
8,131	-	1,034,261	-	-	-	3,601,816
-	-	1,274,867	-	-	-	1,860,080
-	3,658,121	108,762	-	-	-	3,766,883
3,268,543	-	22,105	-	-	772,441	7,819,968
840,323	-	259,364	-	67,100	1,321,256	14,690,134
-	-	11,358,276	-	-	-	15,288,095
4,116,997	3,658,121	15,936,133	-	67,100	2,093,697	64,857,760
2,911,586	-	45,000	(400,000)	-	-	-
\$ 24,930,072	\$ 495,505	\$ 1,393,815	\$ 12,275,736	\$ 172,765	\$ 1,952,072	\$ 54,383,399

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Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 2 - Summary of Fixed Assets and Debt
Year ended June 30, 2011

	Fixed Asset/Debt July 1, 2010	Additions	Deletions	Fixed Asset/Debt June 30, 2011
Fixed Assets:				
Land	\$ 5,410,861	\$ 410,197	\$ -	\$ 5,821,058
Building and improvements	37,403,079	2,105,472	(78,694)	39,429,857
Equipment	5,216,008	665,989	(113,946)	5,768,051
Other	1,346,740	2,870,976	(2,543,992)	1,673,724
	<u>49,376,688</u>	<u>6,052,634</u>	<u>(2,736,632)</u>	<u>52,692,690</u>
Accumulated depreciation	(19,069,179)	(1,298,115)	170,176	(20,197,118)
Total fixed assets	<u>\$ 30,307,509</u>	<u>\$ 4,754,519</u>	<u>\$ (2,566,456)</u>	<u>\$ 32,495,572</u>
 Fixed Debt:				
Bonds payable	\$ 27,145,000	\$ -	\$ (4,545,000)	\$ 22,600,000
Total fixed debt	<u>\$ 27,145,000</u>	<u>\$ -</u>	<u>\$ (4,545,000)</u>	<u>\$ 22,600,000</u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2011

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 5,513,704	\$ 3,175,694	\$ 8,689,398
Corporate personal property replacement tax	1,288,994	143,222	1,432,216
Chargeback revenue	-	-	-
	6,802,698	3,318,916	10,121,614
State government:			
ICCB credit hour grants	3,295,549	627,724	3,923,273
ICCB equalization grants	3,576,700	-	3,576,700
ICCB - Career and Technical Education	278,705	-	278,705
Other state revenue	-	-	-
	7,150,954	627,724	7,778,678
Federal government:			
Department of Education	14,927	-	14,927
Other	4,911	-	4,911
	19,838	-	19,838
Student tuition and fees:			
Tuition	15,539,840	-	15,539,840
Fees	1,399,642	90,812	1,490,454
	16,939,482	90,812	17,030,294
Other sources:			
Sales and service fees	562,531	10,613	573,144
Facilities revenue	34,528	166,231	200,759
Investment revenue	307,366	-	307,366
Other	43,514	30,423	73,937
	947,939	207,267	1,155,206
Total revenues	31,860,911	4,244,719	36,105,630
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	\$ 31,860,911	\$ 4,244,719	\$ 36,105,630

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2011**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 13,178,507	\$ -	\$ 13,178,507
Academic support	2,773,779	-	2,773,779
Student services	2,559,424	-	2,559,424
Public service	585,213	-	585,213
Operations and maintenance	-	3,756,879	3,756,879
Institutional support	6,904,703	-	6,904,703
Scholarships, student grants and waivers	3,929,819	-	3,929,819
Total expenditures	29,931,445	3,756,879	33,688,324
Less nonoperating item, tuition chargeback	10,662	-	10,662
Transfers, net	1,929,466	487,840	2,417,306
Adjusted expenditures	\$ 31,850,249	\$ 4,244,719	\$ 36,094,968
By object:			
Salaries	\$ 19,426,743	\$ 1,547,967	\$ 20,974,710
Employee benefits	3,644,038	381,989	4,026,027
Contractual services	889,264	319,196	1,208,460
General materials and supplies	1,416,670	265,069	1,681,739
Conference and meeting expenses	215,511	2,274	217,785
Fixed charges	40,673	117,119	157,792
Utilities	8,994	1,110,080	1,119,074
Capital outlay	168,003	13,185	181,188
Other	4,121,549	-	4,121,549
Total expenditures	29,931,445	3,756,879	33,688,324
Less nonoperating item, tuition chargeback	10,662	-	10,662
Transfers, net	1,929,466	487,840	2,417,306
Adjusted expenditures	\$ 31,850,249	\$ 4,244,719	\$ 36,094,968

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2011

Revenues by source:	
Local government	\$ 3,680
State government:	
ICCB:	
Workforce Development Component	71,781
Adult Education and Family Literacy	546,660
Early School Leaver	74,937
State Program Improvement	18,833
Staff Technical Skills	198,396
CTE Innovation	4,375
Illinois State Board of Education:	
Truancy and Alternative Education	180,167
Growing Agricultural Science Teachers	26,314
Other	153
Illinois Department of Commerce and Economic Opportunity:	
Digital Divide	43,314
Employer Training Investment Program	170,000
Sustainability	48,165
Small Business Development Center/ ITC	26,318
Illinois Jobs Now	1,100,000
Illinois Student Assistance Center	1,221,224
Secretary of State, LIFE	152,300
Other	35,757
Total state government	<u>3,918,694</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	143,891
Pell Grant	9,385,383
Academic Competitiveness	58,628
Supplemental Educational Opportunity Grant (SEOG)	107,061
Strengthening Institutions - Title III	255,148
Carl D. Perkins Vocational and Applied Technology Program	351,122
Special Student Services	309,376
Adult Education and Family Literacy, Federal Basic Program	241,869
Adult Education English Language/Civics	40,303
Department of Labor	
TEAM	72,556
Student Support Services	20,000
Joined by a River/Logistics	221,528
Local Food/Ag Incubator	38,564
Bridges to Healthcare	20,000
Critical Skills Shortage Initiative - Welding	248,761
ESL for Seaford Employees	3,289

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2011

Revenues by source (Continued):

Department of Defense	73,858
Department of Energy	34,158
Department of Justice	1,350
Small Business Administration	143,436
National Science Foundation	23,888
Veteran's Administration	127,899
Total federal government	11,922,068

Other sources:

Gifts from donors for scholarships	414,526
Corporation for Public Broadcasting	3,812
Student Fees	610,285
Other	374,561
Total other	1,403,184
Total Restricted Purposes Fund Revenues	\$ 17,247,626

Expenditures by program:

Instruction	\$ 668,353
Academic support	1,210,145
Student services	1,034,261
Public service/continuing education	1,274,867
Auxiliary services	108,762
Operations and maintenance	22,105
Institutional support	259,364
Scholarships, student grants and waivers	11,358,276
Total expenditures by program	\$ 15,936,133

Expenditures by object:

Salaries	\$ 2,034,102
Employee benefits	473,200
Contractual services	1,120,748
General materials and supplies	656,749
Conference and meeting expenses	107,006
Fixed charges	43,700
Utilities	5,689
Capital outlay	82,689
Other	11,412,250
Total expenditures by object	\$ 15,936,133

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2011

Instruction	\$ 13,846,860
Academic support:	
Library center	568,446
Instructional materials center	182,939
Educational materials center	52,035
Academic computing support	696,144
Academic administration and planning	2,329,102
Other	155,258
Total academic support	<u>3,983,924</u>
Student services:	
Admissions and records	647,870
Counseling and career guidance	1,362,763
Financial aid administration	596,687
Social and cultural development	19,866
Other	966,499
Total student services	<u>3,593,685</u>
Public service/continuing education:	
Community education	286,577
Customized training (instructional)	687,169
Community services	775,319
Other	111,015
Total public service/continuing education	<u>1,860,080</u>
Auxiliary services	<u>3,766,883</u>
Operations and maintenance of plant:	
Maintenance	893,603
Custodial services	1,029,318
Grounds	435,619
Campus security	787,663
Utilities	1,132,627
Administration	272,595
Total operations and maintenance	<u>4,551,425</u>
Institutional support:	
Executive office	1,226,463
Fiscal operations	855,199
Community relations	988,262
Administrative support services	1,093,923
Board of Trustees	33,264
General institution	2,735,304
Administrative data processing	287,094
Other	1,332,914
Total institutional support	<u>8,552,423</u>
Scholarships, student grants and waivers	15,288,095
Total current funds expenditures	<u>\$ 55,443,375</u>

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2011**

Fund Balances - Uniform Financial Statements	\$ 54,383,399
Capital assets in the Investment in Plant Fund	32,495,572
Long-term debt in the General Long Term Debt Fund	<u>(22,600,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 64,278,971</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2011**

Change in Fund Balances - Uniform Financial Statements	\$ 3,226,670
Additions to buildings and equipment	3,508,642
Depreciation and loss of disposal of assets	<u>(1,320,579)</u>
Net Effect	<u>2,188,063</u>
Payment on long-term debt	4,545,000
Issuance of long-term debt	<u>-</u>
Net Effect	<u>4,545,000</u>
SURS revenue provided by state	4,293,814
SURS expenditure provided by state	<u>(4,293,814)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 9,959,733</u></u>

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ICCB State Grants Financial Compliance Section

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

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

We have audited the balance sheets of the Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB Student Success Center Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2011, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of Black Hawk College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between Black Hawk College and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, such financial statements referred to above present fairly, in all material respects, the financial position of the Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB Student Success Center Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2011, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United State of America.

Wipfli LLP

Freeport, Illinois
September 30, 2011

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

**Workforce Development Grant Program
Balance Sheet
June 30, 2011**

Assets	
Cash	\$ -
Receivable from ICCB	71,781
Total assets	<u><u>\$ 71,781</u></u>
 Liabilities	
Due to other funds	\$ 71,781
Deferred revenue	-
Total liabilities	<u>71,781</u>
 Fund balance	
	-
	<u><u>\$ 71,781</u></u>

**Workforce Development Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2011**

	Business & Industry
Revenues, state sources	<u>\$ 71,781</u>
Expenditures:	
Salaries	50,411
Employee benefits	14,092
Contractual services	<u>7,278</u>
Total expenditures	<u>71,781</u>
Excess of revenue over (under) expenditures	<u>-</u>
Fund balance:	
Beginning, July 1, 2010	-
Ending, June 30, 2011	<u><u>\$ -</u></u>

See Note to Financial Statements - Grant Programs

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

**Workforce Development Grant Program
ICCB Compliance Statement
Year Ended June 30, 2011**

	General	Operation of Workforce Development Office	Total
Expenditures:			
Salaries, benefits	\$ 71,781	\$ -	\$ 71,781

See Note to Financial Statements - Grant Programs

Black Hawk College
Illinois Community College District #503

Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2011

	State Basic	Public Aid	Performance	Total
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Receivable from ICCB	165,036	73,975	92,364	331,375
Due from other funds	-	-	-	-
Total assets	<u>\$ 165,036</u>	<u>\$ 73,975</u>	<u>\$ 92,364</u>	<u>\$ 331,375</u>
Liabilities				
Accounts payable	\$ 877	\$ 15	\$ 238	\$ 1,130
Accrued salaries	4,867	2,915	1,579	9,361
Due to other funds	159,292	71,045	90,547	320,884
Total liabilities	<u>\$ 165,036</u>	<u>\$ 73,975</u>	<u>\$ 92,364</u>	<u>\$ 331,375</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, 2011

	State Basic	Public Aid	Performance	Total
Revenues, state sources	\$ 249,197	\$ 128,072	\$ 161,132	\$ 538,401
Expenditures:				
Current year's grant:				
Instruction	163,416	76,539	-	239,955
Social work services	-	-	-	-
Guidance services	32,240	21,328	4,166	57,734
Assessment and testing	3,494	6,138	945	10,577
Transportation	3	-	-	3
Literacy services	-	-	-	-
Improvement of Instructional Services	1,286	382	-	1,668
General administration	9,596	9,414	16	19,026
Workforce coordination	-	-	-	-
Data and information services	39,162	14,271	156,005	209,438
Operation of plant services	-	-	-	-
Total expenditures	<u>249,197</u>	<u>128,072</u>	<u>161,132</u>	<u>538,401</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:				
Beginning, July 1, 2010				-
Ending, June 30, 2011				<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, 2011**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	163,416	65.58%
General Administration (9% Maximum Allowed)	9,596	3.85%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	76,539	59.76%
General Administration (9% Maximum Allowed)	9,414	7.35%

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

**ICCB State Program Improvement
Balance Sheet
June 30, 2011**

Assets, cash	<u>\$ 19,060</u>
Liabilities, deferred revenue	\$ 19,060
Fund balance, encumbered	-
	<u>\$ 19,060</u>

**ICCB State Program Improvement
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2011**

Revenues, state sources	<u>\$ 3,685</u>
Expenditures:	
Salaries	122
Employee benefits	2
Supplies and materials	3,561
Total expenditures	<u>3,685</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2010	-
Ending, June 30, 2011	<u>\$ -</u>

See Note to Financial Statements - Grant Programs

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

**ICCB Student Success Center Grant
Balance Sheet
June 30, 2011**

Assets, cash	
Cash	\$ 19,551
Receivable from ICCB	-
Total assets	<u>\$ 19,551</u>
 Liabilities	
Accrued salaries	\$ 1,307
Deferred revenue	18,244
Total liabilities	<u>19,551</u>
 Fund balance	 <u>\$ -</u>

**ICCB Student Success Center Grant
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2011**

Revenues, state sources	<u>\$ 198,396</u>
Expenditures:	
Salaries	77,414
Benefits	7,893
Contractual Services	60,807
Materials and supplies	42,402
Travel and conferences	9,880
Total expenditures	<u>198,396</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2010	-
Ending, June 30, 2011	<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, 2011**

Assets	
Cash	\$ 1,653
Receivable	-
Total assets	<u>\$ 1,653</u>
Liabilities	
Accounts payable	\$ 1,653
Accrued salaries	-
Total liabilities	<u>\$ 1,653</u>
Fund balance , encumbered	-
	<u>\$ -</u>

**Early School Leaver Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2011**

Revenues, state sources	<u>\$ 74,937</u>
Expenditures:	
Salaries	48,892
Benefits	15,747
Contractual Services	30
Supplies and Materials	3,385
Travel	983
Student tuition and fees	<u>5,900</u>
Total expenditures	<u>74,937</u>
Revenues over (under) expenditures	-
Fund balance:	
Beginning, July 1, 2010	-
Ending, June 30, 2011	<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 Workforce Development, Adult Education and Family Literacy, ICCB State Program Improvement, Early School Leaver Program, and ICCB Student Success Center Grants. The transactions for the grants have been accounted for in the Restricted Purposes Fund.

Basis of Accounting:

The statements have been prepared on the modified accrual basis of accounting as defined in the Illinois Community College Board's *Fiscal Management Manual*. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2011. 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, 2011.

Capital Assets:

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

Encumbrances:

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

Background Information on State Grant Activity

Unrestricted Grants

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

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

Restricted Grants/Special Initiatives

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

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

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

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

Background Information on State Grant Activity

Statewide Initiatives

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

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

Restricted Adult Education Grants/State

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

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, 2011**

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, 2011**

None

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

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

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and Reconciliation of Semester Credit Hours of Black Hawk College, Illinois Community College District #503 for the year ended June 30, 2011. These schedules are the responsibility of the College's Management. Our responsibility is to express an opinion on the schedule based on our audit.

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

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and Reconciliation of Semester Credit Hours presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and the reconciliation of semester credit hours of Black Hawk College, Illinois Community College District #503 for the year ended June 30, 2011, in conformity with the regulations of the Illinois Community College Board.

Wipfli LLP

Freeport, Illinois
September 30, 2011

**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, 2011

Categories Notes 1 and 2	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)							
	Summer		Fall		Spring		(Note 3) Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	5,721.0	-	30,465.8	-	29,117.9	-	65,304.7	-
Business Occupational	480.4	-	2,718.2	-	3,085.7	-	6,284.3	-
Technical Occupational	1,672.2	-	8,558.5	-	8,007.8	-	18,238.5	-
Health Occupational	963.1	-	5,064.9	-	5,482.2	-	11,510.2	-
Remedial Developmental	756.0	-	6,122.0	-	4,294.0	-	11,172.0	-
Adult Basic/Secondary Education	3,433.8	-	1,856.1	9,472.6	8,943.0	3,263.5	14,232.9	12,736.1
Total	13,026.5	-	54,785.5	9,472.6	58,930.6	3,263.5	126,742.6	12,736.1

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

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

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

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Semester Credit Hours	132,723.4	40.0	132,763.4

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All terms)	6,507.5	293.0

District Prior Year Equalized Assessed Valuation	3,513,002,466
--	---------------

The District Has No Correctional Semester Credit Hours This Year.

Approved: 
Chief Executive Officer

Approved: 
Chief Financial Officer

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

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2011

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	65,304.7	65,304.7	-	-	-	-
Business Occupational	6,284.3	6,284.3	-	-	-	-
Technical Occupational	18,238.5	18,238.5	-	-	-	-
Health Occupational	11,510.2	11,510.2	-	-	-	-
Remedial Developmental	11,172.0	11,172.0	-	-	-	-
Adult Basic/Secondary Ed.	14,232.9	14,232.9	-	12,736.1	12,736.1	-
Total	126,742.6	126,742.6	-	12,736.1	12,736.1	-

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

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Resident	132,723.4	132,723.4	-
Out-of-District on Chargeback or Contractual Agreement	40.0	40.0	-
Dual Credit	6,507.5	6,507.5	-
Dual Enrollment	293.0	293.0	-

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
2010	\$ 3,513,002,466
2009	3,397,682,821
2008	3,330,441,678

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Federal Financial Compliance Section

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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		\$ 9,385,383
Federal Academic Competitiveness Grant	84.375		58,628
Federal Supplemental Educational Opportunity Grant	84.007		107,061
Federal Family Education Loans	84.268		1,771,267
Federal Work-Study Program	84.033		<u>143,891</u>
Total student financial aid			<u>11,466,230</u>
Federal Strengthen Institution Program	84.031	P031A090064	255,148
TRIO - Student Support Services	84.042A	P042A060709-09	69,287
TRIO - Student Support Services	84.042A	P042A100151	240,089
Total direct programs			<u>\$12,030,754</u>
Passed through Illinois Community College Board:			
Adult Education State Grant Program (Fed Basic)	84.002A	50301	242,440
Adult Education State Grant Program (EL Civics)	84.002A	50301	40,303
Vocational Education (Perkins)	84.048	CTE50311	339,866
Vocational Education (Perkins Innovation/Strand III)	84.048		<u>11,256</u>
Total pass through programs from Illinois Community College Board			<u>633,865</u>
Total U.S. Department of Education:			<u>\$12,664,619</u>
U.S. Department of Defense			
Passed through Illinois Department of Commerce and Economic Opportunity:			
Procurement Technical Assistance Center	12.002	09-611119	6,273
Procurement Technical Assistance Center	12.002	11-601109	31,115
Procurement Technical Assistance Center	12.002	11-804109	<u>36,470</u>
Total U.S. Department of Defense:			<u>73,858</u>
U.S. Department of Veterans Affairs			
VA Rehabilitation	64.116		23,612
Veteran's Educational Assistance	64.120		<u>127,899</u>
Total U.S. Department of Veterans Affairs			<u>151,511</u>
National Science Foundation	47.076	0802249	23,944
U.S. Department of Justice			
Passed through Bureau of Justice Assistance			
Bulletproof Vest Grant	16.607		1,350

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

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	10-561119	38,375
Small Business Development Center/ITC	59.037	11-181119	8,741
			<u>47,116</u>
Passed through Illinois Department of Commerce and Community Affairs:			
Small Business Development Center/ITC	59.037	07-203245	49,644
Small Business Development Center/ITC	59.037	11-181119	18,566
SBDC - Disaster Assistance Recovery	59.037	09-182101	28,110
			<u>96,320</u>
Total Small Business Administration:			<u>143,436</u>
U.S. Department of Labor			
Passed through Illinois Department of Employment:			
WIA - Training Employee Academic Mastery	17.259		72,556
Passed through Illinois Community College Board:			
WIA - Local Foods Agricultural Program	17.258-.260	LF50311	38,564
WIA - Bridges to Healthcare	17.267	WIABIG503	20,000
WIA - CSSI/Welding	17.258-.260	CSS1503	248,761
Student Support Services Demo Project	17.267	SSSDP503	20,000
			<u>327,325</u>
Passed through Illinois Department of Commerce and Economic Opportunity:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		3,289
Passed through Eastern Iowa Community College District:			
WIA - Joined by a River: Logistics Programming in the QC	17.269	CB-15932-07-60-A-19	221,439
Total U.S. Department of Labor:			<u>624,609</u>
U.S. Department of Energy			
Passed through Heartland Community College			
Sustainability Networking	81.117	DE-EE0003096	5,693
Sustainability Networking	84.116	P116Z100257	28,465
Total U.S. Department of Energy:			<u>34,158</u>
Total Expenditures of Federal Awards:			<u>\$13,717,485</u>

See Note to Schedule of Expenditures of Federal Awards.

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

**Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011**

Note 1. Basis of Presentation

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

Note 2. Sub-recipients

For the year ended June 30, 2011, the College had no sub-recipients of federal funds.

Note 3. Nonmonetary Assistance

For the year ended June 30, 2011, the College received no federal funds in the form of nonmonetary assistance.

Note 4. Other Federal Award Information

Black Hawk College has no loans or loan guarantees outstanding at June 30, 2011.

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

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

We have audited the financial statements of Black Hawk College, Illinois Community College District #503 (College) as of and for the year ended June 30, 2011 and have issued our report thereon dated September 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Wipfli LLP

Freeport, Illinois
September 30, 2011

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

**Schedule of Findings and Questioned Costs
June 30, 2011**

Comment	Corrective Action or Other Explanation
None	

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

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

Compliance

We have audited the compliance of Black Hawk College, Illinois Community College District #503 (College) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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

Handwritten signature of Wipfli LLP in cursive script.

Freeport, Illinois
September 30, 2011

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2011**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

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

Dollar threshold used to distinguish between type A and type B programs \$411,525

Auditee qualified as low risk auditee? Yes No

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

**Schedule of Findings and Questioned Costs
Year Ending June 30, 2011**

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

A. Significant Deficiencies in Internal Control

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

B. Compliance Findings

The audit disclosed no instances of noncompliance which are material to the basic financial statements of Black Hawk College as of and for the year ended June 30, 2011.

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, 2011**

N/A

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

**Summary Schedule of Prior Audit Findings
June 30, 2011**

Comment	Status	Corrective Action or Other Explanation
None		

Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2011

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 6,675,009	\$ 430,243	\$ -	\$ 90,000	\$ 157,090
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	3,748,988	2,168,381	-	-	61,345
Federal government claims	-	-	-	1,450,043	-
State government claims	2,523,819	-	-	1,962,091	-
Student tuition and fees	404,235	-	-	-	-
Other	56,330	-	144,529	43,128	-
Due from other funds	1,008,909	744	-	-	-
Inventory	-	-	783,587	-	-
Prepaid expenses	82,371	-	-	9,000	-
Capital assets:					
Land	-	-	-	-	-
Construction in process	-	-	-	-	-
Building, improvements and equipment net of \$20,197,118 depreciation	-	-	-	-	-
Total assets	<u>\$ 14,499,661</u>	<u>\$ 2,599,368</u>	<u>\$ 928,116</u>	<u>\$ 3,554,262</u>	<u>\$ 218,435</u>
Liabilities and Fund Balance					
Accounts payable	\$ 245,399	\$ 105,879	\$ 86,148	\$ 76,380	\$ -
Accrued expenses					
Payroll	709,407	20,798	4,548	38,613	-
Early retirement	97,230	-	-	-	-
Accrued vacation	678,527	79,743	29,860	47,496	-
Other	-	-	-	-	-
Due to other funds	26,482	-	304,632	1,446,791	-
Deferred revenue					
Property taxes	2,791,010	1,614,296	-	-	45,670
Student tuition and fees	227,116	-	7,423	196,753	-
Other	-	-	-	354,414	-
Other liabilities	34,933	9,750	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>4,810,104</u>	<u>1,830,466</u>	<u>432,611</u>	<u>2,160,447</u>	<u>45,670</u>
Fund balance					
Restricted	-	-	-	1,393,815	172,765
Unrestricted	9,689,557	768,902	495,505	-	-
Total fund balance	<u>9,689,557</u>	<u>768,902</u>	<u>495,505</u>	<u>1,393,815</u>	<u>172,765</u>
Total liabilities and fund balance	<u>\$ 14,499,661</u>	<u>\$ 2,599,368</u>	<u>\$ 928,116</u>	<u>\$ 3,554,262</u>	<u>\$ 218,435</u>

See Note to Supplemental Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 1,600,439	\$ 11,507,565	\$ 1,824,693	\$ 20,409,672	\$ -	\$ -	\$ 42,694,711
-	-	-	4,851,703	-	-	4,851,703
1,736,516	-	3,666,419	1,179,699	-	-	12,561,348
-	-	-	-	-	-	1,450,043
-	-	-	-	-	-	4,485,910
-	-	-	-	-	-	404,235
-	-	-	16,589	-	-	260,576
81	768,171	-	-	-	-	1,777,905
-	-	-	-	-	-	783,587
-	-	-	-	-	-	91,371
-	-	-	-	5,821,058	-	5,821,058
-	-	-	-	1,673,724	-	1,673,724
-	-	-	-	25,000,790	-	25,000,790
\$ 3,337,036	\$ 12,275,736	\$ 5,491,112	\$ 26,457,663	\$ 32,495,572	\$ -	\$ 101,856,961
\$ 42,090	\$ -	\$ -	\$ 649,339	\$ -	\$ -	\$ 1,205,235
3,681	-	-	-	-	-	777,047
-	-	-	-	-	-	97,230
46,407	-	-	-	-	-	882,033
-	-	56,532	-	-	-	56,532
-	-	-	-	-	-	1,777,905
1,292,786	-	2,729,605	878,252	-	-	9,351,619
-	-	-	-	-	-	431,292
-	-	-	-	-	-	354,414
-	-	-	-	-	-	44,683
-	-	-	-	-	22,600,000	22,600,000
-	-	-	-	-	-	-
1,384,964	-	2,786,137	1,527,591	-	22,600,000	37,577,990
1,952,072	10,194,190	2,704,975	24,930,072	-	-	41,347,889
-	2,081,546	-	-	32,495,572	(22,600,000)	22,931,082
1,952,072	12,275,736	2,704,975	24,930,072	32,495,572	(22,600,000)	64,278,971
\$ 3,337,036	\$ 12,275,736	\$ 5,491,112	\$ 26,457,663	\$ 32,495,572	\$ -	\$ 101,856,961

Black Hawk College
Illinois Community College District #503

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2011

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
Revenues:					
Local governmental sources					
Property taxes	\$ 5,513,704	\$ 3,175,694	\$ -	\$ -	\$ 89,620
Personal Property Replacement Tax	1,288,994	143,222	-	-	-
Other	-	-	-	3,680	-
Total local government sources	6,802,698	3,318,916	-	3,680	89,620
State governmental sources	7,150,954	627,724	-	3,918,694	-
Federal governmental sources	19,838	-	-	11,922,068	-
Student tuition and fees	16,939,482	90,812	405,444	610,285	-
Sales, services and rental of facilities and equipment	597,059	176,844	3,512,563	115,984	-
Investment earnings	307,366	-	-	-	-
Other sources	43,514	30,423	91,916	676,915	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	4,293,814	-
Total revenues	31,860,911	4,244,719	4,009,923	21,541,440	89,620
Expenditures:					
Instruction	13,178,507	-	-	668,353	-
Academic support	2,773,779	-	-	1,210,145	-
Student services	2,559,424	-	-	1,034,261	-
Public services	585,213	-	-	1,274,867	-
Institutional support	6,904,703	-	-	259,364	67,100
Auxiliary services	-	-	3,658,121	108,762	-
Scholarships, student grants, and waivers	3,929,819	-	-	11,358,276	-
SURS contribution provided by state	-	-	-	4,293,814	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,756,879	-	22,105	-
Total expenditures	29,931,445	3,756,879	3,658,121	20,229,947	67,100
Excess (deficiency) of revenues over expenditures	1,929,466	487,840	351,802	1,311,493	22,520
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	45,000	-
Operating transfers out	(1,929,466)	(487,840)	-	-	-
Total other financing sources (uses)	(1,929,466)	(487,840)	-	45,000	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	-	-	351,802	1,356,493	22,520
Fund balance					
Beginning	9,689,557	768,902	143,703	37,322	150,245
Ending	\$ 9,689,557	\$ 768,902	\$ 495,505	\$ 1,393,815	\$ 172,765

See Note to Supplemental Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 2,469,190	\$ -	\$ 5,444,629	\$ 1,716,695	\$ -	\$ -	\$ 18,409,532
-	-	-	-	-	-	1,432,216
-	-	-	-	-	-	3,680
2,469,190	-	5,444,629	1,716,695	-	-	19,845,428
-	-	-	-	-	-	11,697,372
-	-	-	-	-	-	11,941,906
-	-	-	-	-	-	18,046,023
288	-	-	-	-	-	4,402,738
-	435,352	54,878	507,330	-	-	1,304,926
3,269	-	-	-	-	-	846,037
-	-	-	-	3,508,642	-	3,508,642
-	-	-	-	-	4,545,000	4,545,000
-	-	-	-	-	-	4,293,814
2,472,747	435,352	5,499,507	2,224,025	3,508,642	4,545,000	80,431,886
-	-	-	-	-	-	13,846,860
-	-	-	-	-	-	3,983,924
-	-	-	8,131	-	-	3,601,816
-	-	-	-	-	-	1,860,080
1,321,256	-	5,297,388	840,323	-	-	14,690,134
-	-	-	-	-	-	3,766,883
-	-	-	-	-	-	15,288,095
-	-	-	-	-	-	4,293,814
-	-	-	-	1,298,115	-	1,298,115
-	-	-	-	22,464	-	22,464
772,441	-	-	3,268,543	-	-	7,819,968
2,093,697	-	5,297,388	4,116,997	1,320,579	-	70,472,153
379,050	435,352	202,119	(1,892,972)	2,188,063	4,545,000	9,959,733
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,911,586	-	-	2,956,586
-	(400,000)	(139,280)	-	-	-	(2,956,586)
-	(400,000)	(139,280)	2,911,586	-	-	-
379,050	35,352	62,839	1,018,614	2,188,063	4,545,000	9,959,733
1,573,022	12,240,384	2,642,136	23,911,458	30,307,509	(27,145,000)	54,319,238
\$ 1,952,072	\$ 12,275,736	\$ 2,704,975	\$ 24,930,072	\$ 32,495,572	\$ (22,600,000)	\$ 64,278,971

Black Hawk College
Illinois Community College District #503

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

Fund Balances - All Fund Types	\$ 64,278,971
50% of the 2010 tax levy recognized in FY 2011	<u>9,351,619</u>
Long-term portion of early retirement liability	<u>(1,628,890)</u>
Net Assets of Statement of Net Assets	<u><u>\$ 72,001,700</u></u>

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

Net Increase in Fund Balances	\$ 9,959,733
Reduction in student tuition and fees	(11,540,024)
Reduction in financial aid	<u>11,540,024</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	3,508,642
Expended for capital assets	<u>(3,508,642)</u>
Net Effect	<u>-</u>
Long-term debt retired	4,545,000
Additions to general long-term debt fund	<u>(4,545,000)</u>
Net Effect	<u>-</u>
Increase in long-term early retirement liability	<u>(321,697)</u>
50% of the 2010 tax levy recognized in FY 2011	9,351,619
50% of the 2009 tax levy recognized in FY 2010	<u>(9,068,298)</u>
Net Effect	<u>283,321</u>
Change in Net Assets	<u><u>\$ 9,921,357</u></u>

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

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund
Year ended June 30, 2011

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 5,370,000	\$ 5,513,704	\$ 143,704	\$ 3,055,000	\$ 3,175,694	\$ 120,694
Personal property taxes	1,080,000	1,288,994	208,994	120,000	143,222	23,222
Other	-	-	-	-	-	-
Total local government sources	6,450,000	6,802,698	352,698	3,175,000	3,318,916	143,916
State governmental sources	7,317,990	7,150,954	(167,036)	612,000	627,724	15,724
Federal governmental sources	33,000	19,838	(13,162)	-	-	-
Student tuition and fees	14,201,497	16,939,482	2,737,985	80,000	90,812	10,812
Sales, services and rental of facilities	511,150	597,059	85,909	100,800	176,844	76,044
Investment earnings	275,000	307,366	32,366	-	-	-
Other sources	7,600	43,514	35,914	25,300	30,423	5,123
Contingency	400,000	-	(400,000)	250,000	-	(250,000)
Total revenues	29,196,237	31,860,911	2,664,674	4,243,100	4,244,719	1,619
Expenditures:						
Current						
Instruction	13,355,211	13,178,507	(176,704)	-	-	-
Academic support	3,434,081	2,773,779	(660,302)	-	-	-
Student services	2,087,645	2,559,424	471,779	-	-	-
Public services	634,151	585,213	(48,938)	-	-	-
Institutional support	6,247,923	6,904,703	656,780	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	2,920,000	3,929,819	1,009,819	-	-	-
Operation of physical facilities	-	-	-	4,235,326	3,756,879	(478,447)
Contingency	525,000	-	(525,000)	-	-	-
Total expenditures	29,204,011	29,931,445	727,434	4,235,326	3,756,879	(478,447)
Excess (deficiency) of revenues over expenditures	(7,774)	1,929,466	1,937,240	7,774	487,840	480,066
Other financing sources (uses):						
Operating transfers in	400,000	-	(400,000)	-	-	-
Operating transfers out	-	(1,929,466)	(1,929,466)	-	(487,840)	(487,840)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	400,000	(1,929,466)	(2,329,466)	-	(487,840)	(487,840)
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	\$ 392,226	-	\$ (392,226)	\$ 7,774	-	\$ (7,774)
Fund balance						
Beginning		<u>\$ 9,689,557</u>			<u>\$ 768,902</u>	
Ending		<u>\$ 9,689,557</u>			<u>\$ 768,902</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds
Year ended June 30, 2011

	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	\$ -	\$ -	\$ -	\$ 71,586	\$ 89,620	\$ 18,034
Tuition chargeback	-	-	-	-	-	-
Other	-	3,680	3,680	-	-	-
Total local government sources	-	3,680	3,680	71,586	89,620	18,034
State governmental sources	2,527,959	3,918,694	1,390,735	-	-	-
Federal governmental sources	9,280,128	11,922,068	2,641,940	-	-	-
Student tuition and fees	540,000	610,285	70,285	-	-	-
Sales, services and rental of facilities	-	115,984	115,984	-	-	-
Investment earnings	-	-	-	-	-	-
Other sources	125,000	676,915	551,915	-	-	-
Contingency	4,000,000	-	(4,000,000)	-	-	-
Total revenues	16,473,087	17,247,626	774,539	71,586	89,620	18,034
Expenditures:						
Current						
Instruction	698,313	668,353	(29,960)	-	-	-
Academic support	1,361,300	1,210,145	(151,155)	-	-	-
Student services	889,490	1,034,261	144,771	-	-	-
Public services	1,820,375	1,274,867	(545,508)	-	-	-
Institutional support	42,765	259,364	216,599	68,000	67,100	(900)
Auxiliary services	109,278	108,762	(516)	-	-	-
Scholarships, student grants, and waivers	7,515,008	11,358,276	3,843,268	-	-	-
Operation of physical facilities	36,558	22,105	(14,453)	-	-	-
Contingency	4,000,000	-	(4,000,000)	-	-	-
Total expenditures	16,473,087	15,936,133	(536,954)	68,000	67,100	(900)
Excess (deficiency) of revenues over expenditures	-	1,311,493	1,311,493	3,586	22,520	18,934
Other financing sources (uses):						
Operating transfers in	-	45,000	45,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Total other financing sources (uses)	-	45,000	45,000	-	-	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	\$ -	1,356,493	\$ 1,356,493	\$ 3,586	22,520	\$ 18,934
Fund balance						
Beginning		\$ 37,322			\$ 150,245	
Ending		\$ 1,393,815			\$ 172,765	

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,181,668	\$ 2,469,190	\$ 287,522	\$ 5,454,783	\$ 5,444,629	\$ (10,154)	\$ 1,704,429	\$ 1,716,695	\$ 12,266
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,181,668</u>	<u>2,469,190</u>	<u>287,522</u>	<u>5,454,783</u>	<u>5,444,629</u>	<u>(10,154)</u>	<u>1,704,429</u>	<u>1,716,695</u>	<u>12,266</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	288	-	-	-	-	-	-	-
-	-	-	-	54,878	54,878	250,000	507,330	-
-	3,269	-	-	-	-	-	-	-
-	-	-	-	-	-	2,000,000	-	(2,000,000)
<u>2,181,668</u>	<u>2,472,747</u>	<u>287,522</u>	<u>5,454,783</u>	<u>5,499,507</u>	<u>44,724</u>	<u>3,954,429</u>	<u>2,224,025</u>	<u>(1,987,734)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,131	-
-	-	-	-	-	-	-	-	-
1,312,372	1,321,256	8,884	5,454,783	5,297,388	(157,395)	1,923,766	840,323	(1,083,443)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
719,296	772,441	53,145	-	-	-	4,488,787	3,268,543	(1,220,244)
150,000	-	(150,000)	-	-	-	2,000,000	-	-
<u>2,181,668</u>	<u>2,093,697</u>	<u>(87,971)</u>	<u>5,454,783</u>	<u>5,297,388</u>	<u>(157,395)</u>	<u>8,412,553</u>	<u>4,116,997</u>	<u>(2,303,687)</u>
-	379,050	375,493	-	202,119	202,119	(4,458,124)	(1,892,972)	315,953
-	-	-	-	-	-	-	2,911,586	2,911,586
-	-	-	-	(139,280)	(139,280)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(139,280)	(139,280)	-	2,911,586	2,911,586
<u>\$ -</u>	<u>379,050</u>	<u>\$ 379,050</u>	<u>\$ -</u>	<u>62,839</u>	<u>\$ 62,839</u>	<u>\$ (4,458,124)</u>	<u>1,018,614</u>	<u>\$ 5,476,738</u>
	<u>\$ 1,573,022</u>			<u>\$ 2,642,136</u>		<u>\$ 23,911,458</u>		
	<u>\$ 1,952,072</u>			<u>\$ 2,704,975</u>		<u>\$ 24,930,072</u>		

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds (continued)
Year ended June 30, 2011

	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	<u>-</u>	<u>-</u>	<u>-</u>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	400,000	435,352	35,352
Other sources	-	-	-
Contingency	-	-	-
Total revenues	<u>400,000</u>	<u>435,352</u>	<u>35,352</u>
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	-	-	-
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>400,000</u>	<u>435,352</u>	<u>35,352</u>
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)	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	<u>\$ -</u>	<u>35,352</u>	<u>\$ 35,352</u>
Fund balance			
Beginning		<u>\$ 12,240,384</u>	
Ending		<u>\$ 12,275,736</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund
Year ended June 30, 2011

	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	350,000	405,444	55,444
Sales, services and rental of facilities	3,195,550	3,512,563	317,013
Investment earnings	-	-	-
Other sources	81,650	91,916	10,266
Contingency	350,000	-	(350,000)
Total revenues	3,977,200	4,009,923	382,723
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	3,863,975	3,658,121	(205,854)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Total expenditures	3,863,975	3,658,121	(205,854)
Excess (deficiency) of revenues over expenditures	113,225	351,802	588,577
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium (discount)	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other financing resources over expenditures and other financing uses	\$ 113,225	351,802	\$ 238,577
Fund balance			
Beginning		\$ 143,703	
Ending		\$ 495,505	

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

Notes to Management Information

Note 1. Summary of Significant Accounting Policies

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



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Black Hawk College Outreach Center