

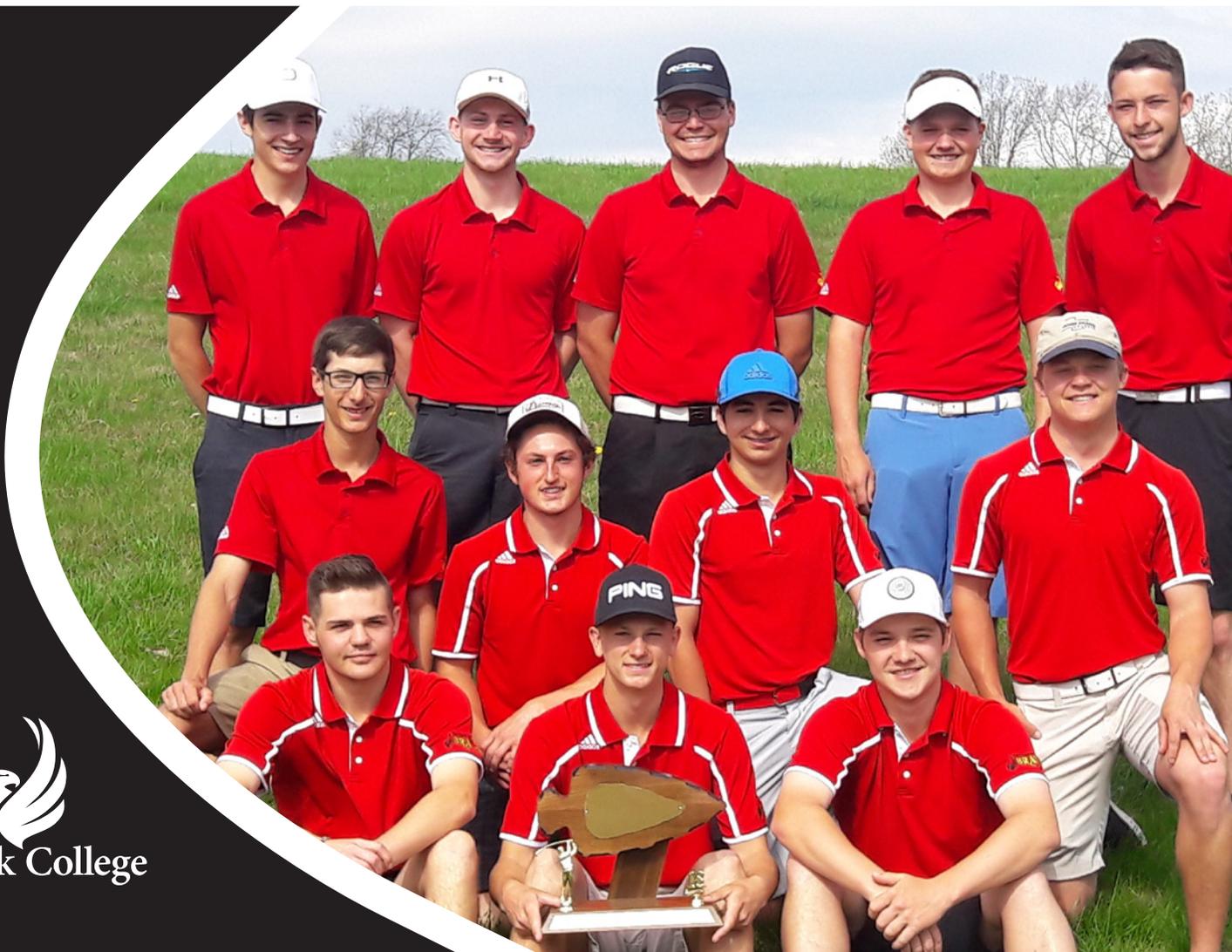
BLACK HAWK COLLEGE  
**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2018



**ILLINOIS COMMUNITY COLLEGE DISTRICT #503**

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





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

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the  
Fiscal Year Ended June 30, 2018**

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

**This page is intentionally left blank**

# Contents

---

## Introductory Section

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

## Financial Section

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

### Basic Financial Statements

Statement of Net Position/Net Assets	30
Statement of Revenues, Expenses, and Changes in Net Position/Net Assets	31
Statement of Cash Flows	32
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	33
Notes to Financial Statements	37

### Required Supplementary Information (RSI)

Schedule of SURS Pension Liability and Contributions	63
Schedule of OPEB Liability and Contributions	64
Notes to Required Supplementary Information	65

## Statistical Section

Statistical Narrative	69
Schedule of Net Position by Component	70
Schedule of Changes in Net Position	71
Schedule of Fund Balance by Fund	72
State Equalization Grant Funding History & Accumulated Deficit	73
State Credit Hour Grant Funding History & Accumulated Deficit	74
Assessed and Estimated Actual Value of Taxable Property	75
Property Tax Extensions and Collections	76
Representative Tax Rates	77
Principal Taxpayers	78
Mandatory Tuition and Fees	79
Ratio of Outstanding Debt by Type	80
Computation of Legal Debt Margin	81
Use of Bond Issuance Proceeds	82
Schedule of Bond Coverage	83
Direct and Overlapping General Obligation Bonded Debt	84
Demographic and Economic Statistics	85
Principal Employers	86
Faculty and Staff Headcount	87
Student Enrollment Demographic Statistics	88
Financial Aid Recipients	89
Credit Hours Eligible for Funding by ICCB Reimbursement Categories	90
Schedule of Capital Assets – Instructional Facilities Information	91
Miscellaneous Statistics	92

## Contents (Continued)

---

### Special Reports Section

#### ICCB Supplemental Information

Equalized Assessed Valuations and Tax Collections	95
Schedule of Legal Debt Margin	96
Certification of Chargeback Reimbursement for Fiscal Year 2019	97

#### ICCB Uniform Financial Statements

Schedule of Other Information Referred to as the Uniform Financial Statements Prescribed by the Illinois Community College Board:	
Uniform Financial Statement No. 1 – All Funds Summary	100
Uniform Financial Statement No. 2 – Summary of Fixed Assets and Debt	103
Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures	104
Uniform Financial Statement No. 4 – Restricted Purposes Fund Revenues and Expenditures	106
Uniform Financial Statement No. 5 – Expenditures by Activity – Current Funds	107
Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements	108
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Uniform Financial Statements	108

#### ICCB State Grants Financial Compliance Section

##### Independent Auditor's Report

<b>on Compliance with State Requirements for State Adult Education and Family Literacy Grants</b>	111
---	-----

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

Adult Education and Family Literacy Grant Program, Balance Sheet	113
Adult Education and Family Literacy Grant Program, Statement of Revenues, Expenditures, and Changes in Fund Balance	113
ICCB Compliance Statement for the State Adult Education and Family Literacy Restricted Funds	114

##### ICCB State Career and Technical Education Program Improvement

ICCB State Program Improvement, Balance Sheet	115
ICCB State Program Improvement, Statement of Revenues, Expenditures, and Changes in Fund Balance	115
Note to Financial Statements – Grant Programs	116
Background Information on State Grant Activity	117
Schedule of Findings and Questioned Costs for Certain State Grants Summary	118
Summary Schedule of Prior Year Findings and Questioned Costs for Certain State Grants	119

##### Independent Accountant's Report

<b>On the Enrollment Data and Other Bases Upon Which Claims are Filed</b>	121
---	-----

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	123
Reconciliation of Total Semester Credit Hours	124
Student Residency Verification	125
Summary of Assessed Valuations	126

## Contents (Continued)

---

### Federal Financial Compliance Section

#### Independent Auditor's Report

<b>On Internal Control Over Financial Reporting and on Compliance     And Other Matters</b>	129
---	-----

#### Independent Auditor's Report

<b>On Compliance for Each Major Program and on Internal Control Over     Compliance</b>	131
---	-----

Schedule of Expenditures of Federal Awards	133
Notes to Schedule of Expenditures of Federal Awards	134
Schedule of Findings and Questioned Costs	135
Summary Schedule of Prior Audit Findings	137

### Management Information

Combining Balance Sheet	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	142
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	144
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Revenues, Expenses, and Changes in Net Position	144
Statement of Budgetary Comparison – General Fund by Program	146
Statement of Budgetary Comparison – General Fund by Object	147
Statement of Budgetary Comparison – Major Special Revenue Funds by Program	148
Statement of Budgetary Comparison – Major Special Revenue Funds by Object	150
Statement of Budgetary Comparison – Proprietary Fund by Program	153
Statement of Budgetary Comparison – Proprietary Fund by Object	154
Note to Management Information	155

**This page is intentionally left blank**



Office of the President  
309.796.5301

October 12, 2018

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, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes, and currently known facts.

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

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

District 503  
6600 34<sup>th</sup> Avenue  
Moline, IL 61265-5899  
309.796.5000  
800.334.1311  
[www.bhc.edu](http://www.bhc.edu)

*Improving Life Through Learning*

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

### **College Profile**

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

Black Hawk College operates two primary campuses as well as other instructional centers throughout the District and serves a population of approximately 220,000. The College's Quad-Cities Campus is located on 149 wooded acres in Moline, Illinois, while the College's East Campus is located on a 102-acre site in Galva, Illinois. In addition to these full-service campuses, BHC operates facilities including the Outreach Center, and the Industrial Training Lab Extension Center, all in Moline, the Adult Learning Center in Rock Island, and the East Campus Community Education Center and Welding and Skilled Trades Center in Kewanee.

Based on U.S. Bureau of Labor Statistics, local unemployment rates are at 4.7%, which is higher than the national rate of 4.0% as of the end of June 2018. The local unemployment rate was also 4.7% in June 2017.

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 stable. Furthermore, while the district as a whole has not been immune to recent economic forces, property values have increased each year over a ten year period. State funding continues to be a concern as budgeted state expenditures still exceed the incoming revenue despite increased state level tax rates.

### **Mission, Vision, and Goals**

Black Hawk College enriches the community by providing the environment and resources for individuals to become lifelong learners.

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

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

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

### **Major Initiatives**

The College's current strategic planning process focuses on developing new strategic priorities, along with their supporting goals and objectives, for 2015-2017 and carried forward into 2018. During the spring of 2014, the planning process engaged faculty, staff and community members in focus groups culminating with the Strategic Planning Committee meetings in June and July 2014 that resulted in the following strategic plan. Feedback was sought from the community and the final plan went before the Board of Trustees and accepted in November 2014. In preparation for the 2019-2021 planning cycle, the Board of Trustees strengthened its support of the strategic planning process by establishing a Board of Trustees strategic planning committee that will participate in the college-wide efforts to develop and monitor the 2019-2021 strategic plan.

### **Local Economy**

Black Hawk College has three primary sources of revenue for the General Fund which includes the Education and Operations & Maintenance fund: Tuition and Fees, State Funding, and local Property Taxes.

Tuition and fee revenues accounted for approximately 43.7% of total general fund revenue earned in fiscal year 2018. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 7.5% or 7,529 total credit hours in fiscal year 2018. Enrollment was budgeted to remain flat in fiscal year 2019. Preliminary results for fiscal year 2019 Fall semester indicate enrollment decreased 7.8% when compared to fiscal year 2018 Fall semester.

State funding, which accounted for approximately 17.9% of total general fund revenue earned, continues to be a concern for the College as the level of state funding continues to decline. The College anticipates State funding levels will continue to level off and remain flat in future years. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized more than a decade ago. Performance based funding has been received from ICCB in recent years, however the exact impact of funding formula changes is still unknown at this time. These funding concerns prompted the College to reduce spending and to raise fees for fiscal year 2018.

Property taxes, which accounted for approximately 32.3% of total general fund revenue earned, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have steadily been increasing over the past ten years despite the uncertain national economic climate and subsequent impact on property values.

### **Financial Planning**

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

- Cost containment and reduction of departmental budgets
- Tuition and fee increases

- Review and redesign of the organizational structure, key business processes, and utilization of technology to improve efficiency
- Development and implementation of new programs to increase enrollment
- More aggressive curriculum and outreach development

Enrollment trends and course demand are the most significant influence given the core mission of the institution. Consequently, it is imperative the College focus on strategically aligning financial resources to these demands in an effort to maximize return on investment for students, taxpayers, community members, and other stakeholders. To this end, the College implemented Budgeting for Outcomes through which the College fosters a culture of aligning spending with programmatic needs.

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

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

Black Hawk College recognizes the importance of financial transparency and accountability and is committed to maximizing return on investment for students, employees, taxpayers, and the community. The College remains dedicated to operating within a balanced budget.

### **Internal Controls**

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

### **Budgetary Controls**

The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the budgeted amount) is established at the fund level. The College maintains an encumbrance accounting system as

one technique to accomplish budgetary control. Encumbered amounts lapse at year-end unless extenuating circumstances exist. Statements of budgetary comparison are presented in the Management Information section of this document.

### **Fund Balance Policy**

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

This policy requires the College to maintain an unrestricted General Fund ending fund balance of an amount between seventeen (17) and forty (40) percent of expenses in these funds, which include the Education and Operations & Maintenance fund. Additionally, if the ending fund balance falls below the target range, the College is required to replenish the ending fund balance within two (2) years. If the ending fund balance exceeds the target range, the College shall first, allow the President to expend the excess funds on capital expenses after considering recommendations from the President's Cabinet and second, review additional investment options that would allow the College to earn a greater rate of return.

As of June 30, 2018, the General Fund ending fund balance is 32.8% of fiscal year 2018 expenses.

### **Risk Management**

The College is self-insured for its health insurance claims. The claims are administered by an external third party administrator. In addition, the College maintains a stop loss insurance arrangement that includes a \$145,000 maximum aggregate eligible claims expense per participant per year as well as a maximum aggregate benefit (in excess of the annual aggregate deductible per policy term) of \$1,000,000. The College also maintains adequate reserves to cover potential losses and the reserves are reviewed regularly to determine appropriateness.

### **Other Information**

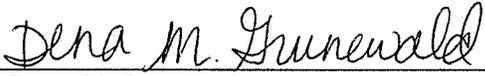
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2018 audit. The auditor's report on the financial statements and schedules is unqualified and is included in the financial section of this report.
- Awards The College received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association (GFOA) for the fiscal years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017. In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017.
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting District financial operations to the degree of excellence necessary for continuance of operations in a responsible manner.

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

Respectfully submitted,

  
\_\_\_\_\_  
Tim A. Wynes, J.D.  
President

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

  
\_\_\_\_\_  
Dena M. Grunewald  
Director of Accounting



# Illinois Community College District No. 503 Board of Trustees



**Richard P. Fiems**  
Port Byron  
Board Chair



**Douglas L. Strand**  
East Moline  
Vice Chair



**Tim A. Black**  
Galva  
Secretary



**Fritz W. Larsen**  
Moline



**Jon A. Looney**  
Kewanee



**Steven P. Spivey**  
New Windsor



**Joseph B. Swan**  
Colona



**Nicholas M. Cave**  
Colona  
Student Trustee

## Executive Administration



**Tim A. Wynes**  
President



**Dr. Amy M. Maxeiner**  
Vice President for Instruction  
and Student Services



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



**Dr. Betsey A. Morthland**  
Executive Dean



**Stacey L. Cary**  
Director of Human Resources

# Black Hawk College District



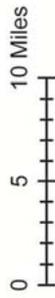
## Legend

Black Hawk College District

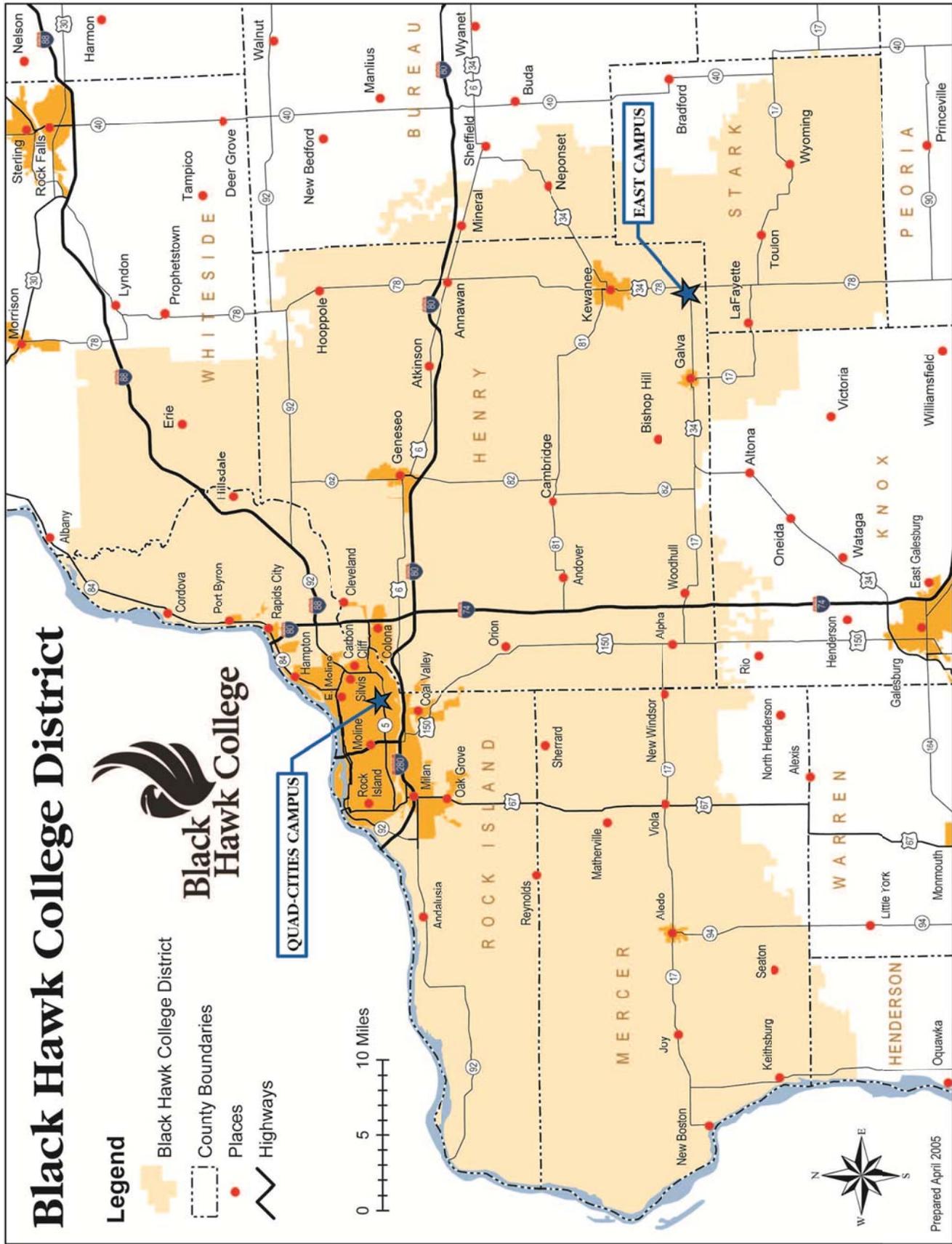
County Boundaries

Places

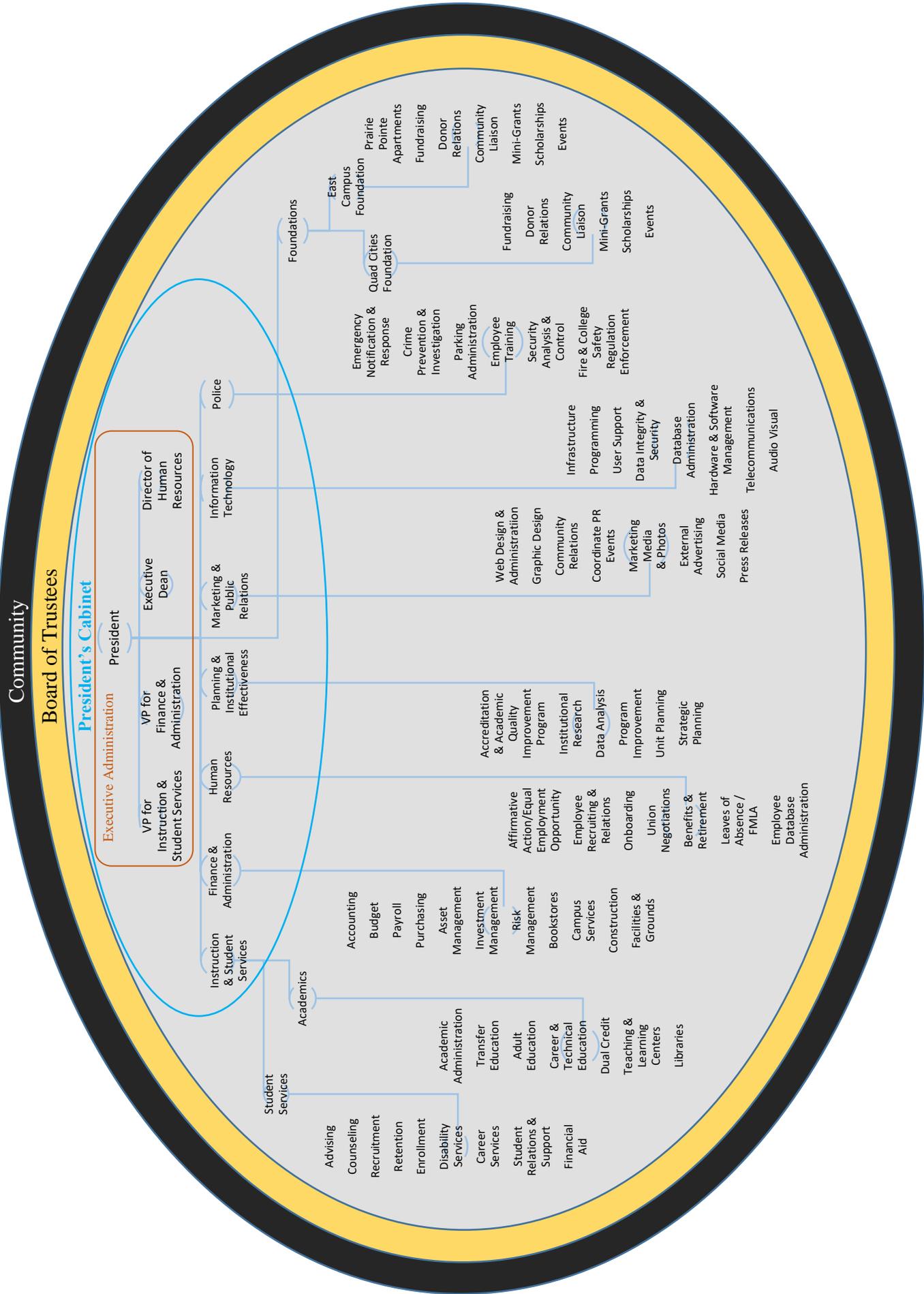
Highways



Prepared April 2005



# Black Hawk College Organization





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section

**This page is intentionally left blank**



## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component units of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component units of Black Hawk College, Illinois Community College District #503 as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the College adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

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

### **Other Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The introductory section, statistical section, the ICCB Supplemental Information, the ICCB Uniform Financial Statements, and the Management Information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2018 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
October 12, 2018

**This page is intentionally left blank**

# **Management's Discussion and Analysis**

**This page is intentionally left blank**

**Management's Discussion and Analysis**

---

**Introduction**

This section of Black Hawk College's (College) Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2018 and June 30, 2017. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements. Responsibility for the completeness and fairness of this information rests with the College.

**Overview of the Basic Financial Statements**

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

The purpose of the **Statement of Net Position/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, deferred outflows of resources, liabilities, deferred inflows of resources and net position/net assets at the end of the fiscal year. The Statement of Net Position/Net Assets requires the classification of assets and liabilities into current and non-current categories. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is reflected in the net position section which reflects net position in three broad categories: net investment in capital assets; restricted; and unrestricted. Net position is one indicator of the current financial condition of the College, while the change in net position is one indicator of whether the overall financial condition of the College has improved or deteriorated during the year. Restrictions, commitments, or other limitations may affect the availability of fund resources for future use.

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

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

**Management's Discussion and Analysis**

---

**Financial Highlights**

For the year ended June 30, 2018, the College recorded total operating revenues of \$11,313,604 and total operating expenses of \$52,216,136. The difference produced an operating loss of \$40,902,532. Net non-operating revenue of \$50,111,752 offsets this loss and results in an overall increase in net position of \$9,209,220.

Non-operating revenue included local property taxes of \$22,304,048, state grants and contracts of \$19,374,178, federal grants and contracts of \$7,234,806, and other net miscellaneous revenue of \$2,575,758. Within the state grants and contracts non-operating revenue line, the SURS and CIP contribution provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaled \$11,067,426. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2017, was \$12,612,222.

Operating revenue accounted for 18% of the College's total revenue, while non-operating revenues accounted for the other 82% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$9,662,882 and sales, services, and rentals of facilities revenues totaling \$1,650,722.

Operating expenses accounted for 97% of the College's total expenses, while non-operating expenses accounted for the remaining 3%. The SURS on-behalf contribution provided by the state as well as the OPEB expense was allocated among the existing functions of operating expenses and decreased by \$85,506 from fiscal year 2017. Total operating expenses, excluding SURS on-behalf expense, decreased by 1.5% in fiscal year 2018 from prior year.

Overall, the College's financial position remains strong at the end of fiscal year 2018 by strategically operating in a climate of reduced enrollment through focused expense reductions and state appropriations being received. Data related to enrollment, credit hour, and state funding trend information are available in the Statistical section of this document. Additionally, overall fiscal year 2018 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

**Long-Term Debt**

The College did not issue any additional long-term debt during fiscal year 2018. The unused legal debt capacity of the College is currently \$65,791,769, which represents 2.875% of the assessed valuation of the College's district less the \$49,050,054 in outstanding debt. See Note 8 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

**Economic Factors**

Unemployment rates, both locally and nationally, have decreased in recent years. Our local economy has continued to suffer from business closures as well as layoffs, although this trend appears to be declining. While unemployment rates within the district vary by county, the district rate decreased from 2017 to a level that still exceeds the national average. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

**Management's Discussion and Analysis**

---

Property tax revenue accounts for 43.3% of total non-operating revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While many districts have experienced sizable decreases in EAV over the past few years, the Black Hawk College district EAV continues to grow each year as overall property values continue to increase. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

The State of Illinois continues to struggle financially. While the state passed a budget for fiscal year 2019, there were delays in approval and receipt of appropriated funding. The College remains optimistic all monies will eventually be received but remains cautious with expenditures and will remain dedicated to maintaining acceptable reserves to minimize disruption. The state political environment has not changed over the past year and therefore the College operates with cautious consideration of future state support.

Declining enrollment continues to be the trend with a 7.5% decrease in fiscal year 2018 compared to a 6.0% decrease during fiscal year 2017. Fall enrollment for fiscal year 2019 declined from fiscal year 2018 fall enrollment. As a community college, Black Hawk is well positioned to serve displaced workers seeking to enhance existing skills or develop additional skills necessary to re-enter the workforce due to the relatively short-term nature of many programs offered. Furthermore, both the College Administration and Board of Trustees are committed to ensuring student needs are effectively met and to this end, the institution prides itself on being nimble and capable of efficiently implementing programmatic changes designed to maximize student success.

Given the decreased enrollment trend in recent years, the College Administration and Board of Trustees have taken measures to identify opportunities for growth. In the last few fiscal years, the Health Sciences Center at the Quad-Cities Campus, the Welding and Skilled Trades Center in Kewanee and the Veterinary Sciences Center at the Galva (East) Campus have all been constructed. More recently, the Outreach Center and Buildings 1 and 2 at East Campus were renovated. Also, at the Quad-Cities campus construction has started on an addition to Building 1 to create larger, collaborative learning classroom spaces. These renovations and additions will increase enrollment capacity, thus providing a greater opportunity for generating credit hours. In addition to capital development, operating funds have been board designated to be used for faculty and staff development as well as new program development.

**Other Significant Financial Factors**

The Board of Trustees adopts tuition and fee rates each February with the adopted rates becoming effective for the summer, fall, and spring semesters of the upcoming fiscal year. Tuition rates for fiscal year 2018 increased 1.4% over fiscal year 2017 rates. Fiscal year 2019 tuition rates have been approved to remain the same as fiscal year 2018 rates. It is the intention to keep tuition rates steady for fiscal year 2020. Additional information regarding the tuition and fee rate trend is provided in the Statistical section of this document.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2018 tax levy increased 4.6% over fiscal year 2017 primarily due to the increase in EAV throughout the district. It is the intention to keep the tax levy steady for 2019. Additional information regarding tax levy trend is provided in the Statistical section.

## Comparative Net Position – Fiscal Years 2018 and 2017

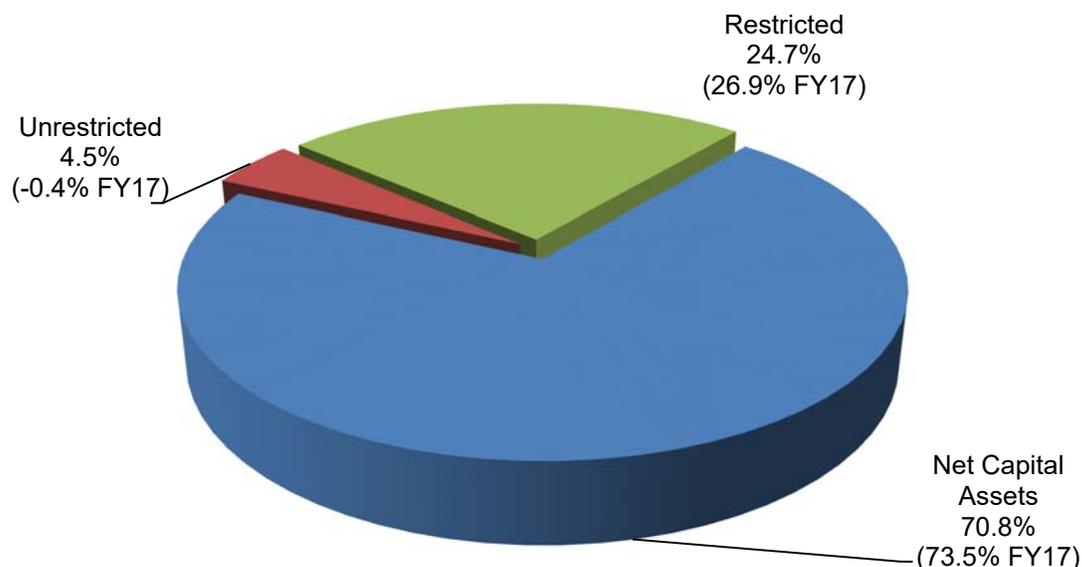
	2018	2017 (As previously reported)	2017 (As restated)	Increase (Decrease) (restated)	Percent Change (restated)
Current Assets	\$ 84,953,277	\$ 87,131,815	\$ 87,131,815	\$ (2,178,538)	-2.5%
Non-Current Assets	89,756,332	80,460,598	80,460,598	9,295,734	11.6%
<b>Total Assets</b>	<b>\$ 174,709,609</b>	<b>\$ 167,592,413</b>	<b>\$ 167,592,413</b>	<b>\$ 7,117,196</b>	<b>4.2%</b>
Deferred Outflows of Resources	\$ 167,223	\$ 71,829	\$ 71,829	\$ 95,394	132.8%
Current Liabilities	\$ 10,380,508	\$ 9,039,111	\$ 9,369,158	\$ 1,011,350	10.8%
Non-Current Liabilities	64,851,440	50,972,940	70,608,534	(5,757,094)	-8.2%
<b>Total Liabilities</b>	<b>\$ 75,231,948</b>	<b>\$ 60,012,051</b>	<b>\$ 79,977,692</b>	<b>\$ (4,745,744)</b>	<b>-5.9%</b>
Deferred Inflows of Resources	\$ 13,623,223	\$ 10,874,109	\$ 10,874,109	\$ 2,749,114	25.3%
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 60,892,637	\$ 56,423,039	\$ 56,423,039	\$ 4,469,598	7.9%
Restricted	21,223,578	20,995,303	20,665,256	558,322	2.7%
Unrestricted	3,905,446	19,359,740	(275,854)	4,181,300	1515.8%
<b>Total Net position</b>	<b>\$ 86,021,661</b>	<b>\$ 96,778,082</b>	<b>\$ 76,812,441</b>	<b>\$ 9,209,220</b>	<b>12.0%</b>

The College had a net position at the beginning of the fiscal year, as restated, totaling \$76,812,441. The increase in net position of \$9,209,220 brought the total net position at the end of fiscal year 2018 to \$86,021,661.

The most notable change in the balance sheet for fiscal year 2018 includes the OPEB liability related to GASB 75 requirements effective for fiscal year 2018. See Note 6 and Note 15 in the Notes to Financial Statements for detailed information on the GASB 75 change.

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

### Net Position - Fiscal Year 2018



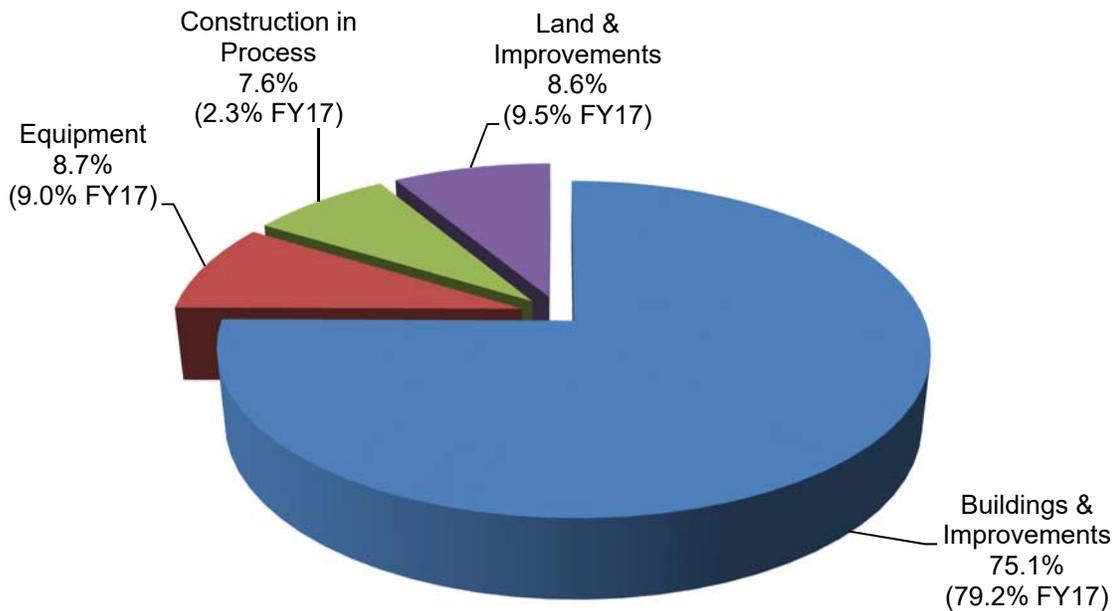
### Comparison of Net Capital Assets Fiscal Years 2018 and 2017

	2018	2017	Increase (Decrease)	Percent Change
<b>Capital Assets</b>				
Land and Improvements	\$ 10,426,364	\$ 10,377,683	\$ 48,681	0.5%
Building and Improvements	91,064,481	86,879,419	4,185,062	4.8%
Equipment	10,490,629	9,933,517	557,112	5.6%
Construction in Progress	9,213,963	2,573,177	6,640,786	258.1%
<b>Total Capital Assets</b>	<b>\$ 121,195,437</b>	<b>\$ 109,763,796</b>	<b>\$ 11,431,641</b>	<b>10.4%</b>
Less Accumulated Depreciation	31,439,105	29,303,198	2,135,907	7.3%
<b>Net Capital Assets</b>	<b>\$ 89,756,332</b>	<b>\$ 80,460,598</b>	<b>\$ 9,295,734</b>	<b>11.6%</b>

As of June 30, 2018, the College has recorded \$121,195,437 invested in capital assets, \$31,439,105 in accumulated depreciation and \$89,765,332 in net capital assets.

Total Capital Assets increased \$11,431,641 or 10.4% and Net Capital Assets increased \$9,295,734 or 11.6%. This change is a result of the various remodeling and improvement projects district-wide during fiscal year 2018 off set by disposal of old assets no longer needed. The College's current bonding strategy continues to allow investment in facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. For further information, see Note 5 - Changes in Capital Assets and Note 8 - Long-Term Liabilities in the Notes to Financial Statements.

### Capital Assets - Fiscal Year 2018



## Revenues, Expenses & Changes in Net Position For the Fiscal years ending June 30, 2018 and 2017

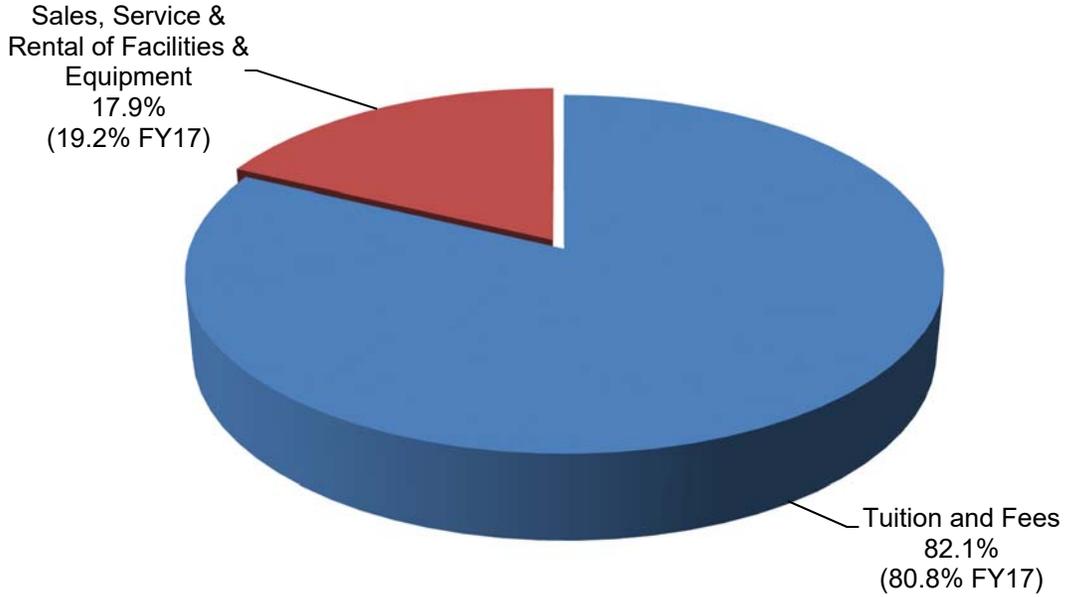
	2018	2017 (As previously reported)	2017 (As restated)	Increase (Decrease) (restated)	Percent Change (restated)
Operating Revenue:					
Tuition and Fees	\$ 9,662,882	\$ 8,847,663	\$ 8,847,663	\$ 815,219	9.2%
Sales, Services and Rentals	1,650,722	2,105,245	2,105,245	(454,523)	-21.6%
Other	-	-	-	-	0.0%
<b>Total Operating Revenue</b>	<b>\$ 11,313,604</b>	<b>\$ 10,952,908</b>	<b>\$ 10,952,908</b>	<b>\$ 360,696</b>	<b>3.3%</b>
Less: Operating Expenses					
Operating Income (Loss)	\$ (40,902,532)	\$ (43,456,776)	\$ (63,422,417)	\$ 22,519,885	-35.5%
Non-operating Revenue:					
State Grants & Contracts	\$ 19,374,178	\$ 23,427,506	\$ 23,427,506	\$ (4,053,328)	-17.3%
Federal Grants & Contracts	7,234,806	7,431,615	7,431,615	(196,809)	-2.6%
Property Taxes	22,304,048	21,077,895	21,077,895	1,226,153	5.8%
Other Income	1,198,720	1,150,623	1,150,623	48,097	4.2%
<b>Total Non-operating Revenue:</b>	<b>\$ 50,111,752</b>	<b>\$ 53,087,639</b>	<b>\$ 53,087,639</b>	<b>\$ (2,975,887)</b>	<b>-5.6%</b>
<b>Change in Net Position</b>	<b>\$ 9,209,220</b>	<b>\$ 9,630,863</b>	<b>\$ (10,334,778)</b>	<b>\$ 19,543,998</b>	<b>-189.1%</b>
Net Position, Beginning of Year, as restated	76,812,441	87,147,219	87,147,219	(10,334,778)	-11.9%
<b>Net Position, End of Year</b>	<b>\$ 86,021,661</b>	<b>\$ 96,778,082</b>	<b>\$ 76,812,441</b>	<b>\$ 9,209,220</b>	<b>12.0%</b>

Total operating revenue increased and total operating expenses decreased for fiscal year 2018 when compared to fiscal year 2017.

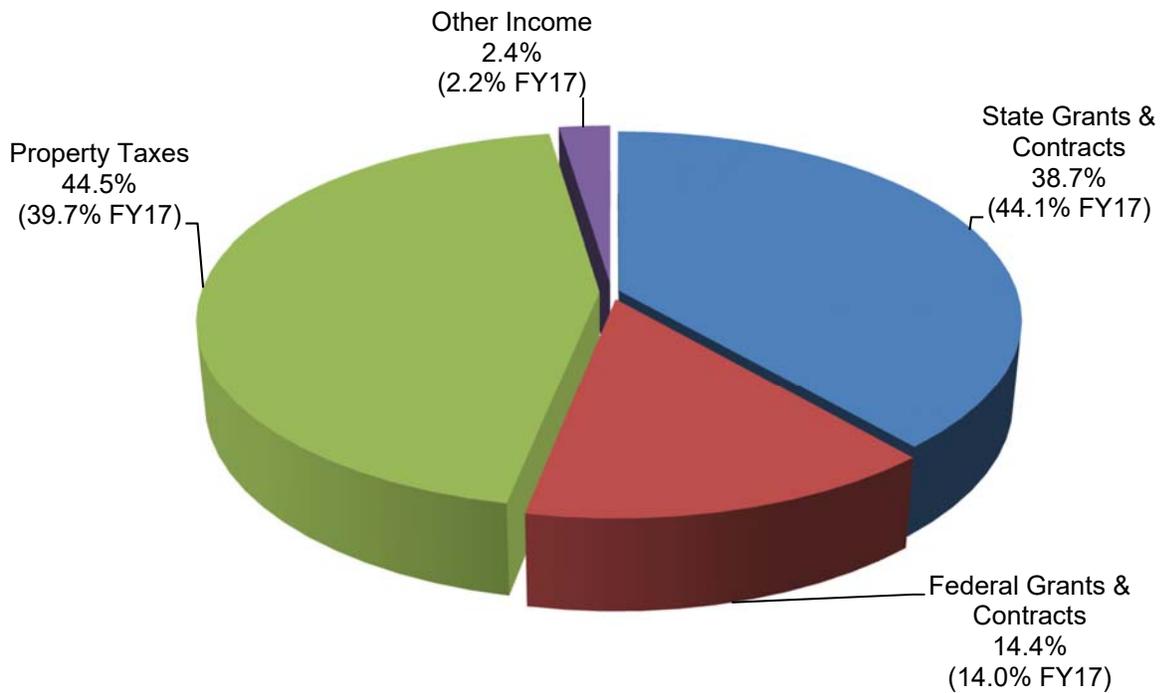
Tuition and fees increased \$815,219 or 9.2% from fiscal year 2017 to fiscal year 2018. The increase is attributable to an increase in tuition and fee rates which is still offset by a decline in enrollment. Sales, services, and rental revenue decreased during fiscal year 2018 by 21.6% due to a decrease in bookstore revenue as well as tower rental revenue.

Total non-operating revenue decreased by \$2,975,887. State grants and contracts decreased by \$4,053,328 due to a decline in state funding. Federal grants and contracts declined by \$196,809 from fiscal year 2017 primarily due to a reduction in enrollment meaning less students receiving financial aid awards. Offsetting this decline was a \$1,226,153 increase in property taxes for fiscal year 2018 due to continued increase in EAV for the Black Hawk College District.

### Operating Revenues - Fiscal Year 2018



### Non-Operating Revenues - Fiscal Year 2018



### Comparison of Operating Expenses Fiscal Years 2018 and 2017

	2018	2017 (As previously reported)	2017 (As restated)	Increase (Decrease) (restated)	Percent Change (restated)
Operating Expenses:					
Instruction	\$ 16,687,516	\$ 17,917,870	\$ 26,967,368	\$ (10,279,852)	-38.1%
Academic Support	5,932,135	6,078,212	8,645,553	(2,713,418)	-31.4%
Student Services	4,416,662	4,767,641	7,062,263	(2,645,601)	-37.5%
Public Service / Continuing Ed.	1,905,557	1,742,346	2,443,828	(538,271)	-22.0%
Institutional Support	9,428,542	8,688,397	11,570,659	(2,142,117)	-18.5%
Auxiliary Services	2,488,564	2,791,204	3,175,143	(686,579)	-21.6%
Scholarships, student grants and waivers	2,850,752	2,632,463	2,760,799	89,953	3.3%
Depreciation	2,584,543	2,372,917	2,372,917	211,626	8.9%
Loss on Disposal of Equipment	58,088	138,692	138,692	(80,604)	-58.1%
Operations of Physical Facilities	5,863,777	7,279,942	9,238,103	(3,374,326)	-36.5%
<b>Total Operating Expenses</b>	<b>\$ 52,216,136</b>	<b>\$ 54,409,684</b>	<b>\$ 74,375,325</b>	<b>\$ (22,159,189)</b>	<b>-29.8%</b>

Operating expenses for fiscal year 2018 decreased by 29.8% from restated fiscal year 2017. The major contributing factor for this change is the implementation of GASB 75 for fiscal year 2018 which required a restatement of fiscal year 2017 expenses. The restated fiscal year 2017 OPEB liability of \$19,635,594 was allocated amongst the operating expenses based on total salary. The SURS on-behalf contribution provided by the state decreased to \$11,067,426 in fiscal year 2018 compared to \$12,612,222 in fiscal year 2017. This \$1,544,796 decrease of SURS contribution expense, \$18,176,304 decrease in OPEB expense, plus a net \$2,438,089 decrease in all other expenses creates a net operating expense decrease of \$22,159,189 for the fiscal year 2018 when compared to restated fiscal year 2017.

Instruction and student services expenses both decreased by \$10,279,852 and \$2,645,601, respectively, due to the change in OPEB expense as well as a decrease in salaries and benefits stemming from retirements and decrease in staff to offset reduced state funding as well as enrollment decline.

Institutional support decreased by \$2,142,117 due to the change in OPEB expense and offset by an increase in health insurance funding costs and an increase in information technology refresh investments related to bond funding.

Operations of physical facilities decreased by \$3,374,326 when compared to fiscal year 2017. In 2017, an one-time allowance for uncollectible accounts was established in the amount of \$1,000,000 to offset a State of Illinois receivable which is explained in further detail in Note 3 in the Notes to Financial Statements. Also, a reduction in expenses occurred evenly through salaries and benefits, contractual services, and supplies from fiscal year 2017 to fiscal year 2018 as well as a change due to the OPEB expense restatement.

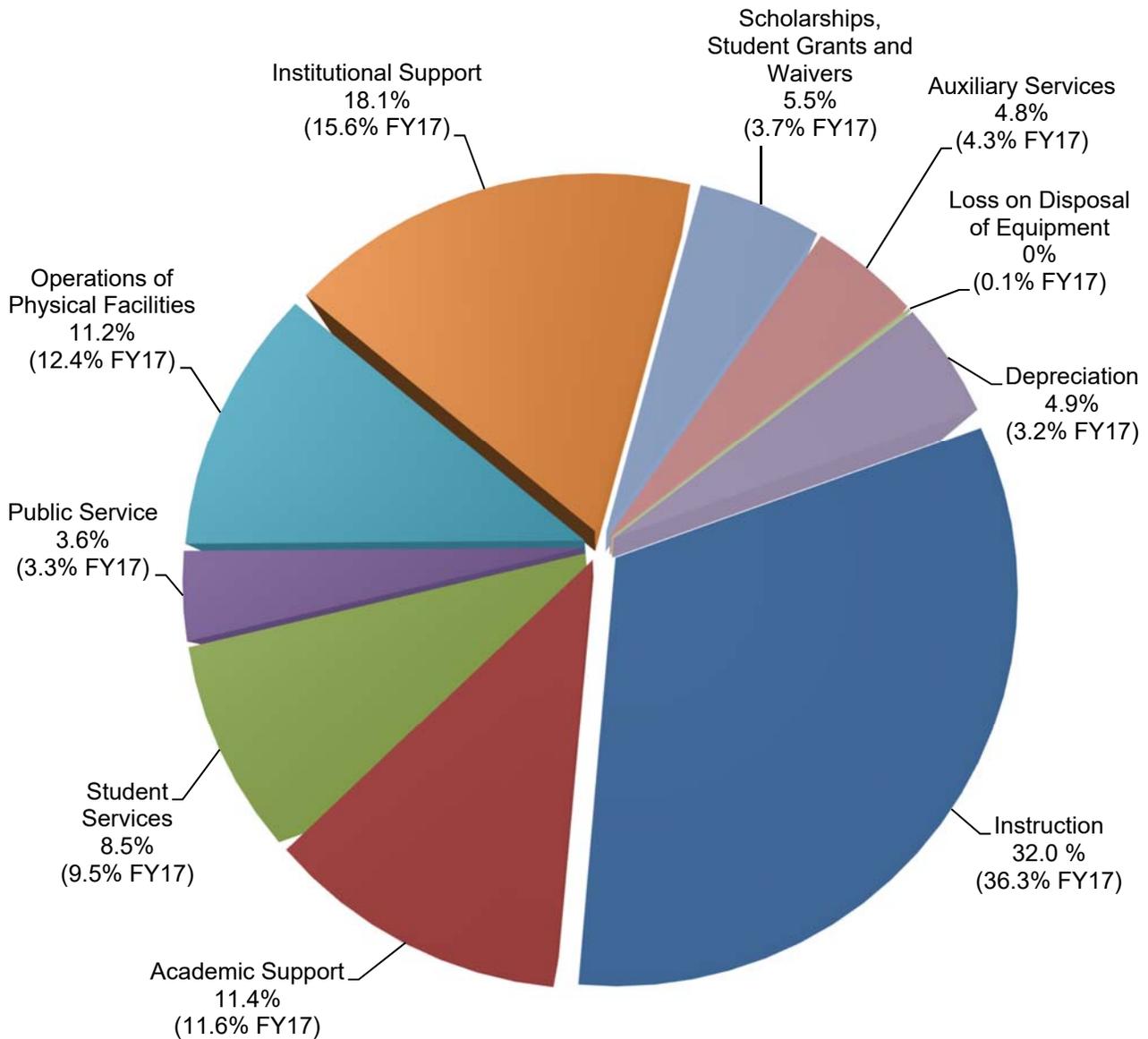
Beginning in fiscal year 2013, the SURS on-behalf contribution provided by the state was allocated among the existing functions of operating expenses whereas it was previously being listed separately. See Notes 6 and 7 in the Notes to Financial Statements for additional information related to this SURS contribution.

**Management's Discussion and Analysis**

---

The following graphic illustration shows the operating expenses by program for fiscal year 2018 by percentage of the total with the comparable percentage for fiscal year 2017 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

**Operating Expenses - Fiscal Year 2018**



**Management's Discussion and Analysis**

---

**Requests for Information**

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

Finance Department  
6600 34<sup>th</sup> Avenue  
Moline, IL 61265

# Basic Financial Statements

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

**Statement of Net Position/Net Assets  
June 30, 2018**

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 68,740,414	\$ 304,858	\$ 613,318
Investments	-	3,553,400	1,869,264
Receivables:			
Property taxes, net of allowance \$67,987	13,481,840	-	-
Federal government claims	398,115	-	-
State of Illinois claims	566,322	-	-
Student tuition and fees, net of allowance \$288,371	558,135	-	-
Other	147,001	192,732	64,780
Inventory	453,080	-	-
Prepaid expenses	608,370	-	1,342
<b>Total current assets</b>	<b>84,953,277</b>	<b>4,050,990</b>	<b>2,548,704</b>
Noncurrent Assets:			
Capital assets:			
Land	1,032,464	45,000	-
Construction and Equipment in process	9,213,963	-	-
Building, improvements and equipment, net of accumulated depreciation \$31,439,105, \$0 and \$1,081,506, respectively	79,509,905	-	1,393,622
<b>Total capital assets, net of depreciation</b>	<b>89,756,332</b>	<b>45,000</b>	<b>1,393,622</b>
<b>Total noncurrent assets</b>	<b>89,756,332</b>	<b>45,000</b>	<b>1,393,622</b>
<b>Total assets</b>	<b>174,709,609</b>	<b>4,095,990</b>	<b>3,942,326</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows of SURS Pension expense	80,987	-	-
Deferred Outflows of OPEB expense	86,236	-	-
<b>Total deferred outflows of resources</b>	<b>167,223</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	3,949,214	30,640	34,961
Accrued liabilities:			
Payroll	712,646	-	-
Early retirement	152,458	-	-
Accrued vacation	196,917	-	-
Other	171,065	-	-
Unearned revenues:			
Grants and restricted funds	48,861	-	-
Notes and bonds due in less than one year	5,058,000	-	-
Other liabilities	91,347	-	-
<b>Total current liabilities</b>	<b>10,380,508</b>	<b>30,640</b>	<b>34,961</b>
Noncurrent Liabilities:			
Early retirement	1,336,123	-	-
Accrued vacation	590,750	-	-
Notes and bonds payable in more than one year	43,992,054	-	-
OPEB	18,932,513	-	-
<b>Total noncurrent liabilities</b>	<b>64,851,440</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>75,231,948</b>	<b>30,640</b>	<b>34,961</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	11,331,141	-	-
Grants and restricted funds	43,475	-	-
OPEB	2,248,607	-	-
<b>Total deferred inflows of resources</b>	<b>13,623,223</b>	<b>-</b>	<b>-</b>
<b>Net Position/Net Assets (Deficit)</b>			
Net Investment in capital assets	60,892,637	45,000	1,393,622
Restricted	21,223,578	3,531,955	2,609,186
Unrestricted	3,905,446	488,395	(95,443)
<b>Total net position/net assets</b>	<b>\$ 86,021,661</b>	<b>\$ 4,065,350</b>	<b>\$ 3,907,365</b>

See Notes to Financial Statements.

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

**Statement of Revenues, Expenses, and Changes in Net Position/Net Assets**  
**Year Ended June 30, 2018**

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 9,662,882	\$ -	\$ -
Sales, service and rental of facilities and equipment	1,650,722	-	-
<b>Total operating revenues</b>	<b>11,313,604</b>	<b>-</b>	<b>-</b>
Operating expenses:			
Instruction	16,687,516	-	-
Academic support	5,932,135	-	-
Student services	4,416,662	-	-
Public service	1,905,557	-	-
Auxiliary services	2,488,564	-	-
Institutional support	9,428,542	230,825	390,376
Scholarships, student grants and waivers	2,850,752	129,573	162,469
Operation of physical facilities	5,863,777	-	-
Loss on disposal of buildings and equipment	58,088	-	-
Depreciation and amortization	2,584,543	-	74,012
<b>Total operating expenses</b>	<b>52,216,136</b>	<b>360,398</b>	<b>626,857</b>
<b>Operating (loss)</b>	<b>(40,902,532)</b>	<b>(360,398)</b>	<b>(626,857)</b>
Non-operating revenues (expenses):			
Property taxes	22,304,048	-	-
Personal property replacement taxes	1,219,068	-	-
State government sources	19,374,178	-	-
Federal government sources	7,234,806	-	-
Investment earnings	908,951	170,629	210,366
Other sources	447,739	450,254	634,161
Interest expense	(1,377,038)	-	-
<b>Total non-operating revenues (expenses)</b>	<b>50,111,752</b>	<b>620,883</b>	<b>844,527</b>
<b>Change in net position/net assets</b>	<b>9,209,220</b>	<b>260,485</b>	<b>217,670</b>
Net position/net assets:			
Beginning, as restated	76,812,441	3,804,865	3,689,695
Ending	<b>\$ 86,021,661</b>	<b>\$ 4,065,350</b>	<b>\$ 3,907,365</b>

See Notes to Financial Statements.

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

**Statement of Cash Flows  
Year Ended June 30, 2018**

	<u>Primary Government</u>
	<u>Black Hawk College</u>
Cash Flows from Operating Activities:	
Tuition and fees	\$ 9,574,649
Payments to employees	(20,276,126)
Payments to suppliers	(29,277,642)
Sales, service, and rental of facilities and equipment	1,767,360
Other receipts	-
Net cash provided by (used in) operating activities	<u>(38,211,759)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	34,865,849
Personal property replacement taxes	1,219,068
Property taxes	22,396,042
Net cash provided by non-capital financing activities	<u>58,480,959</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(11,942,914)
Proceeds on debt	-
Debt issuance costs	-
Principal paid on debt	(4,307,704)
Interest paid on debt	(1,377,038)
Net cash provided by (used in) capital and related financing activities	<u>(17,627,656)</u>
Cash Flows from Investing Activities	
Sale of investments	-
Interest received	908,951
Net cash provided by (used in) investing activities	<u>908,951</u>
Net increase (decrease) in cash	3,550,495
Cash and cash equivalents:	
Beginning	65,189,919
Ending	<u>\$ 68,740,414</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	\$ (40,902,532)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	2,584,543
Loss on disposal of equipment	58,088
Changes in assets and liabilities:	
(Increase) decrease in receivables	28,405
(Increase) decrease in inventory	39,895
(Increase) decrease in prepaid expenses	(297,611)
(Increase) decrease in deferred outflows	(9,158)
Increase (decrease) in accounts payable	712,722
Increase (decrease) in accrued expenditures	(439,044)
Increase (decrease) in unearned revenue	-
Increase (decrease) in other liabilities	12,933
<b>Total adjustments</b>	<u>2,690,773</u>
Net cash provided by (used in) operating activities	<u>\$ (38,211,759)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 10,981,190
OPEB CIP contribution paid by state	86,236
OPEB expense	1,459,290
Purchase of capital assets on account	(4,549)
	<u>\$ 12,522,167</u>

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

**Statement of Fiduciary Net Position  
June 30, 2018**

---

	<b>Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan</b>
<b>Assets</b>	
Cash	\$ 1,386,350
<b>Liabilities</b>	
Claims payable	550,000
Due to others	-
<b>Total liabilities</b>	550,000
<b>Net Position, unrestricted</b>	\$ 836,350

See Notes to Financial Statements.

**Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2018**

---

<b>Additions:</b>	
Employer paid premiums	\$ 4,730,789
Grant paid premiums	277,587
Employee paid premiums	871,940
Investment earnings	15,832
<b>Total additions</b>	\$ 5,896,148
<b>Deductions:</b>	
Health and dental claims	5,498,174
Administrative	413,413
<b>Total deductions</b>	\$ 5,911,587
<b>Change in net position</b>	(15,439)
<b>Net position:</b>	
Beginning	851,788
Ending	\$ 836,350

See Notes to Financial Statements.

**This page is intentionally left blank**

# Notes to Financial Statements

**This page is intentionally left blank**

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

**Notes to Financial Statements**

---

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

**Organization:**

Black Hawk College, Illinois Community College District #503 (College) is an Illinois Community College operating under the mandates and guidelines of the Illinois Board of Higher Education and the Illinois Community College Board (ICCB). The College offers a wide range of educational opportunities, including liberal studies, business training, agricultural studies, continuing education, and community service programs. The College was organized to provide an excellent, affordable alternative in higher education with campus locations in Moline and Galva, Illinois, and numerous outreach sites.

**Significant Accounting Policies:**

Financial Reporting Entity: The College is governed by a seven-member Board of Trustees. Board members are elected through general elections to a six-year term. In addition to the seven members, there is one student trustee member elected annually to the Board of Trustees.

The College follows Governmental Accounting Standards Board (GASB) standards for determining component units.

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

The two Foundations are legally separate, tax-exempt component units of the College. The Foundations act primarily as fund-raising organizations to supplement the resources that are available to the College in support of its programs. The 8-13 member boards of the Foundations are self-perpetuating and consist of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundations, the majority of resources, or income, thereon the Foundations hold and invest are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, the College, the Foundations are considered component units of the College.

During the fiscal year ended June 30, 2018, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$117,933 and \$162,469, respectively, to the College for both restricted and unrestricted purposes.

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

Financial statements for both the Black Hawk College Foundation and Black Hawk East College Foundation can be obtained by calling the College at 309-796-5302.

**Notes to Financial Statements**

---

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

**Significant Accounting Policies (Continued):**

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

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

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

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

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

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

**Notes to Financial Statements**

---

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

Deferred outflows/inflows: In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

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

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2017 levy. Property tax revenue recorded on the financial statements relates to the 2016 and 2017 levies. Property taxes are levied each year on all taxable real property in the College District. Property taxes are certified on or before the last Tuesday in December and are attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in 2017 or 2018, respectively, and are collected by the county collectors in the College District who in turn remit to the College its respective share. An allowance is provided for uncollectible taxes.

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

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

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

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

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

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

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

**Notes to Financial Statements**

---

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

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2018.

Investments: Investments are stated at fair value.

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

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

Receivables: Student accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The College considers students accounts to be past due when a student has an account balance after the payment due date for the class. Past due accounts are subject to past due letter collection efforts and are subsequently placed with third-party collection agencies.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

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

**Notes to Financial Statements**

---

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

New Accounting Pronouncement: Management adopted new accounting guidance GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB No. 75 replaces the requirements of GASB Statement No. 45 on Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. See Note 15 for the restatement of beginning net position.

Other Post-Employment (“OPEB”) Obligations: For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan (“CIP”) and additions to/deductions from CIP’s plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a OPEB plan that is used to provide OPEB to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to OPEB or (2) the non-employer is the only entity with a legal obligation to make contributions directly to an OPEB plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

**Note 2. Cash and Investments**

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

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
- Interest-bearing savings account, interest-bearing certificates of deposit, or interest-bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).
- Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of security legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by the FDIC.
- Money market mutual funds whose portfolios consist of government securities or agreements to repurchase such obligations.
- Illinois School District Liquid Asset Fund.
- Illinois State Funds Money Market Fund.

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

**Notes to Financial Statements**

---

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

- Funds managed, operated, and administered by a bank provided that the public agency has an undivided interest in the assets of the fund.
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986.
- Dividends-bearing share accounts, share certificate accounts of a credit union with its principal office located in Illinois and insured by applicable law.
- Funds managed, operated, and administered by a bank.

At June 30, 2018, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 68,727,930
Petty cash	<u>12,484</u>
<b>Total cash and cash equivalents</b>	68,740,414
Fiduciary funds	<u>1,386,350</u>
<b>Total cash and cash equivalents</b>	\$ 70,126,764
Less: Petty cash	<u>(12,484)</u>
<b>Total carrying amount of deposits</b>	<u>\$ 70,114,280</u>

As of June 30, 2018, the carrying amount of the College's deposits totaled \$70,114,280 with a bank balance of \$70,786,899. Of the \$70,786,899 bank balance, \$70,786,899 was covered by federal depository insurance and an Irrevocable Standby Letter of Credit as collateral held by the College's agent in the College's name. The College has no foreign currency risk for deposits at year end.

As of June 30, 2018, the College did not hold any investments.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates that 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 the change in market interest rates. The College tries to match its maturities on investments with expected cash flows. As of June 30, 2018, the College did not hold any investments.

Credit Risk:

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

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

**Notes to Financial Statements**

---

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

Concentration of Credit Risk:

The College has no investments in any one issuer that represent 5% or more of total College's investments.

Custodial Credit Risk:

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

As of June 30, 2018, there are no investments with custodial credit risk as all investments are insured via an Irrevocable Standby Letter of Credit.

Foreign Currency Risk:

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

**Note 3. State of Illinois Claims Allowance**

In 2009, \$1 million from the Illinois Jobs Now! initiative was identified for the College through the Illinois Department of Commerce and Economic Opportunity (DCEO) for sustainability projects at the Quad-Cities campus (section 335 of P.A. 096-0039). In response, the College moved forward with the construction of the Sustainable Technologies building using bond funds as well as the anticipated DCEO funds. This project was completed in 2013. As of June 30, 2018, the \$1 million had still not been received by the College from DCEO. While the funding has been included in the State of Illinois fiscal year 2019 appropriations, the college is waiting on notification from DCEO as to acceptance and payment. The College has created a 100% allowance against the \$1 million receivable on the financial statements and intends to continue conversations with state representatives in effort to collect these funds.

**Note 4. Liability, Protection, & Settlement Fund Expenditures**

The College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2018:

Security & safety related salaries and benefits	\$ 733,723
Risk management & loss prevention	199,117
Insurance	697,127
Legal services	86,130
Security and safety related	<u>66,598</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$1,782,695</u>

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

**Notes to Financial Statements**

**Note 5. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated				
Land	1,032,464	\$ -	\$ -	1,032,464
Construction in process	2,573,177	10,883,294	(4,242,508)	9,213,963
<b>Total capital assets not being depreciated</b>	3,605,641	10,883,294	(4,242,508)	10,246,427
Capital assets being depreciated:				
Buildings and improvements	86,879,419	4,211,207	(26,145)	91,064,481
Land improvements	9,345,219	48,681	-	9,393,900
Equipment	9,933,517	1,037,691	(480,579)	10,490,629
<b>Total capital assets being depreciated</b>	106,158,155	5,297,579	(506,724)	110,949,010
Less accumulated depreciation for:				
Buildings and improvements	21,856,066	1,773,513	(2,353)	23,627,226
Land improvements	1,512,225	187,393	-	1,699,618
Equipment	5,934,907	623,637	(446,283)	6,112,261
<b>Total accumulated depreciation</b>	29,303,198	2,584,543	(448,636)	31,439,105
<b>Total capital assets being depreciated, net</b>	76,854,957	2,713,036	(58,088)	79,509,905
<b>Total capital assets, net</b>	\$80,460,598	\$13,596,330	\$(4,300,596)	\$89,756,332

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

**Notes to Financial Statements**

---

**Note 6. Other Post-Employment Benefits**

Plan Administration: The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. The CIP was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan with a special funding situation that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

Benefit Provisions: A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

Benefits Provided: CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (ACT) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

Contributions: The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

For the year ended June 30, 2017, member required contributions ranged from \$110.45 to \$111.19 per month per retiree, and from \$441.79 to \$444.76, per month per dependent beneficiary (assuming Medicare eligibility). Non-Medicare eligible members' required contributions ranged from \$109.33 to \$431.11 per retiree and from \$437.31 to \$1,724.44 per dependent family members. Active employees contributed \$4.367 million, or approximately 33.48% of total premiums, representing 0.5% of their salaries, and participating college districts contributed \$4.367 million, or 33.48% of total premiums, representing 0.5% of their salaries, and participating college districts contributed \$4.367 million, or 33.48% of total premiums, representing their required 0.5% contribution. The State contributed \$4.309 million, or approximately 33.04% of total premiums, representing their required contribution of 0.5% of estimated active employee salaries. The fund received \$185 thousand in Medicare Part D subsidy payments from the federal government. Retiree contributions are netted with related liability.

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

**Notes to Financial Statements**

**Note 6. Other Post-Employment Benefits (Continued)**

**OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

Net OPEB Liability:

The net OPEB liability was measured as of June 30, 2017. At June 30, 2017, CIP reported a net OPEB liability of \$1,823,636,957.

Employer Proportionate Share of Net OPEB Liability:

The amount of the proportionate share of the net OPEB liability to be recognized for the College is \$18,932,513 or 1.0382%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0407%. The proportionate share of the State's net OPEB liability associated with the College is \$18,683,160. The total proportionate share of the net OPEB liability associated with the College is \$37,615,673. The net OPEB liability and total OPEB liability as of June 30, 2018, was determined based on the June 30, 2017, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2017.

OPEB Expense:

At June 30, 2017, CIP reported a collective net OPEB expense of \$169,446,479.

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2017. As a result, the College recognized on-behalf revenue of \$86,236 and OPEB expense of \$1,459,290 for the fiscal year ended June 30, 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:

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

Black Hawk College's Deferred Outflows and Deferred Inflows of Resources by Sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$0	\$53,583
Changes in assumption	0	1,577,063
Net difference between projected and actual earnings on OPEB plan investments	0	199
Changes in proportion and differences between employer contributions and share of contributions	0	617,762
<b>Total deferred amounts to be recognized in pension expense in future periods</b>	<b>0</b>	<b>2,248,607</b>
OPEB contributions made subsequent to the measurement date	86,236	0
<b>Total</b>	<b>\$86,236</b>	<b>\$2,248,607</b>

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

**Notes to Financial Statements**

**Note 6. Other Post-Employment Benefits (Continued)**

OPEB Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses

<b>Year ended June 30:</b>	<b>Net Deferred Inflows of Resources</b>
2019	(\$374,768)
2020	(374,768)
2021	(374,768)
2022	(374,768)
2023	(374,768)
2024	(374,767)
<b>Total</b>	<b>(\$2,248,607)</b>

**Employer Deferral of Fiscal Year 2018 OPEB Expense**

The College paid \$86,236 CIP contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the OPEB liability date of June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2018.

**Assumptions and Other Inputs**

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table.

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

**Notes to Financial Statements**

**Note 6. Other Post-Employment Benefits (Continued)**

Mortality rates for pre-retirement were based on the RP-2014 Whited Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$182 million from 2016 to 2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2017, the trust earned \$24,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2017, is a negative \$51 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate: The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.56%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.56%) or lower (2.56%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Single Discount Rate Assumption			
	1% Decrease (2.56%)	Current Single Discount Rate Assumption (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$2,085,622,937	\$1,823,636,960	\$1,597,770,691

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

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

**Notes to Financial Statements**

**Note 6. Other Post-Employment Benefits (Continued)**

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Healthcare Cost Trend Rate Assumption			
		Healthcare Cost Trend	
	1% Decrease (a)	Rates Assumption	1% Increase (b)
Net OPEB liability	\$1,512,891,678	\$1,823,636,960	\$2,273,321,981

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

**Note 7. Pension Plan**

**General Information about the Pension Plan**

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

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2017 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2017 and 2018 respectively, was 12.53% and 12.46% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded

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

**Notes to Financial Statements**

**Note 7. Pension Plan (Continued)**

liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

Net Pension Liability:

The net pension liability (NPL) was measured as of June 30, 2017. At June 30, 2017, SURS reported a net pension liability (NPL) of \$25,481,105,995.

Employer Proportionate Share of Net Pension Liability:

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State’s net pension liability associated with the College is \$115,964,513 or 0.4551%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2017 was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2017.

Pension Expense:

At June 30, 2017, SURS reported a collective net pension expense of \$2,412,918,129.

Employer Proportionate Share of Pension Expense:

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2017. As a result, the College recognized on-behalf revenue and pension expense of \$10,981,190 for the fiscal year ended June 30, 2018.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 139,193,227	\$1,170,771
Changes in assumption	205,004,315	259,657,577
Net difference between projected and actual earnings on pension plan investments	94,620,827	
<b>Total</b>	<b>\$438,818,369</b>	<b>\$260,828,348</b>

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

**Notes to Financial Statements**

**Note 7. Pension Plan (Continued)**

SURS Collective Deferred Outflows and Deferred Inflows of Resources  
by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
2022	-
Thereafter	-
Total	\$177,990,021

**Employer Deferral of Fiscal Year 2017 Pension Expense:**

The College paid \$80,987 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability date of June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2018.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2017, these best estimates are summarized in the following table:

Long-Term Expected Asset Class	Target Allocation	Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%

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

**Notes to Financial Statements**

**Note 7. Pension Plan (Continued)**

**Assumptions and Other Inputs**

Long-Term Expected Asset Class	Target Allocation	Real Rate of Return
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	1%	6.71%
Total	100%	5.20%
Inflation		2.75%
Expected Arithmetic Return		7.95%

Discount Rate: A single discount rate of 7.09% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

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

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
\$30,885,146,279	\$25,481,105,995	\$20,997,457,586

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

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

**Notes to Financial Statements**

**Note 8. Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Bonds Payable	\$50,170,000	\$ 0	\$(3,570,000)	\$46,600,000	\$4,410,000
Unamortized premium	3,187,758	0	(737,704)	2,450,054	648,000
Accrued vacation	782,350	787,667	(782,350)	787,667	196,917
Early retirement	1,488,581	152,458	(152,458)	1,488,581	152,458
OPEB	19,635,594	0	(703,081)	18,932,513	0
<b>Total</b>	<b>\$75,264,283</b>	<b>\$940,125</b>	<b>\$(5,945,593)</b>	<b>\$70,258,815</b>	<b>\$5,407,375</b>

General Obligation Community College Bonds, Series 2013: On March 12, 2013, the College issued \$20,000,000 in General Obligation Bonds, Series 2013A \$10 million taxable and Series 2013B \$10 million tax exempt, to refund short-term debt certificates of that amount. The debt certificates were issued and received by the College on December 18, 2012. The purpose of issuing these debt certificates was to use the proceeds for construction of the \$15 million Health Sciences Center at the Quad Cities Campus, construct a \$3.5 million Welding and Skilled Trades Center in Kewanee, Illinois, and utilize the remaining \$2.5 million to expand and renovate facilities throughout the College. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2032. Interest only payments are due June 1 of each year beginning June 1, 2013. Interest rates range from 3.00% to 4.75% over the life of the bonds.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2018, are as follows:

Year Ending June 30:	Principal	Interest	Total
2019	\$915,000	\$625,995	\$1,540,995
2020	960,000	581,465	1,541,465
2021	1,000,000	534,916	1,534,916
2022	1,050,000	486,228	1,536,228
2023	1,100,000	435,165	1,535,165
2024-2028	6,135,000	1,559,986	7,694,986
2029-2033	7,130,000	547,350	7,677,350
<b>Total</b>	<b>\$18,290,000</b>	<b>\$4,771,105</b>	<b>\$23,061,105</b>

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

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

**Notes to Financial Statements**

**Note 8. Long-Term Liabilities (Continued)**

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2018, are as follows:

Year Ending June 30:	Principal	Interest	Total
2019	\$1,045,000	\$ 20,900	\$1,065,900
<b>Total</b>	<b>\$1,045,000</b>	<b>\$ 20,900</b>	<b>\$1,065,900</b>

General Obligation Community College Bonds, Series 2017: On January 5, 2017, the College issued \$28,955,000 in tax exempt General Obligation Bonds, Series 2017, to refund \$31.5 million of short-term debt certificates issued and received by the College on October 20, 2016. The purpose of issuing these debt certificates was to use the proceeds for a \$6.7 million new addition for eight classrooms, \$19.8 million existing building renovation, \$2.0 million site prep and street improvements and \$3.0 million technology upgrades across the District. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2024. Interest only payments are due June 1 of each year beginning June 1, 2018. The interest rate is 5.00% over the life of the bonds.

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

Year Ending June 30:	Principal	Interest	Total
2019	\$2,450,000	\$1,302,000	\$3,752,000
2020	3,735,000	1,147,375	4,882,375
2021	3,995,000	954,125	4,949,125
2022	4,265,000	747,625	5,012,625
2023	4,555,000	527,125	5,082,125
2024-2025	8,265,000	377,375	8,642,375
<b>Total</b>	<b>\$27,265,000</b>	<b>\$5,055,625</b>	<b>\$32,320,625</b>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,994,498,184 less outstanding debt. As of June 30, 2018, the College had \$65,791,769 remaining legal debt margin.

**Note 9. Early Retirement and Voluntary Separation Plans**

Effective May 1, 1983, the College has offered a variety of Early Retirement/Voluntary Separation plans for eligible employees. Eligibility and benefits for each plan vary by year of retirement and by the classification of employee (faculty, staff, collectively bargained). There are no active employees of the College that are eligible for the Plan. Based on this, the OPEB liability was calculated in terms of the GASB 47 standards.

Benefit Provisions

Benefits for each plan include Medical/Rx, and may include Dental, Vision, and Life Insurance. No valuation for life insurance is provided in this analysis. Benefits for Plan H have been cancelled.

The plans vary by the percentage of the College's monthly contribution rate retirees and spouses pay for coverage. Details are shown in the Statement of Actuarial Assumptions and Methods.

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

**Notes to Financial Statements**

---

**Note 9. Early Retirement and Voluntary Separation Plans (Continued)**

Generally, subsidized benefits continue through age 70. After age 70, retirees and spouses must pay the full monthly contribution rate for benefits. For some plans, benefits are no longer provided if the retiree or spouse is covered under another plan.

Funding Policy

Benefits are paid by the College for post-retirement Medical/Rx, Dental, and Vision benefits as they occur. Contribution requirements may be amended by the Board of the College.

Statement of Actuarial Assumptions and Methods

*Plan Sponsor*

Black Hawk College

*Statement of Assumptions*

The assumptions disclosed are for the fiscal year ending June 30, 2017.

*Actuarial Cost Method*

Costs are determined using Projected Unit Credit Actuarial Cost Method

*Asset Valuation Method*

Market Value

*Discount Rate*

4.25%

*Projected Salary Increases*

Not applicable

*Mortality*

RP -2014 Mortality Table with projected mortality. The mortality was updated from the RP-2000 Mortality Table

*Turnover*

Not applicable; this analysis valued retirees only

*Retirement Rates*

Not applicable; this analysis valued retirees only

*Expense*

None

*Spousal Rate*

Where no information is provided:

75% of current male retirees are married at retirement

75% of current female retirees are married

Male spouses are assumed to be three years older than female spouses

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

**Notes to Financial Statements**

**Note 9. Early Retirement and Voluntary Separation Plans (Continued)**

*Health Care Trend Rate*

<b>Year</b>	<b>Medical/Rx</b>	<b>Dental</b>	<b>Vision</b>
2013	6.5%	4.0%	3.0%
2014	6.0%	4.0%	3.0%
2015	5.5%	4.0%	3.0%
2016	5.0%	4.0%	3.0%
2017	4.5%	4.0%	3.0%
2018+	4.0%	4.0%	3.0%

*Medical/Rx Costs*

The following chart shows the monthly contribution rates for the 2017-2018 Plan Year

<b>Coverage</b>	<b>Retiree</b>	<b>Spouse</b>
Medical/Rx Under 65	\$685.36	\$912.43
Medical/Rx Over 65	\$301.90	\$426.11

The following chart shows the percentage participants and spouses pay for Medical/Rx coverage

<b>Plan</b>	<b>Retiree Contribution %</b>	<b>Spouse Contribution %</b>
A-F	0%	10%
G-H	0%	20%
I	25%	30%
J-K	0%	20%
L(a)	20%	20%
L(b)	30%	30%
M	15%	20%
N-P	25%	25%
Q	100%	100%
R (COBRA)	102%	102%

Participants age 70 and above pay 100% of the monthly contribution rates if they elect to continue participation

*Dental and Vision Costs*

The following chart shows the monthly contribution rates for the 2017-2018 Plan Year

<b>Coverage</b>	<b>Retiree</b>	<b>Spouse</b>
Dental	\$38.38	\$58.68
Vision	\$7.25	\$10.92

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

**Notes to Financial Statements**

**Note 9. Early Retirement and Voluntary Separation Plans (Continued)**

The following chart shows the percentage participants and spouses pay for Dental and Vision coverage

Plan	Retiree Contribution %		Spouse Contribution %	
	Dental	Vision	Dental	Vision
A-E	Not Available	Not Available	Not Available	Not Available
F-G	0%	Not Available	50%	Not Available
H	0%	0%	50%	50%
I	25%	25%	50%	50%
J-K	0%	50%	0%	50%
L(a)	20%	20%	50%	50%
L(b)	30%	30%	50%	50%
M	15%	15%	50%	50%
N-P	25%	25%	50%	50%
Q	100%	100%	100%	100%
R (COBRA)	102%	102%	102%	102%

Participants age 70 and above pay 100% of the monthly contribution rates if they elect to continue participation.

*Life Insurance*

Not valued in this analysis

The following table shows the OPEB liability of BHC, separately for Medical/Rx, Dental, and Vision coverage:

	Medical/Rx	Dental	Vision	Total
Number of Retirees Covered	31	29	25	31
Number of Spouses Covered	21	19	14	21
Total Liability	\$1,343,503	\$124,022	\$21,056	\$1,488,581
Expected Payments Next Twelve Months	\$137,665	\$12,531	\$2,261	\$152,458

The recorded liability for these plans is \$1,488,581 as of June 30, 2018.

**Note 10. 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 with a stop loss insurance arrangement that includes a \$145,000 maximum aggregate eligible claims expense per participant per year as well as a maximum aggregate benefit (in excess of the annual aggregate deductible per policy term) of \$1,000,000. 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.

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

**Notes to Financial Statements**

**Note 10. Risk Management and Insurance (Continued)**

The College establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. At June 30, 2018, the amount of these liabilities was \$550,000. The following represents changes in those liabilities for the College during the past three years:

	<i>Beginning of Fiscal Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>Balance at Fiscal Year-End</i>
FY2016	\$ 904,336	\$5,187,633	\$5,533,969	\$ 558,000
FY2017	\$ 558,000	\$4,931,021	\$4,956,726	\$ 532,295
FY2018	\$ 532,295	\$5,498,174	\$5,480,469	\$ 550,000

**Note 11. Deferred Inflows of Resources**

The \$43,475 of deferred inflows of resources related to grants and restricted funds reported on the Statement of Net Position/Net Assets requires the passage of time before it can be properly recognized as revenue.

**Note 12. Restricted Net Position**

The College restricted net position is comprised of the following at June 30, 2018:

Restricted for:	
Audit	\$ 157,198
Liability, Protection and Settlement	4,070,362
Working Cash	10,194,190
Bond & Interest	3,071,627
Operations & Maintenance	3,449,668
Grants & Scholarships	280,533
	<u>\$21,223,578</u>

Funds are classified as restricted net position when restrictions are imposed by external funding sources

**Note 13. 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.

As of June 30, 2018, the College had 18 active construction contracts. The remaining commitment on these contracts as of June 30, 2018, was approximately \$16,800,000.

**Note 14. Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual entity in which

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

**Notes to Financial Statements**

**Note 14. Tax Abatements (Continued)**

(a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. All costs generated from tax abatements for the College are costs generated by the actions of other governmental bodies and/or costs created by obligations associated with tax abatement projects.

The College is indirectly entered into tax abatement agreements with developers in the form of tax incremental financing (TIF) incentive payments intended to stimulate economic development within a TIF district. The immediate impact of a TIF district on the College results in a loss of property tax revenue during the duration of a TIF agreement. Once the TIF agreement expires, the expectation is that the EAV will have increased due to the increased economic development therefore creating an opportunity for more tax revenue for the College in future years. The total tax revenue lost in the 2017 tax year due to TIF agreements in place equals \$1,596,837 as of June 30, 2018.

The College is directly entered into a tax abatement agreement in relation to the Villas apartment complex located in Rock Island County. The total tax revenue lost in the 2017 tax year due to this tax abatement agreement is \$3,244 as of June 30, 2018.

**Note 15. Restatement**

As a result of the implementation of GASB Statement No. 75, the business-type activities beginning net position was restated. Also, as a result of an evaluation of the Restricted Purpose Fund, there were programs that were determined to be fiduciary and were reclassified to the Agency Fund.

	<b>Business-Type Activities</b>
Balance at July 1, 2017, as previously reported	\$96,778,082
Subtract beginning net OPEB liability	(19,635,594)
Subtract beginning agency fund balances	(330,047)
<b>Balance at July 1, 2017, as restated</b>	<b>\$76,812,441</b>

**Note 16. Pending Accounting Pronouncements**

GASB Statement No. 83, Certain Asset Retirement Obligations establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The College has not determined the effect of this Statement.

GASB Statement No. 84, Fiduciary Activities establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The College has not determined the effect of this Statement.

**Notes to Financial Statements**

---

**Note 16. Pending Accounting Pronouncements (Continued)**

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The College has not determined the effect of this Statement.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 90, Majority Equity Interests is an amendment of GASB Statements No. 14 and No. 61 to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The College has not determined the effect of this Statement.

# **Required Supplementary Information (RSI)**

**This page is intentionally left blank**

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

**Required Supplementary Information (RSI)**

**SURS Pension Information for the Year Ended June 30, 2017**

<b>SCHEDULE OF SHARE OF NET PENSION LIABILITY</b>				
<b>BLACK HAWK COLLEGE</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$0	\$0	\$0	\$0
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	\$117,152,029	\$118,843,678	\$126,703,122	\$115,964,513
Total (b) + (c)	\$117,152,029	\$118,843,678	\$126,703,122	\$115,964,513
Employer DB Covered Payroll	\$19,512,271	\$18,035,229	\$17,584,276	\$16,035,416
Proportion of Collective Net Pension Liability associated with the Employer as a percentage of DB Covered Payroll	600.40%	658.95%	720.55%	723.18%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%

<b>SCHEDULE OF CONTRIBUTIONS</b>					
<b>BLACK HAWK COLLEGE</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
Federal, Trust, Grant and Other contribution	\$100,055	\$90,997	\$90,687	\$71,829	\$80,987
Contribution in relation to required contribution	\$100,055	\$90,997	\$90,687	\$71,829	\$80,987
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Employer Covered-employee payroll	\$17,235,771	\$22,184,485	\$21,640,911	\$20,088,183	\$19,379,989
Contributions as a percentage of covered-employee payroll	.58%	.41%	.42%	.36%	.42%

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

Fiscal Year 2018 Total DB Contributions: \$1,247,305

Fiscal Year 2018 Total SMP Contributions: \$310,671

See Accompanying Notes to Required Supplementary Information

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

**Required Supplementary Information (RSI)**

**OPEB Information for the Year Ended June 30, 2017**

<b>SCHEDULE OF SHARE OF NET OPEB LIABILITY</b>		
<b>BLACK HAWK COLLEGE</b>	<b>FY2016</b>	<b>FY2017</b>
Proportion Percentage of the Collective Net OPEB Liability	1.08%	1.04%
Proportion Amount of the Collective Net OPEB Liability	\$19,635,594	\$18,932,513
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability associated with Employer	\$20,458,618	\$18,683,160
Total collective net OPEB liability associated with the College	\$40,094,212	\$37,615,673
Employer Covered Employee Payroll	\$21,640,911	\$20,088,183
Proportion of Collective Net OPEB Liability associated with the Employer as a percentage of Covered-Employee Payroll	185.27%	187.25%
College Insurance Plan (CIP) Net Position as a Percentage of Total Pension Liability	-2.15%	-2.87%

<b>SCHEDULE OF CONTRIBUTIONS</b>			
<b>BLACK HAWK COLLEGE</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
Statutorily required contribution	\$97,783	\$90,069	\$86,236
Contribution in relation to the required statutorily	97,783	90,069	86,236
Contribution deficiency (excess)	\$0	\$0	\$0
College covered-employee payroll	\$21,640,911	\$20,088,183	\$19,379,989
Contribution as a percentage of covered-employee payroll	.45%	.45%	.44%

Note: The College implemented GASB No. 75 in fiscal year 2018. The information presented is for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information

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

**Notes to Required Supplementary Information (RSI)**

---

**Note 1. Changes of Pension benefit terms:**

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2017.

**Note 2. Changes of Pension assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014, was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary increase. Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Main the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

**Note 3 Changes of OPEB Benefit Terms:**

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2017.

**Note 4. Changes of OPEB Assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2010 to June 30, 2014, resulting in the adoption of new assumptions as of June 30, 2017. There are no changes of assumptions that affect measurement of the total collective OPEB liability since the prior measurement date.

**This page is intentionally left blank**

# **Statistical Section (Unaudited)**

**This page is intentionally left blank**

**Statistical Narrative**

---

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

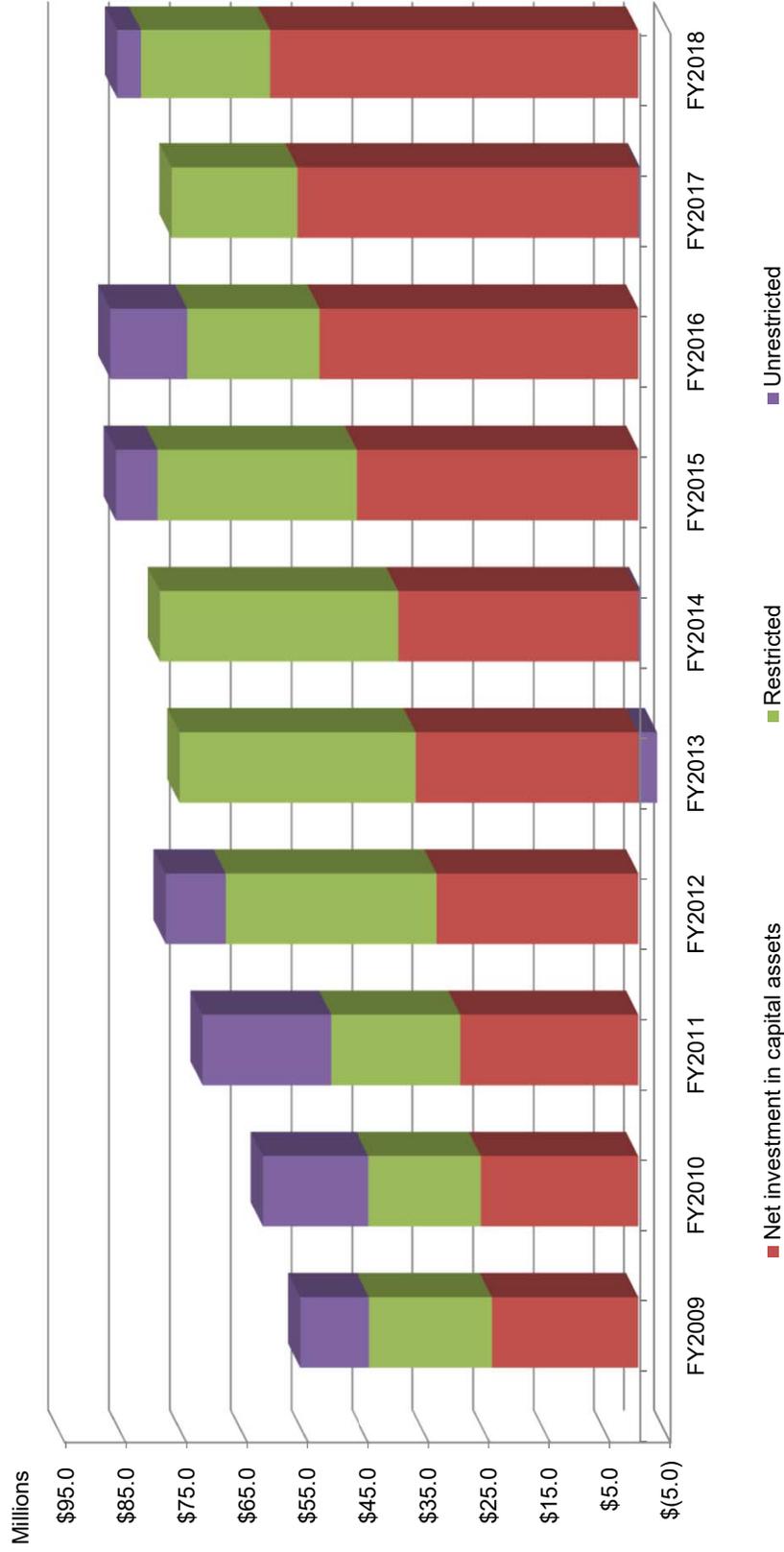
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

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

**Schedule of Net Position by Component  
FY2009 through FY2018**

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net investment in capital assets	\$ 24,287,182	\$ 26,107,509	\$ 29,495,572	\$ 33,387,782	\$ 36,808,792	\$ 39,682,320	\$ 46,629,046	\$ 52,790,893	\$ 56,423,039	\$ 60,892,637
Restricted	20,212,636	18,508,373	21,347,889	34,787,857	38,975,554	39,325,155	32,748,174	21,743,611	20,665,256	21,223,578
Unrestricted	11,442,187	17,464,461	21,158,239	9,871,444	(3,108,137)	(463,684)	6,860,226	12,612,715	(275,854)	3,905,446
<b>Total net position</b>	<b>\$ 55,942,005</b>	<b>\$ 62,080,343</b>	<b>\$ 72,001,700</b>	<b>\$ 78,047,083</b>	<b>\$ 72,676,209</b>	<b>\$ 78,543,791</b>	<b>\$ 86,237,446</b>	<b>\$ 87,147,219</b>	<b>\$ 76,812,441</b>	<b>\$ 86,021,661</b>



Source: College audited financial statements.  
Note: In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact.

**Black Hawk College**  
**Illinois Community College District No. 503**  
**Schedule of Changes in Net Position**  
**FY2009 through FY2018**

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Operating Revenues:</b>										
Student tuition and fees, net of allowance	\$ 6,563,186	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251	\$ 7,900,764	\$ 8,229,163	\$ 7,892,417	\$ 9,662,882
Sales, service, and rental of facilities	3,024,705	3,104,115	2,992,034	2,481,502	2,236,204	2,233,506	2,430,045	3,105,311	3,057,200	1,650,722
Tuition chargeback									3,291	
SURS contribution provided by state	2,513,078	3,881,957	4,293,814	5,373,730	7,535,508	8,068,818				
Other operating revenue	6,901	12,576	3,680	2,486						
<b>Total operating revenue</b>	<b>12,107,870</b>	<b>13,998,551</b>	<b>15,206,231</b>	<b>14,467,620</b>	<b>17,384,760</b>	<b>17,926,575</b>	<b>10,330,809</b>	<b>11,334,474</b>	<b>10,952,908</b>	<b>11,313,604</b>
<b>Operating expenses:</b>										
Instruction	13,071,503	13,177,063	13,787,062	13,973,024	19,814,071	18,609,563	15,128,229	17,724,388	26,967,368	16,687,516
Academic support	4,344,918	4,359,360	3,950,163	5,127,170	6,244,734	6,272,580	5,874,310	5,983,041	8,645,553	5,932,135
Student services	3,022,823	3,083,006	3,595,126	3,485,166	4,265,652	4,300,131	4,210,904	4,549,668	7,062,263	4,416,662
Public service	2,327,188	2,393,896	1,840,080	1,977,739	1,879,087	2,122,000	2,477,612	2,086,257	2,443,828	1,905,557
Auxiliary services	3,265,960	3,472,459	3,766,883	3,706,401	3,823,167	3,765,785	3,617,263	3,002,230	3,175,143	2,488,564
Institutional support	6,843,449	8,700,444	9,345,604	9,215,268	10,346,257	9,025,272	7,732,965	8,651,774	11,570,659	9,428,542
Scholarships, student grants and waivers	3,456,874	4,197,498	3,748,071	2,747,946	2,401,499	2,615,325	2,665,004	2,925,053	2,760,799	2,850,752
SURS contribution provided by state	2,513,078	3,881,957	4,293,814	5,373,730						
Operation of physical facilities	4,454,574	4,083,672	4,792,520	4,920,249	4,232,592	5,346,628	8,948,305	6,308,416	9,238,103	5,863,777
Loss on disposal of equipment	7,409	1,308,112	22,464	5,451	16,664	762,732		2,869	138,692	58,088
Depreciation	1,788,953	1,200,030	1,298,115	1,419,276	1,601,385	1,740,162	1,830,003	2,065,643	2,372,917	2,584,543
<b>Total operating expenses</b>	<b>45,096,729</b>	<b>49,857,497</b>	<b>50,439,902</b>	<b>51,951,420</b>	<b>54,625,108</b>	<b>54,560,178</b>	<b>52,484,595</b>	<b>53,299,339</b>	<b>74,375,325</b>	<b>52,216,136</b>
<b>Operating (loss)</b>	<b>(32,988,859)</b>	<b>(35,858,946)</b>	<b>(35,233,671)</b>	<b>(37,483,800)</b>	<b>(37,240,348)</b>	<b>(36,633,603)</b>	<b>(42,153,786)</b>	<b>(41,964,865)</b>	<b>(63,422,417)</b>	<b>(40,902,532)</b>
<b>Non-operating revenues (expenses)</b>										
Property taxes	17,816,536	18,140,565	18,692,853	19,171,402	19,119,399	19,462,491	19,623,307	20,316,292	21,077,895	22,304,048
Personal property taxes	1,365,164	1,104,407	1,432,216	1,317,537	1,346,184	1,361,828	1,464,594	1,340,818	1,480,910	1,219,068
State government sources	11,653,779	11,076,974	11,697,372	10,578,684	9,562,931	10,192,344	19,205,104	13,134,693	23,427,506	19,374,178
Federal government sources	7,050,847	10,110,004	11,941,906	10,875,102	10,099,071	9,995,924	9,290,411	7,733,197	7,431,615	7,234,806
Investment earnings	927,444	1,079,642	1,304,926	1,118,105	848,082	286,520	259,842	232,346	394,887	908,951
Other sources	1,441,102	1,200,272	846,037	1,046,866	1,281,102	2,025,129	832,131	838,648	823,466	447,739
Interest expense	(771,482)	(714,580)	(760,282)	(578,513)	(778,726)	(923,106)	(827,948)	(721,356)	(1,548,640)	(1,377,038)
<b>Total non-operating revenues (expenses)</b>	<b>39,483,390</b>	<b>41,997,284</b>	<b>45,155,028</b>	<b>43,529,183</b>	<b>41,478,043</b>	<b>42,401,130</b>	<b>49,847,441</b>	<b>42,874,638</b>	<b>53,087,639</b>	<b>50,111,752</b>
<b>Change in net position</b>	<b>\$ 6,494,531</b>	<b>\$ 6,138,338</b>	<b>\$ 9,921,357</b>	<b>\$ 6,045,383</b>	<b>\$ 4,237,695</b>	<b>\$ 5,767,527</b>	<b>\$ 7,693,655</b>	<b>\$ 909,773</b>	<b>\$(10,334,778)</b>	<b>\$ 9,209,220</b>

Note:

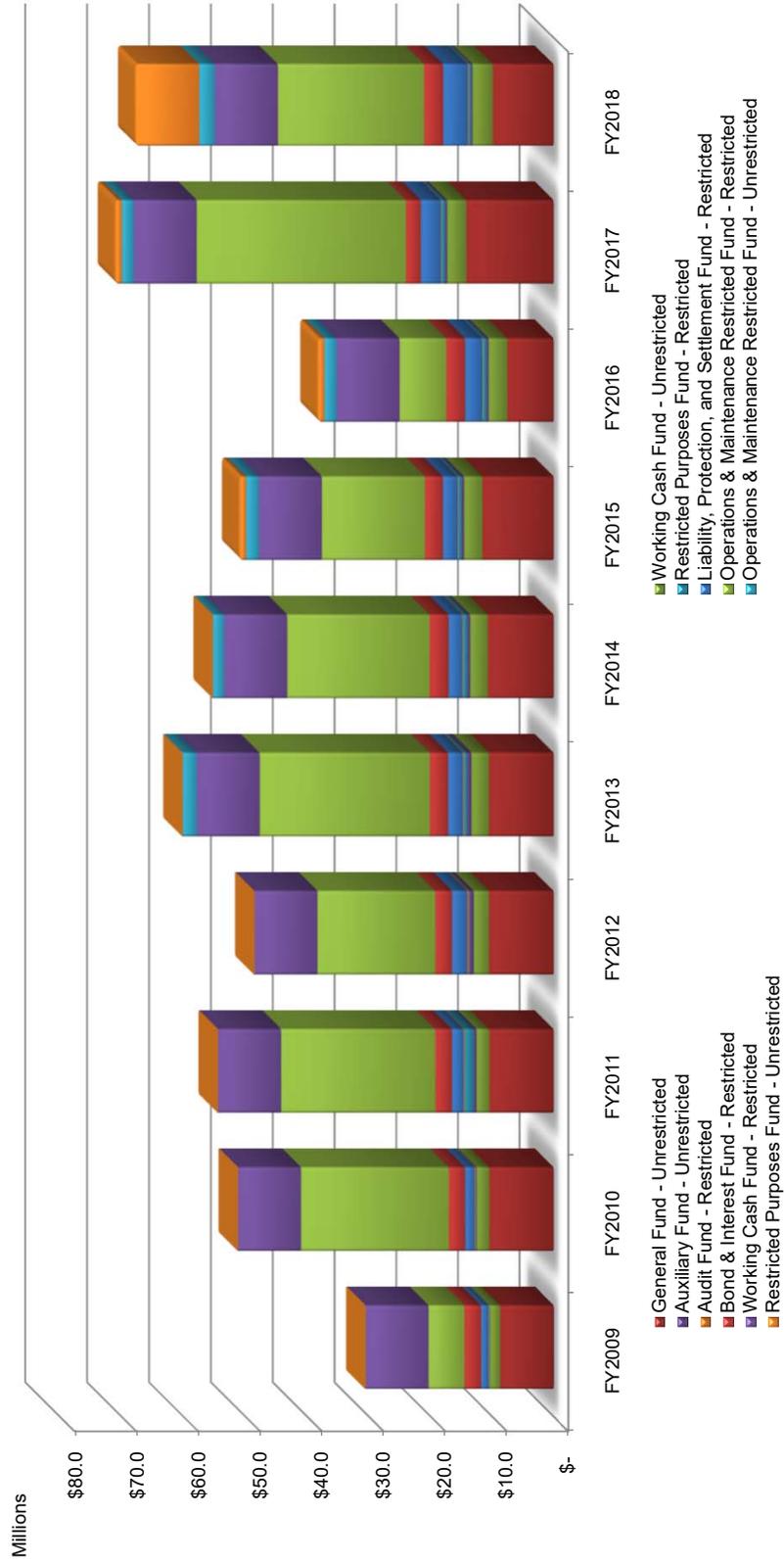
1. Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions
2. Beginning FY2015, SURS contribution provided by state included as a non-operating revenue under State government sources
3. In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund  
FY2009 through FY2018**

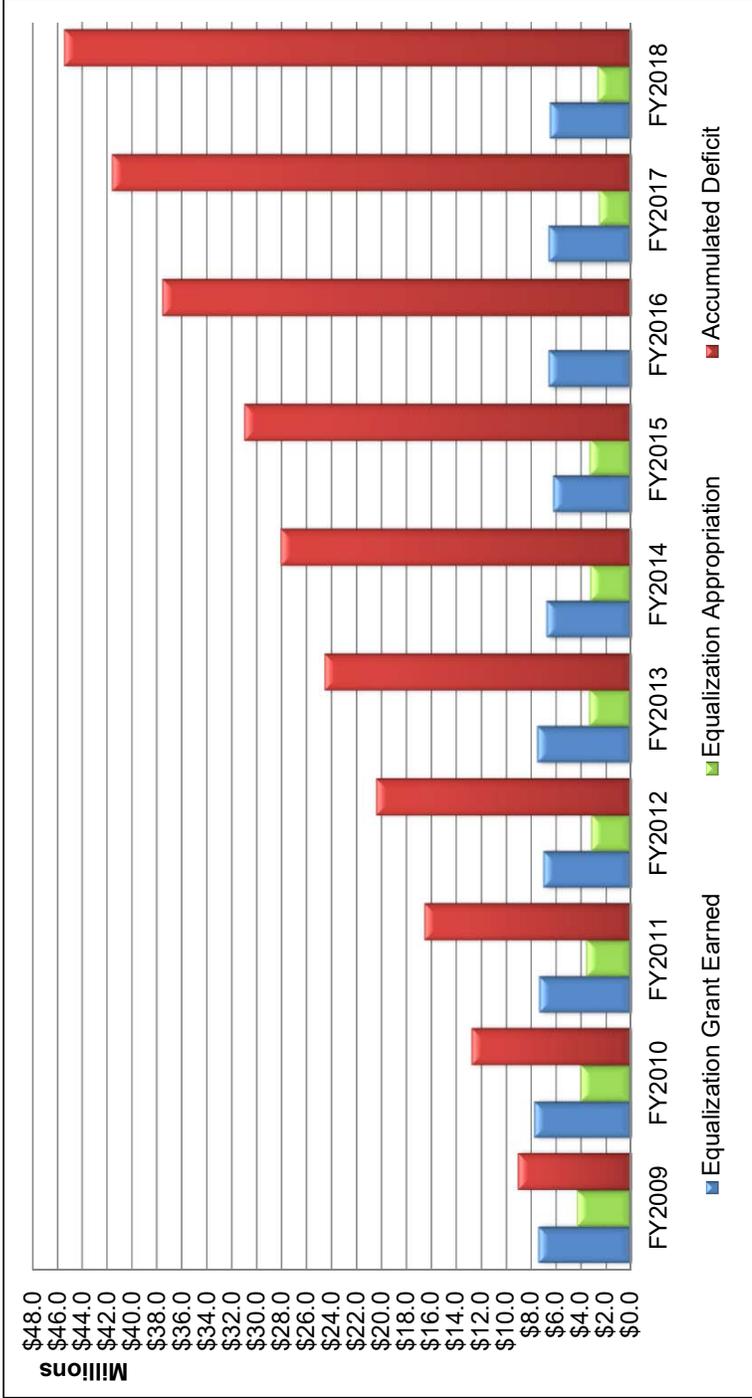
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
General Fund - Unrestricted	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400	\$ 11,591,965	\$ 7,534,940	\$ 14,204,789	\$ 9,898,492
Working Cash Fund - Unrestricted	1,625,794	2,046,194	2,081,546	2,496,165	2,848,633	2,912,562	2,978,247	3,044,065	3,137,116	3,317,332
Auxiliary Fund - Unrestricted	(74,423)	143,703	495,505	702,675	711,344	477,896	458,386	377,799	369,513	279,543
Restricted Purposes Fund - Restricted	137,064	37,322	1,393,815	94,284	495,369	632,447	487,716	556,420	523,904	280,533
Restricted Purposes Fund - Unrestricted	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000	10,240,000
Audit Fund - Restricted	122,132	150,245	172,765	211,908	200,222	135,278	113,676	104,536	106,656	157,198
Liability, Protection, and Settlement Fund - Restricted	1,227,502	1,573,022	1,952,072	2,521,853	2,402,140	2,265,040	2,386,897	2,798,225	3,274,964	4,070,362
Bond & Interest Fund - Restricted	2,702,182	2,642,136	2,704,975	2,721,699	2,973,723	3,079,546	2,909,841	3,048,701	2,389,192	3,071,627
Operations & Maintenance Restricted Fund - Restricted	5,829,566	23,911,458	24,930,072	19,043,923	27,508,249	23,018,654	16,655,854	7,581,975	33,826,596	23,636,027
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	-	2,254,612	1,808,396	2,065,594	1,933,844	1,912,616	2,520,099
Working Cash Fund - Restricted	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190	10,194,190
<b>Total Fund Balance</b>	<b>\$30,461,973</b>	<b>\$ 51,156,729</b>	<b>\$ 54,383,399</b>	<b>\$ 48,499,018</b>	<b>\$ 60,100,803</b>	<b>\$ 55,206,409</b>	<b>\$ 50,842,366</b>	<b>\$ 38,174,695</b>	<b>\$ 70,939,536</b>	<b>\$ 67,665,403</b>



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

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

**State Equalization Grant Funding History & Accumulated Deficit  
FY2009 through FY2018**

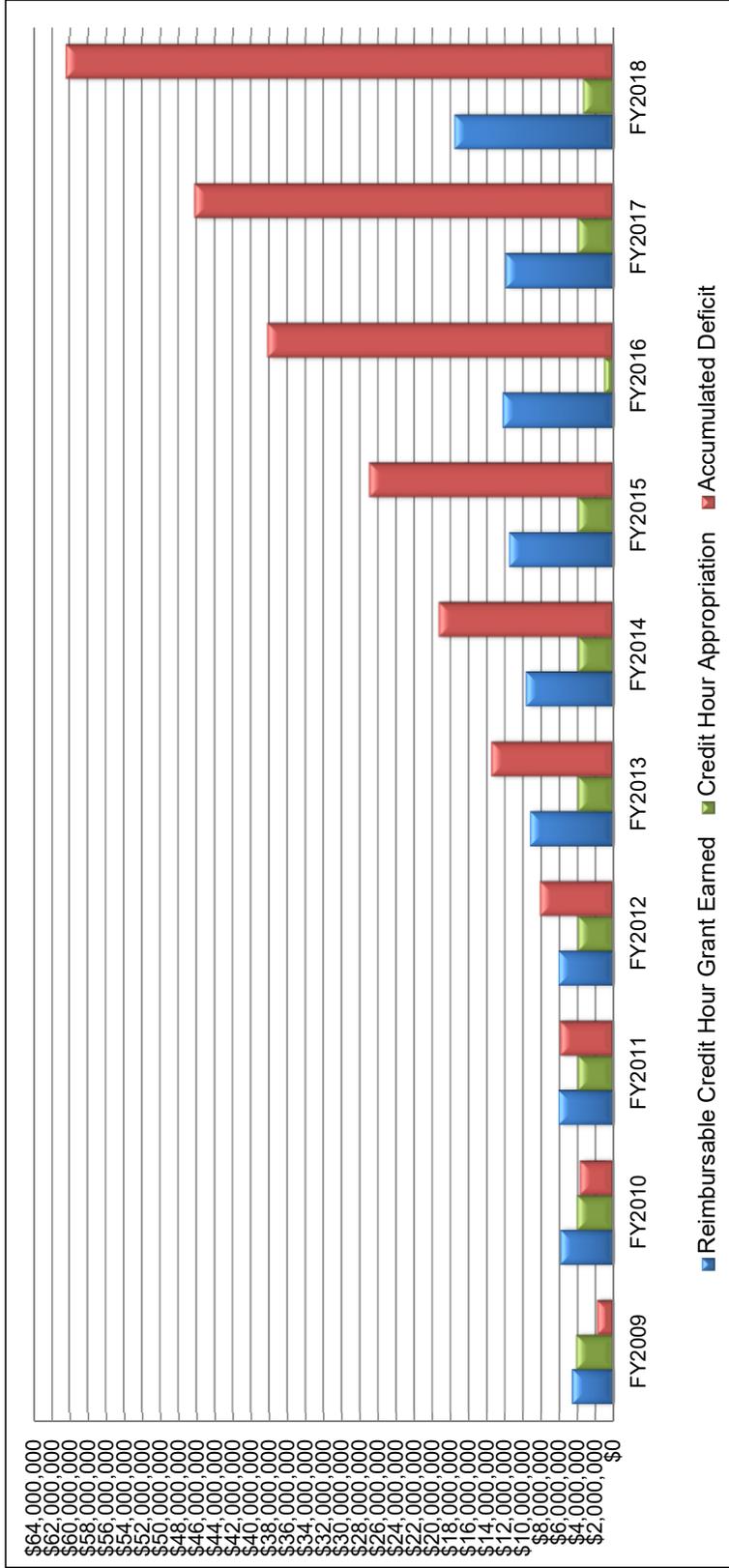


	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Equalization Grant Earned	\$ 7,446,929	\$ 7,758,564	\$ 7,372,057	\$ 7,028,293	\$ 7,500,478	\$ 6,768,524	\$ 6,238,384	\$ 6,614,329	\$ 6,614,579	\$ 6,509,795
Equalization Appropriation	4,341,024	4,038,587	3,576,700	3,187,173	3,348,294	3,264,676	3,310,856	50,000	2,566,390	2,684,210
Annual Deficit	<b>(3,105,905)</b>	<b>(3,719,977)</b>	<b>(3,795,357)</b>	<b>(3,841,120)</b>	<b>(4,152,184)</b>	<b>(3,503,848)</b>	<b>(2,927,528)</b>	<b>(6,564,329)</b>	<b>(4,048,189)</b>	<b>(3,825,585)</b>
Accumulated Deficit	\$ 9,070,277	\$ 12,790,254	\$ 16,585,611	\$ 20,426,731	\$ 24,578,915	\$ 28,082,763	\$ 31,010,291	\$ 37,574,620	\$ 41,622,809	\$ 45,448,394
Percentage Received	58.29%	52.05%	48.52%	45.35%	44.64%	48.23%	53.07%	0.76%	38.80%	41%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit  
FY2009 through FY2018**



	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Reimbursable Credit Hour Grant Earned	\$ 4,608,756	\$ 5,936,036	\$ 6,125,709	\$ 6,125,709	\$ 9,276,633	\$ 9,701,085	\$ 11,564,377	\$ 12,262,006	\$ 11,950,503	\$ 17,568,916
Credit Hour Appropriation	4,123,492	4,027,875	3,923,273	3,923,273	3,917,264	3,897,853	3,919,294	1,051,469	3,919,661	\$ 3,365,310
Annual Deficit	<b>(485,264)</b>	<b>(1,908,161)</b>	<b>(2,202,436)</b>	<b>(2,202,436)</b>	<b>(5,359,369)</b>	<b>(5,803,232)</b>	<b>(7,645,083)</b>	<b>(11,210,537)</b>	<b>(8,030,842)</b>	<b>\$ (14,203,606)</b>
Accumulated Deficit	\$ 1,825,973	\$ 3,734,134	\$ 5,936,570	\$ 8,139,006	\$ 13,498,375	\$ 19,301,607	\$ 26,946,690	\$ 38,157,227	\$ 46,188,069	\$ 60,391,675
Percentage Received	89.47%	67.85%	64.05%	64.05%	42.23%	40.18%	33.89%	8.58%	32.80%	19.15%

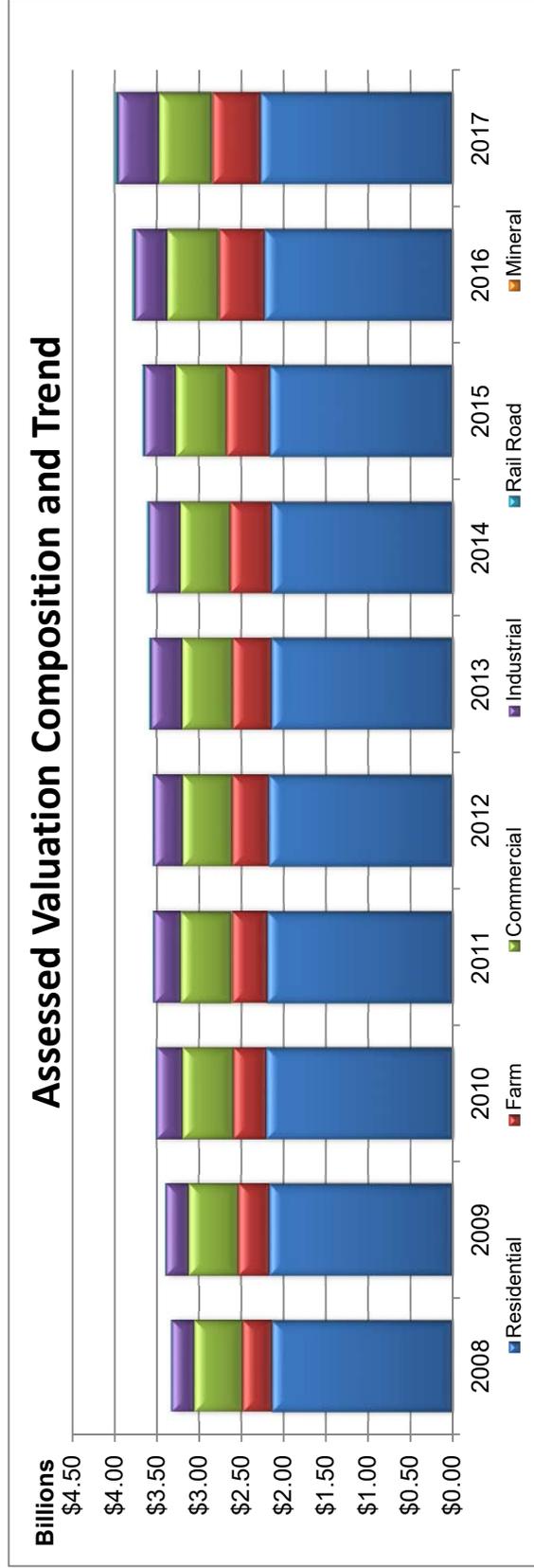
Source: ICCB System's Operating Budgets

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

Assessed and Estimated Actual Value of Taxable Property  
Tax Levy Years 2008 through 2017

**Assessed Valuation by Property Type**

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
2008	2,138,725,354	345,734,151	570,868,409	266,916,159	8,197,605	-	3,330,441,678	9,992,324,266
2009	2,167,842,281	366,033,401	586,464,484	268,665,674	8,676,981	-	3,397,682,821	10,194,067,870
2010	2,204,812,845	390,730,975	600,753,081	305,756,819	10,948,746	-	3,513,002,466	10,540,061,404
2011	2,199,256,948	412,091,076	608,557,475	315,981,890	14,957,174	-	3,550,844,563	10,653,599,049
2012	2,175,310,702	435,606,505	591,923,037	335,445,784	18,466,435	-	3,556,752,463	10,671,324,521
2013	2,141,816,213	462,208,844	597,985,340	365,445,765	23,880,009	-	3,591,336,171	10,775,086,022
2014	2,141,894,538	492,617,957	592,749,727	366,962,987	25,739,504	-	3,619,964,713	10,860,980,237
2015	2,164,451,362	509,654,871	595,261,473	372,791,730	26,582,115	-	3,668,741,551	11,007,325,386
2016	2,226,812,309	537,527,465	615,974,154	376,403,368	29,962,823	6,955	3,786,687,074	11,361,197,342
2017	2,276,564,797	567,769,167	631,128,767	485,464,991	33,563,507	6,955	3,994,498,184	11,984,693,021



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 2017 is the most current information available
3. The total direct rate applied to tax year 2017 is \$0.5676

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

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

Property Tax Extensions and Collections  
Tax Levy Years 2008 through 2017

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
2008	2009	3,330,441,678	0.5356	17,837,846	5,980,833	34%	11,810,395	17,791,228	100%
2009	2010	3,397,682,821	0.5337	18,133,434	6,037,571	33%	12,046,820	18,084,391	100%
2010	2011	3,513,002,466	0.5324	18,703,225	6,123,362	33%	12,547,662	18,671,024	100%
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	12,462,381	19,035,803	100%
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	12,755,585	19,134,516	100%
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	12,469,656	19,347,653	99%
2014	2015	3,619,964,713	0.5485	19,855,507	6,971,526	35%	12,833,852	19,805,378	100%
2015	2016	3,668,741,551	0.5598	20,537,616	8,164,466	40%	12,245,978	20,410,444	99%
2016	2017	3,786,687,074	0.5718	21,666,808	8,518,863	39%	13,170,108	21,688,971	100%
2017	2018	3,994,498,184	0.5676	22,662,281	9,105,488	40%	-	9,105,488	40%

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 2017 is the most current information available.
3. The tax rates reported for the College are blended rates based on the total taxes and the total assessed valuations for all counties combined.
4. The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation bonds.
5. Due to differences in the computational methods followed by the nine counties, portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.

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

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

Representative Tax Rates  
Tax Years 2008 through 2017

Taxing Districts	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Black Hawk College District No. 503	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403	\$ 0.5427	\$ 0.5485	\$ 0.5598	\$ 0.5718	\$ 0.5676
Rock Island County	0.8480	0.8542	0.8574	0.8684	0.8872	1.0184	1.0596	1.2480	1.2466	1.2436
South Moline Township	0.1432	0.1432	0.1420	0.1318	0.1358	0.1304	0.1244	0.1232	0.1192	0.1162
Road & Bridge - South Moline Township	0.0064	0.0070	0.0070	0.0085	0.0093	0.0152	0.0160	0.0116	0.0118	0.0116
Road & Bridge - City of Moline	0.0042	0.0042	0.0042	0.0043	0.0047	0.0047	0.0048	0.0052	0.0054	0.0054
South Moline Township Cemetery	0.0002	0.0030	0.0038	0.0038	0.0038	0.0040	0.0040	0.0040	0.0032	0.0032
City of Moline	1.9966	1.9288	1.9324	1.9744	2.0268	2.0500	2.0638	2.0782	2.0854	2.0742
School District No. 40	5.0188	5.0266	5.0584	5.0600	5.0590	5.1090	5.1120	5.1594	5.1498	5.1094
Metropolitan Airport Authority	0.0734	0.0742	0.0734	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0756
Metropolitan Transit Authority	0.1768	0.1812	0.1822	0.1872	0.1948	0.2054	0.2082	0.2086	0.2056	0.2120
<b>Total</b>	<b>\$ 8.8032</b>	<b>\$ 8.7561</b>	<b>\$ 8.7932</b>	<b>\$ 8.8503</b>	<b>\$ 8.9367</b>	<b>\$ 9.1548</b>	<b>\$ 9.2163</b>	<b>\$ 9.4730</b>	<b>\$ 9.4738</b>	<b>\$ 9.4188</b>

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

Taxing Districts	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Black Hawk College District No. 503	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406	\$ 0.5344	\$ 0.5485	\$ 0.5492	\$ 0.5723	\$ 0.5676
Henry County	0.8945	0.9173	0.9498	0.9270	0.9316	0.9004	0.9198	0.9567	0.9423	0.9425
Kewanee Township	0.1721	0.1735	0.1742	0.1774	0.1789	0.1832	0.1835	0.1855	0.1813	0.1804
Kewanee Township Road District	0.2179	0.2180	0.2163	0.2167	0.2168	0.2173	0.2173	0.2174	0.2170	0.2175
City of Kewanee	2.3552	2.2611	2.3865	2.4857	2.6888	2.8057	2.8519	2.8652	2.8526	2.8265
Kewanee Park District	1.0881	1.0573	1.0518	1.0692	1.0891	1.1188	1.1229	1.3777	1.3869	1.4099
Kewanee Library District	0.6965	0.7524	0.7627	0.7680	0.8065	0.7493	0.7286	0.7140	0.7039	0.7083
Kewanee Airport	0.0127	0.0116	0.0121	0.0123	0.0131	0.0133	0.0133	0.0134	0.0131	0.0129
Kewanee School District No. 229	4.5351	4.5267	4.5174	4.3535	4.0950	4.0929	4.2893	4.5990	4.5703	4.5863
<b>Total</b>	<b>\$ 10.5077</b>	<b>\$ 10.4533</b>	<b>\$ 10.6049</b>	<b>\$ 10.5470</b>	<b>\$ 10.5604</b>	<b>\$ 10.6153</b>	<b>\$ 10.8751</b>	<b>\$ 11.4781</b>	<b>\$ 11.4397</b>	<b>\$ 11.4519</b>

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

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

Principal Taxpayers  
Most recent Year and Ten Years Ago

Taxpayer	2008				2017			
	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	
Commonwealth Edison	\$ 100,000,000	1	3.00%	Exelon Generation Co/LLC	\$ 265,800,000	1	6.65%	
Deere & Company	\$ 27,663,639	2	0.83%	Deere & Company	\$ 30,355,559	2	0.76%	
SDG Macerich Property	\$ 19,664,700	3	0.59%	Big River Resources Galva LLC	\$ 25,110,313	3	0.63%	
Patriot Renewable Energy Fuels, LLC	\$ 17,998,452	4	0.54%	Patriot Renewable Fuels LLC	\$ 23,550,700	4	0.59%	
Modern Woodman of America	\$ 9,356,202	5	0.28%	DNC Gaming & Entertainment	\$ 22,716,567	5	0.57%	
Galesburg Hospital Corporation	\$ 7,429,400	6	0.22%	Bishop Hill Energy LLC	\$ 21,723,600	6	0.54%	
Pioneer Hi-Bred Intl, Inc.	\$ 5,683,219	7	0.17%	Macerich South Park Mall	\$ 10,766,480	7	0.27%	
PFG Thoms Proestler Co	\$ 5,424,278	8	0.16%	MidAmerican Renewables	\$ 9,676,085	8	0.24%	
Cordova Energy	\$ 4,564,373	9	0.14%	Minnesota Mining & MFG CO	\$ 8,859,613	9	0.22%	
Geneva Management Service	\$ 4,420,000	10	0.14%	Modern Woodmen of America	\$ 8,373,155	10	0.21%	
	\$ 202,204,263		6.08%		\$ 426,932,072		10.69%	

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  
FY2009 through FY2018

Fiscal Year	Black Hawk College Tuition and Fees per Credit Hour	Average Tuition and Fees Rate for Illinois Community Colleges	Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois	Black Hawk College Total Unrestricted and Restricted Credit Hours
2009	\$84.50	\$84.04	\$30.51	124,771
2010	89.50	88.95	30.59	135,521
2011	94.50	98.26	31.08	139,479
2012	98.50	103.89	29.49	137,989
2013	107.50	107.89	28.09	135,791
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297
2016	135.00	125.42	8.57	107,308
2017	147.00	133.58	32.11	100,858
2018	149.00	140.78	32.45	93,328

**10 Year Rate Trends**



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type  
FY2008 through FY2017

Fiscal Year	General		Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
	Obligation Bonds						
2008	\$ 15,380,000	\$ 24,560.00	\$ 15,404,560	\$ 9,690,268,410	0.159%	\$ 58.39	
2009	12,210,000	-	12,210,000	9,992,324,266	0.122%	46.28	
2010	27,145,000	-	27,145,000	10,194,067,870	0.266%	102.89	
2011	22,600,000	-	22,600,000	10,540,061,404	0.214%	90.40	
2012	17,740,000	-	17,740,000	10,653,599,049	0.167%	79.49	
2013	33,557,258	-	33,557,258	10,671,324,521	0.314%	149.75	
2014	28,299,231	-	28,299,231	10,775,086,022	0.263%	119.88	
2015	32,649,100	-	32,649,100	10,860,980,237	0.301%	127.64	
2016	27,277,322	-	27,277,322	11,007,325,386	0.248%	106.73	
2017	53,357,758	-	53,357,758	11,361,197,342	0.470%	210.47	
2018	49,050,054	-	49,050,054	11,984,693,021	0.409%	193.93	

Notes:

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

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

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

Computation of Legal Debt Margin  
FY2009 through FY2018

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
2009	\$ 3,330,441,678	\$ 95,750,198	\$ 12,210,000	\$ 83,540,198
2010	3,397,682,821	97,683,381	27,145,000	70,538,381
2011	3,513,002,466	100,998,821	22,600,000	78,398,821
2012	3,550,844,563	102,086,781	17,740,000	84,346,781
2013	3,556,752,463	102,256,633	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	28,299,231	74,951,684
2015	3,619,964,713	104,073,985	32,649,100	71,424,885
2016	3,668,741,551	105,476,320	27,277,322	78,198,998
2017	3,786,687,074	108,867,253	53,357,758	55,509,495
2018	3,994,498,184	114,841,823	49,050,054	65,791,769

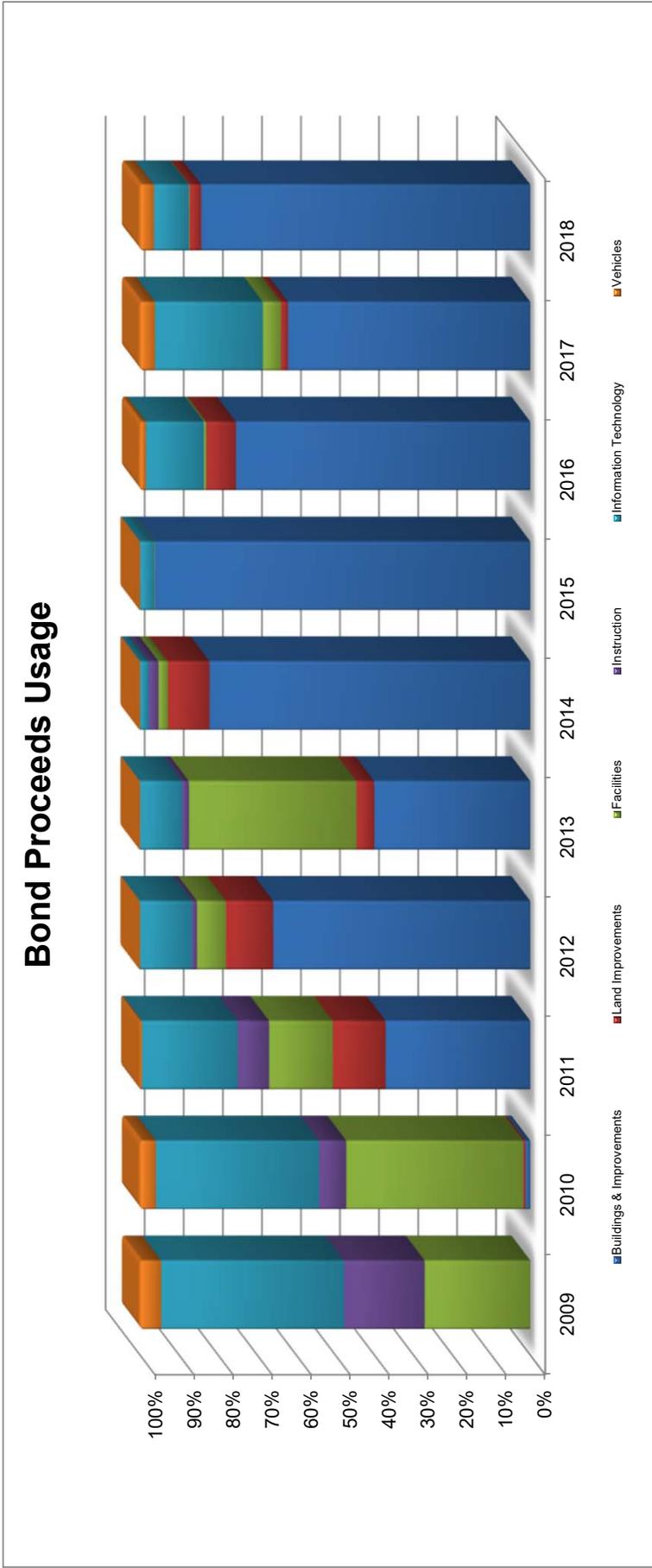


Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds  
FY2009 through FY2018

Purpose	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Buildings & Improvements	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615	\$ 14,027,532	\$ 7,047,573	\$ 2,923,612	\$ 8,284,703
Land Improvements	-	11,726	359,872	803,531	404,588	538,514	7,117	706,336	85,630	292,003
Facilities	511,727	972,659	434,725	494,661	3,821,944	122,738	15,566	57,498	216,835	16,927
Instruction	388,952	148,970	215,168	83,700	151,212	122,476	-	-	-	-
Information Technology	882,422	894,804	652,498	883,528	962,605	116,314	531,481	1,383,178	1,298,852	879,140
Vehicles	102,292	86,851	13,479	-	-	-	-	143,487	181,040	350,379
<b>Total</b>	<b>\$ 1,885,392</b>	<b>\$ 2,141,614</b>	<b>\$ 2,666,324</b>	<b>\$ 6,645,086</b>	<b>\$ 8,908,312</b>	<b>\$ 5,059,657</b>	<b>\$ 14,581,996</b>	<b>\$ 9,338,072</b>	<b>\$ 4,705,969</b>	<b>\$ 9,823,152</b>



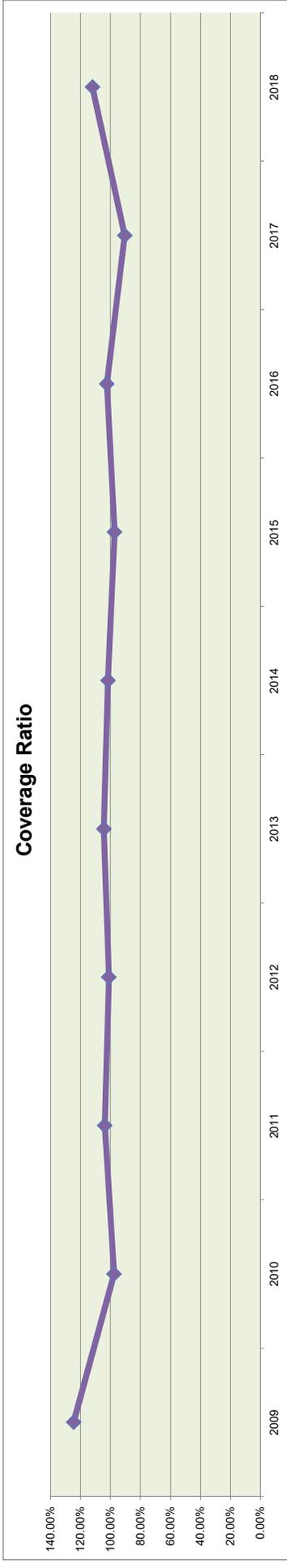
The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, 2013, 2015 and 2017.  
Source: College records

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

Schedule of Bond Coverage  
FY2009 through FY2018

General Obligation Bonds

Fiscal Year	2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		2013 Bonds		2015 Bonds		2017 Bonds		Coverage Ratio	
	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal		Interest
2009	\$ 4,707,582	\$ 40,115	\$ 4,747,697	\$ 1,265,000	\$ 70,395	\$ 1,700,000	\$ 341,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	124.59%
2010	5,466,013	62,113	5,528,126	1,250,000	20,547	1,700,000	306,770	400,000	190,117	-	-	-	-	-	-	97.72%
2011	5,444,629	54,878	5,499,507	4,145,000	-	2,500,000	189,039	1,860,000	563,349	-	-	-	-	-	-	103.82%
2012	5,912,910	48,280	5,961,190	3,000,000	-	1,700,000	50,000	5,025,000	528,513	-	-	-	-	-	-	101.14%
2013	6,278,922	135	6,279,057	-	-	-	-	5,150,000	419,263	-	-	-	-	-	-	104.46%
2014	6,166,578	9,034	6,275,612	-	-	-	-	5,300,000	296,366	-	-	-	-	-	-	97.34%
2015	6,237,631	9,256	6,246,887	-	-	-	-	2,265,000	145,242	-	-	-	-	-	-	102.52%
2016	6,272,429	12,414	6,284,843	-	-	-	-	835,000	706,251	-	-	-	-	-	-	112.02%
2017	6,344,299	23,678	6,367,977	-	-	-	-	875,000	665,045	-	-	-	-	-	-	112.02%
2018																



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

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

Direct and Overlapping General Obligation Bonded Debt

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
Rock Island County (Public Building Commission)	\$29,795,000	100.00%	\$29,795,000
Knox County	765,000	1.70%	14,306
The City	62,040,000	100.00%	62,040,000
City of Kewanee	291,920	100.00%	291,920
City of Rock Island	65,025,000	100.00%	65,025,000
City of Silvis	765,000	100.00%	765,000
Kewanee Park District	1,240,000	100.00%	1,240,000
Cambridge Fire Protection District	1,180,000	100.00%	1,180,000
Coal Valley Fire Protection District	335,000	13.65%	45,728
Hampton School District Number 29	580,000	100.00%	580,000
Silvis School District Number 34	3,155,000	100.00%	3,155,000
Carbon Cliff School District Number 36	745,000	100.00%	745,000
East Moline School District Number 37	14,610,000	100.00%	14,610,000
Colona School District Number 190	355,000	100.00%	355,000
Moline School District Number 40	13,420,000	100.00%	13,420,000
Rock Island School District Number 41	27,730,000	100.00%	27,730,000
Riverdale School District Number 100	1,830,000	100.00%	1,830,000
Stark Community Unit School District Number 100	5,340,000	100.00%	5,340,000
Sherrard Community Unit School District Number 200	5,681,261	99.95%	5,678,420
Aledo Community Unit School District Number 201	345,000	100.00%	345,000
Community Unit School District Number 208	7,445,000	0.17%	12,657
Orion Community Unit School District Number 223	2,765,000	100.00%	2,765,000
Galva Community Unit School District Number 224	715,000	100.00%	715,000
Alwood Community Unit School District Number 225	2,060,000	100.00%	2,060,000
Annawan Community Unit School District Number 226	1,700,000	96.45%	1,639,650
Cambridge Community Unit School District Number 227	1,030,000	99.84%	1,028,352
Geneseo Community Unit School District Number 228	23,663,327	99.05%	23,438,525
Kewanee Community Unit School District Number 229	1,000,000	94.60%	946,000
Wethersfield Community Unit School Dist. Number 230	460,000	98.67%	453,882
RKR Community Unit School District Number 300	7,205,000	100.00%	7,205,000
Mercer Community Unit School District Number 404	1,788,800	100.00%	1,788,000
<b>Total Overlapping Bonded Debt</b>			<b><u>\$276,238,239</u></b>

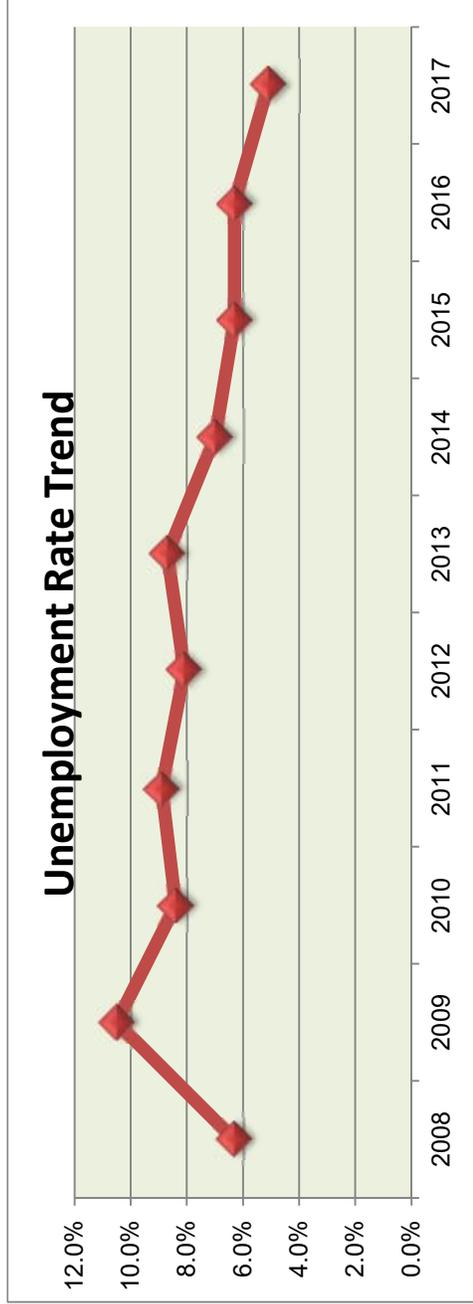
Source: Rock Island; Henry; Mercer; Whiteside; Henderson; Knox; Bureau; Stark; and Marshall County Clerks' Offices.

(1) Does not include alternate revenue bonds.

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

Demographic and Economic Statistics  
Calendar Years 2008 through 2017

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	387,638	\$ 13,838,394	\$ 35,699	6.3%
2009	387,122	13,615,712	35,172	10.5%
2010	386,767	13,840,622	35,785	8.4%
2011	385,206	14,770,835	38,345	8.9%
2012	383,740	14,883,036	38,784	8.1%
2013	382,236	15,252,968	39,905	8.7%
2014	380,352	14,914,277	39,212	7.0%
2015	378,352	15,045,886	39,767	6.3%
2016	375,211	15,301,930	40,782	6.3%
2017	373,712	N/A	N/A	5.1%



- Notes: 1. Population reported above is the total population for all nine counties  
2. 2008-2012 Per Capita Personal Income is calculated by taking the average of nine counties. 2013 - 2016 was calculated by taking the sum of all 9 counties person income estimates multiplied by 1,000 then, dividing this amount by the total population of the District.  
3. N/A = Information Not Available at time of report

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

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

Principal Employers  
FY2008 compared to FY2017

Rock Island County			
2008		2017	
Employer	Product/Service	Employer	Product/Service
Approx # of Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Rock Island Arsenal	Defense Manufacturing	Rock Island Arsenal	Defense Manufacturing
6,500+	8.19%	6,163	8.72%
Deere & Company	Construction and agricultural equipment	Deere & Company	Construction and Agricultural Equipment
5,000+	6.30%	6,000	8.49%
Tyson Fresh Meats	Meat Packing	Unity Point-Trinity/Rock Island & Moline	Health Care Systems
2,400+	3.03%	3,954	5.59%
Trinity Medical Center	Health Care Services	Tyson Fresh Meats	Food Processing
2,000+	2.52%	2,400	3.39%
Moline Public School District #40	Education	XPAC	Supply-Chain Solutions Provider
600+	0.76%	1,100	1.56%
Export Packaging (XPAC)	Supply Chain Management and Logistics	Genesis Medical Center Silvis	Health Care Systems
550+	0.69%	970	1.37%
TPC (Thoms Proestler Co.)	Wholesale Food Distribution	Exelon Nuclear - QC Generating Station	Utility Energy Provider
450+	0.57%	800	1.13%
Kone, Inc.	Escalator and Elevator Production	Jumer's Casino & Hotel	Gaming & Entertainment
450+	0.57%	550	0.78%
Augustana College	Higher Education	PF&G TPC Roma Foods	Food Distributor
400+	0.50%	530	0.75%
Casino Rock Island	Gambling	Walmart Supercenter	Retail
400+	0.50%	450	0.64%

Henry County			
2008		2017	
Employer	Product/Service	Employer	Product/Service
Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Great Dane Trailers	Manufacturer Semi-Truck Trailers	Great Dane Trailers	Manufacturer Semi-truck Trailers
550+	1.99%	600	2.42%
Kewanee Hospital	Hospital	Henry County School District Teachers	Education
450+	1.63%	562	2.27%
Bomag Americas	Soil & Asphalt Compactors	Kewanee City Government, Park District, Health Department and Prison	City Government
250+	0.91%	534	2.15%
Wal-Mart	Retail	Henry County Government	County Government
200+	0.72%	500	2.02%
Boss Manufacturing	Manufacturer Protective Products	Springfield Armory	Handgun Manufacturer
150+	0.54%	400	1.61%
		J V Enterprises	Pizza Hut Franchise
		Hammond-Henry Hospital	Health Care
		OSF Medical Group	Health Care
		Walmart Supercenter	Retail
		Petersen Healthcare	Nursing Home/Assisted Living/Independent Living Facilities
			250
			1.01%
			200
			0.81%

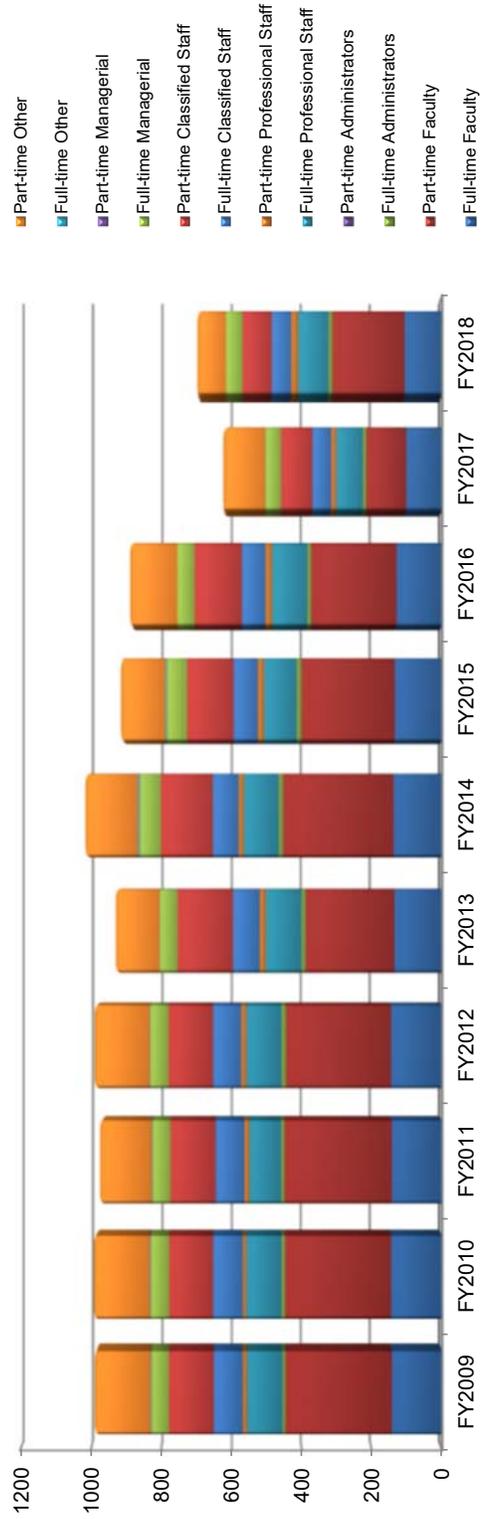
Notes: For 2008, only the top 5 employers from Henry County were available from the FY2009 BHC audit document.

Sources: Bi-State Regional Commission  
US Department of Labor - Bureau of Labor Statistics

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

Faculty and Staff Headcount  
FY2009 through FY2018

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Faculty</b>										
Full-time	143	145	143	145	136	139	135	130	102	107
Part-time	303	302	306	300	253	314	266	243	114	206
<b>Administrators</b>										
Full-time	9	10	9	12	12	13	13	10	9	10
Part-time	0	0	0	0	0	0	0	0	0	0
<b>Managerial</b>										
Full-time	49	52	51	52	51	60	57	49	44	47
Part-time	1	2	2	2	1	2	1	0	0	0
<b>Professional Staff</b>										
Full-time	101	101	92	101	102	99	94	102	77	88
Part-time	12	10	13	14	16	15	17	18	14	19
<b>Classified Staff</b>										
Full-time	83	84	82	80	77	73	69	68	54	56
Part-time	127	125	128	127	157	147	132	134	89	83
<b>Other</b>										
Full-time	1	1	1	0	0	4	4	0	1	0
Part-time	160	159	147	156	124	149	126	134	119	81
<b>Total Employees</b>										
Full-time	386	393	378	390	378	388	372	359	287	308
Part-time	603	598	596	599	551	627	542	529	336	389
<b>Grand Total</b>	<b>989</b>	<b>991</b>	<b>974</b>	<b>989</b>	<b>929</b>	<b>1,015</b>	<b>914</b>	<b>888</b>	<b>623</b>	<b>697</b>

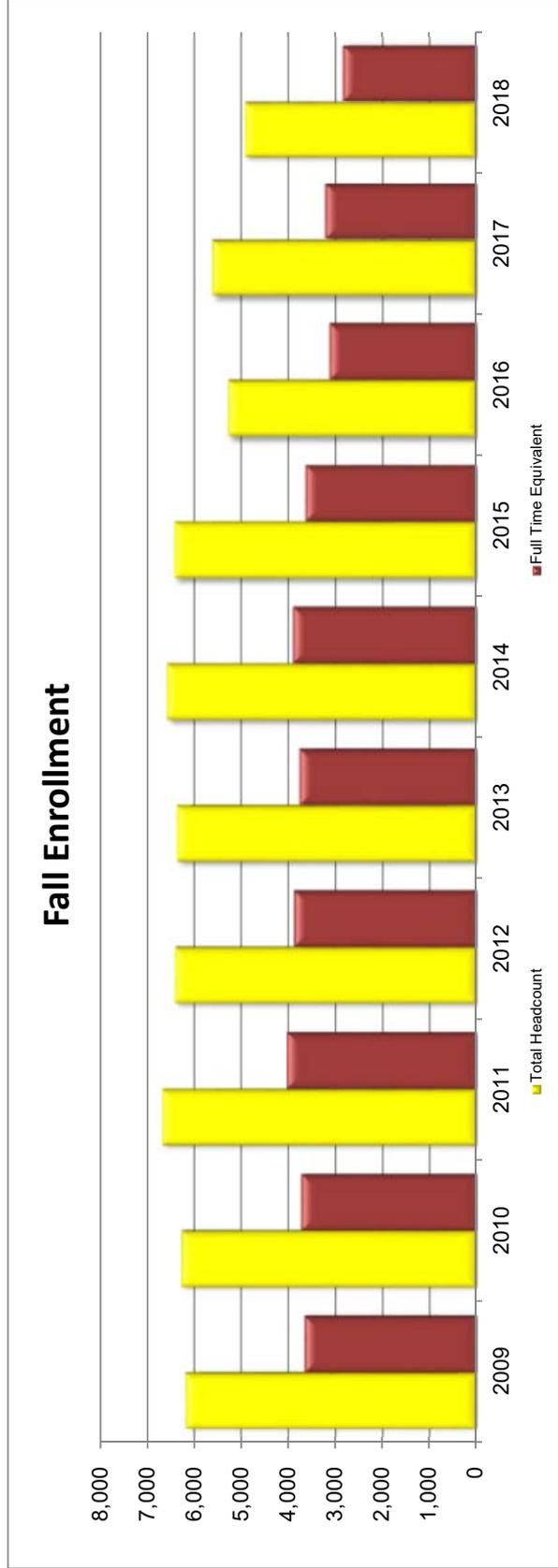


Source: ICCB Salary Survey C1 Report

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

Student Enrollment Demographic Statistics  
FY2009 through FY2018

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status					Age	
	Full Time Equivalent	Total Headcount	Male	Female	Full Time	Part Time	Continuing Student	New Student	Transfer Student	Readmit Student	Degreed		High School Student
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	NR	NR	27.5
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	NR	27.4
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	NR	27.3
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	663	27.2
2014	3,902	6,574	2,666	3,908	2,581	3,993	1,857	974	297	2,369	308	769	27.2
2015	3,635	6,416	2,629	3,678	2,346	3,961	1,510	912	365	2,269	271	1,089	26.2
2016	3,126	5,271	2,172	3,099	2,019	3,252	1,697	928	232	1,260	216	938	25.2
2017	3,215	5,613	2,369	3,244	2,009	3,604	1,952	1,587	237	510	242	1,085	25.5
2018	2,835	4,926	2,004	2,922	1,753	3,173	1,738	1,293	213	470	365	847	25.5



Source: ICCB E1 Report  
NR = Not Recorded

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

Financial Aid Recipients  
FY2009 through FY2018

Type of Aid	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018*
<b>Federal Aid</b>										
College Work Study	85	117	88	97	93	103	93	73	68	71
PELL Grant	2,003	2,545	3,068	3,015	2,679	2,509	2,356	1,944	1,787	1,742
SEOG	446	366	635	248	405	796	336	298	387	319
Stafford Loan - subsidized	509	456	508	722	775	645	569	453	403	383
Stafford Loan - unsubsidized	296	266	283	334	668	592	486	428	450	420
PLUS (Parent) Student Loan	13	10	15	15	12	13	14	14	16	13
Chapter 33 (a GI Bill fund)	0	40	70	79	69	78	75	77	88	94
Other Federal Military/Veteran's Aid <sup>1</sup>	-	-	-	-	-	-	-	-	104	75
<b>State Aid</b>										
MAP Grant	1,293	993	1,030	1,136	914	799	740	494	694	672
IL Veterans Grant (IVG)	154	178	151	134	131	104	81	73	60	34
National Guard	31	37	31	43	36	27	17	17	21	25
POW/MIA Dependents	7	8	6	5	5	6	7	6	5	3
DORS	10	14	23	29	28	32	45	49	48	37
<b>Local Aid</b>										
Private Grant/Scholarship	192	241	238	293	263	251	264	277	239	215
Achievement Awards	430	403	370	320	321	354	324	286	258	250
Foundation Scholarships	201	218	223	205	221	228	247	268	245	266
Donor Scholarships	41	112	31	25	26	107	56	17	12	9
<b>TOTAL</b>	<b>5,711</b>	<b>6,004</b>	<b>6,770</b>	<b>6,700</b>	<b>6,646</b>	<b>6,644</b>	<b>5,710</b>	<b>4,774</b>	<b>4,885</b>	<b>4,628</b>

\*FY2018 totals reflect YTD payments through 08/1/18, and are complete for the 17-18 financial aid year with the exception of any possible late adjustments.

\*FY2018 totals for Illinois Veterans Grant (IVG), National Guard, and POW/MIA funds are current from Financial Aid. Other veteran funds, such as Chapter 33 and other GI Bill funds, are gathered from the Coordinator of Veterans Services.

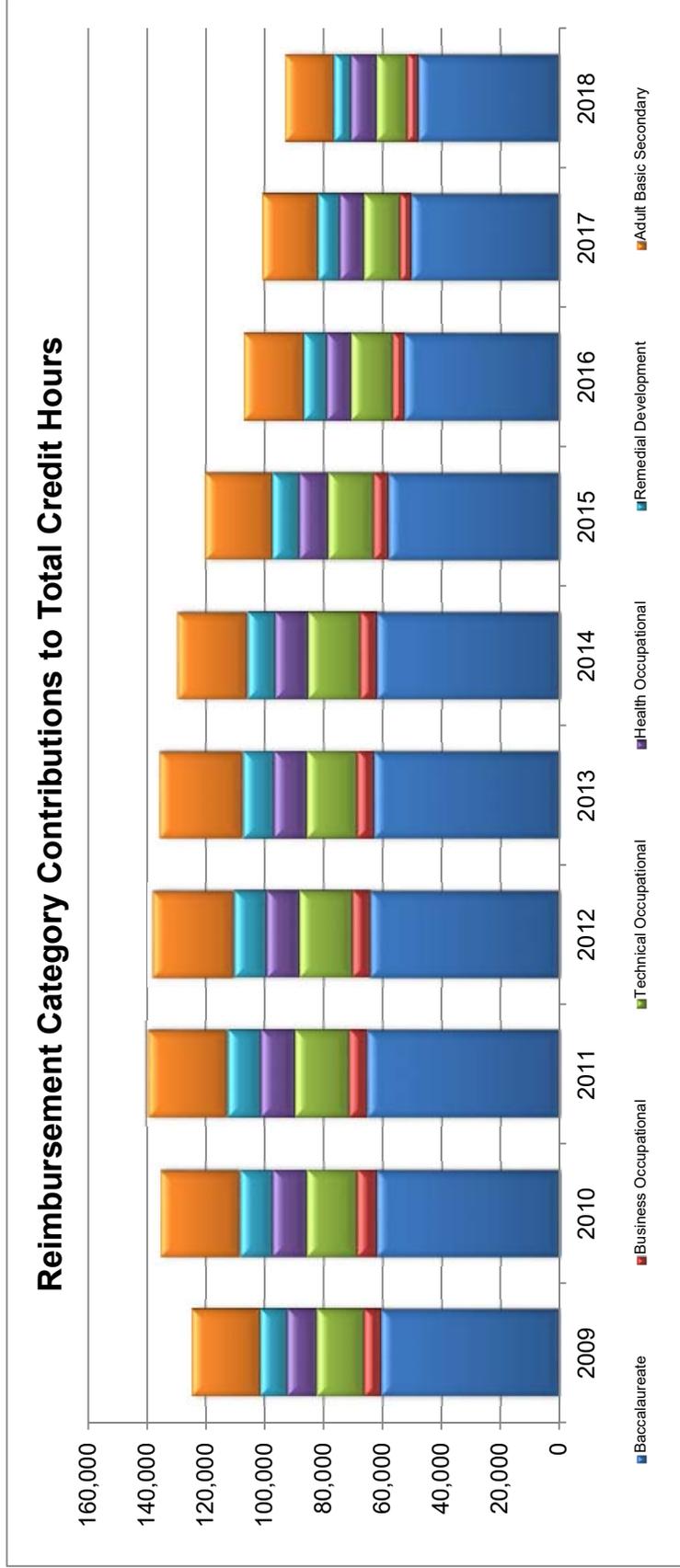
Note 1: Other Federal Military/Veteran's Aid has begun to be included in the FY2017 reporting. It includes Chapter 30 - Montgomery GI Bill Active Duty, Chapter 31 - Vocational Rehabilitation, Chapter 35 - Survivors' & Dependents' Assistance, Chapter 1606 - Montgomery GI Bill Selected Reserve, and Chapter 1607 - Reserve Educational Assistance Program

Source: BHC Financial Aid Database

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories FY2009 through FY2018

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Change 2009 vs 2018
Baccalaureate	60,658.2	62,219.0	65,304.7	64,300.2	63,117.0	62,224.2	58,180.8	52,849.3	50,448.9	48,077.4	-20.74%
Business Occupational	5,756.6	6,633.1	6,284.3	6,177.5	5,660.4	5,604.5	5,161.9	4,095.5	3,882.9	3,770.1	-34.51%
Technical Occupational	15,920.1	16,956.0	18,238.5	17,967.3	17,165.0	17,687.1	15,326.4	13,994.2	12,020.8	10,505.7	-34.01%
Health Occupational	10,119.6	11,690.7	11,510.2	11,028.1	11,012.9	11,236.6	9,826.1	8,322.5	8,444.7	8,623.7	-14.78%
Remedial Development	9,218.0	10,957.0	11,172.0	10,915.0	10,521.0	9,149.0	9,051.0	7,763.0	7,289.0	5,573.0	-39.54%
Adult Basic Secondary	23,098.0	27,065.3	26,969.0	27,600.5	28,314.9	23,853.8	22,751.2	20,283.9	18,771.4	16,778.1	-27.36%
<b>Total</b>	<b>124,770.5</b>	<b>135,521.1</b>	<b>139,478.7</b>	<b>137,988.6</b>	<b>135,791.2</b>	<b>129,755.2</b>	<b>120,297.4</b>	<b>107,308.4</b>	<b>100,857.7</b>	<b>93,328.0</b>	<b>-25.20%</b>



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

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

Schedule of Capital Assets - Instructional Facilities Information  
FY2009 through FY2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Buildings - Permanent	19	19	19	19	21	21	21	23	25	25
Total acres	271.9	271.9	271.9	271.9	272.8	273.0	275.2	273.0	231.6*	231.6*
Net Assignable Square Feet:										
Classrooms and general use	71,702	71,968	71,831	74,429	78,033	75,935	80,797	86,218	84,681	88,416
Laboratory	128,713	128,713	129,373	131,001	137,122	140,870	138,268	154,546	149,537	154,626
Office	59,693	59,225	59,601	61,536	62,340	69,080	70,640	77,523	74,924	75,952
Study	24,307	24,307	24,307	24,873	24,873	24,873	20,095	20,043	25,776	25,776
Special use (Athletics, PE)	47,353	45,448	45,448	45,448	45,569	44,887	44,887	44,887	45,485	50,310
General use (Theater)	32,977	34,882	33,181	34,437	35,193	34,005	34,101	38,875	41,003	40,817
Support functions	29,014	29,216	29,154	32,401	33,357	35,210	36,882	39,730	40,980	40,205
Unassigned	-	-	-	-	-	2,719	3,363	940	-	-
Total	393,759	393,759	392,895	404,125	416,487	427,579	429,033	462,762	462,386	476,102
Parking capacity:										
On campus parking spots	1,920	1,920	1,920	1,920	1,935	2,004	2,004	2,004	2,191	2,191
Acres	21	21	21	21	21	22	22	22	22	22

Source: Illinois Community College Board (ICCB) Data and Characteristics book, Tables V-1 and V-4  
\* Acres owned by the East Campus Foundation were removed from the total in FY2017

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

Miscellaneous Statistics  
Year ended June 30, 2018

<b>Year Founded</b>	1946		
<b>District Data</b>			
Population (approximation)	219,981		
<b>Communities served include:</b>			
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	
<b>Accreditation</b>			
The Higher Learning Commission			
(Formerly North Central Association of Colleges and Schools)			
Next accreditation visit			2023
<b>Degree and Certificates Awarded in Fiscal Year 2018</b>			
Associate in Arts			259
Associate in Science			91
Associate in Liberal Studies			0
Associate in Applied Science			195
Associate in Fine Arts			0
Certificates			239

Source: Illinois Community College Board Annual Completions (A2) Report

# ICCB Supplemental Information

**This page is intentionally left blank**

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

**Equalized Assessed Valuations and Tax Collections**

	Tax Levy Year		
	2017	2016	2015
<b>Equalized assessed valuations:</b>			
Bureau County	\$ 26,370,174	\$ 24,913,036	\$ 23,397,021
Henderson County	2,971,989	2,703,560	2,497,652
Henry County	884,259,417	857,434,514	834,232,166
Knox County	15,024,813	14,387,481	13,852,210
Marshall County	121,135	119,928	119,088
Mercer County	262,433,820	245,476,741	240,473,381
Rock Island County	2,627,934,839	2,474,147,974	2,393,046,514
Stark County	106,701,369	102,757,626	100,261,211
Whiteside County	68,680,628	64,746,214	60,862,308
	<u>\$ 3,994,498,184</u>	<u>\$ 3,786,687,074</u>	<u>\$ 3,668,741,551</u>
<b>Tax rates (per \$100 of assessed valuation):</b>			
Education Fund	0.1188	0.1172	0.1200
Operations and Maintenance Fund	0.0694	0.0684	0.0700
Bond and Interest Fund	0.1594	0.1664	0.1704
Liability, Protection, and Settlement Fund	0.0626	0.0610	0.0588
Audit Fund	0.0026	0.0026	0.0012
Operations and Maintenance, restricted Equity	0.0496	0.0490	0.0500
	<u>0.1052</u>	<u>0.1072</u>	<u>0.0894</u>
	<u>0.5676</u>	<u>0.5718</u>	<u>0.5598</u>
<b>Tax extensions:</b>			
Education Fund	\$ 7,392,489	\$ 6,995,255	\$ 6,465,519
Operations and Maintenance Fund	4,322,202	4,098,348	3,784,945
Bond and Interest Fund	6,365,228	6,306,475	6,251,536
Liability, Protection, and Settlement Fund	2,498,652	2,056,781	2,157,220
Audit Fund	103,430	98,061	44,025
Operations and Maintenance, restricted	1,980,280	2,111,888	1,834,371
	<u>\$ 22,662,281</u>	<u>\$ 21,666,808</u>	<u>\$ 20,537,616</u>
<b>Less tax collections (cumulative through June 30, 2018):</b>			
Education Fund	\$ 2,969,855	\$ 7,004,679	\$ 6,426,828
Operations and Maintenance Fund	1,736,819	4,103,291	3,762,295
Bond and Interest Fund	2,556,944	6,311,252	6,209,856
Liability, Protection, and Settlement Fund	1,004,286	2,314,100	2,144,311
Audit Fund	41,816	97,473	43,762
Operations and Maintenance, restricted	795,768	1,858,176	1,823,392
	<u>\$ 9,105,488</u>	<u>\$ 21,688,971</u>	<u>\$ 20,410,444</u>
<b>Taxes receivable:</b>			
Tax receivable	\$ 13,549,827	\$ (41,679)	\$ 96,824
Written off	-	-	(76,286)
Allowance for uncollectible taxes	(67,987)	41,679	(20,538)
	<u>\$ 13,481,840</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Taxes receivable by fund:</b>			
Education Fund	\$ 4,398,185	\$ -	\$ -
Operations and Maintenance Fund	2,571,087	-	-
Bond and Interest Fund	3,787,231	-	-
Liability, Protection, and Settlement Fund	1,486,102	-	-
Audit Fund	61,273	-	-
Operations and Maintenance, restricted	1,177,962	-	-
	<u>\$ 13,481,840</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>40.18%</u>	<u>100.10%</u>	<u>99.38%</u>

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

**Schedule of Legal Debt Margin**

**Legal Debt Margin**

---

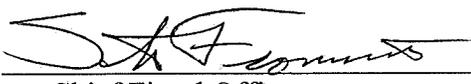
Assessed valuation, 2017 levy	<u>\$ 3,994,498,184</u>
Debt limit, 2.875% of assessed valuation	\$ 114,841,823
Bonded indebtedness	<u>(49,050,054)</u>
<b>Legal debt margin</b>	<u>\$ 65,791,769</u>

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT  
FOR FISCAL YEAR 2019**

**College or District Name:** BLACK HAWK COLLEGE  
**District #:** 503

**ALL FISCAL YEAR 2018 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:**

1. Education Fund	\$26,481,858.00
2. Operations and Maintenance Fund	\$3,653,944.00
3. Public Building Commission Operation and Maintenance Fund	\$0.00
4. Bond and Interest Fund	\$0.00
5. Public Building Commission Rental Fund	\$0.00
6. Restricted Purposes Fund	\$10,049,067.00
7. Audit Fund	\$51,150.00
8. Liability, Protection, and Settlement Fund	\$1,782,695.00
9. Auxiliary Enterprises Fund (subsidy only)	\$0.00
<b>10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)</b>	<b>\$42,018,714.00</b>
11. Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) from Sources other than State and Federal Funds	\$1,887,568.00
<b>12. TOTAL COSTS INCLUDED (line 10 plus line 11)</b>	<b>\$43,906,282.00</b>
13. Total certified semester credit hours for FY 2018	93,328.00
<b>14. PER CAPITA COST (line 12 divided by line 13)</b>	<b>\$470.73</b>
15. All FY 2018 state and federal operating grants for noncapital expenditures. <b>DO NOT INCLUDE ICCB GRANTS</b>	<del>\$9,178,534.00</del>
<b>16. FY 2018 state and federal grants per semester credit hour (line 15 divided by line 13)</b>	<b>\$98.35</b>
17. District's average ICCB grant rate (excluding equalization grants) for FY 2019	\$34.28
18. District's student tuition and fee rate per semester credit hour for FY 2019	\$149.00
<b>19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)</b>	<b>\$188.82</b>

Approved:   
Chief Fiscal Officer

10-15-18  
Date

Approved:   
Chief Executive Officer

10-16-18  
Date

**This page is intentionally left blank**

# ICCB Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

**ALL FUNDS SUMMARY**  
**UNIFORM FINANCIAL STATEMENT #1**  
**Fiscal Year 2018**  
**District No: 503**  
**Name: Black Hawk College**

	Education Fund	Operations and Maintenance Fund	Operations Maintenance Fund (Restricted)
Fund Balance July 1, 2017	\$ 11,623,535	\$ 2,581,254	\$ 35,739,212
Revenues:			
Local Tax Revenue	7,302,206	4,232,615	1,789,836
All Other Local Revenue	1,097,161	121,907	-
ICCB Grants	5,824,575	538,450	-
All Other State Revenue (Including SURS On-Behalf)	18,647	-	-
Federal Revenue	40,803	-	-
Student Tuition and Fees	15,508,475	111,353	-
All Other Revenue	706,639	205,187	446,453
Total Revenue	\$ 30,498,506	\$ 5,209,512	\$ 2,236,289
Expenditures			
Instruction	10,681,613	-	-
Academic Support	3,311,281	-	-
Student Services	2,417,583	-	-
Public Service/Continuing Education	616,578	-	-
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	3,653,944	11,561,519
Institutional Support	6,148,812	-	877,856
Scholarships, Grants, Waivers	3,324,504	-	-
Total Expenditures	\$ 26,500,371	\$ 3,653,944	\$ 12,439,375
Net Transfers	(9,440,000)	(420,000)	620,000
<b>Fund Balance June 30, 2018</b>	<b>\$ 6,181,670</b>	<b>\$ 3,716,822</b>	<b>\$ 26,156,126</b>

	Audit Fund	Liability, Protection Settlement Fund
Fund Balance July 1, 2017	\$ 106,656	\$ 3,274,964
Revenues:		
Local Tax Revenue	100,200	2,534,892
All Other Local Revenue	-	-
ICCB Grants	-	-
All Other State Revenue	-	-
Federal Revenue	-	-
Student Tuition and Fees	-	-
All Other Revenue	1,492	43,201
Total Revenue	\$ 101,692	\$ 2,578,093
Expenditures		
Instruction	-	-
Academic Support	-	-
Student Services	-	-
Public Service/Continuing Education	-	-
Organized Research	-	-
Auxiliary Services	-	-
Operations and Maintenance	-	712,354
Institutional Support	51,150	1,070,341
Scholarships, Grants, Waivers	-	-
Total Expenditures	\$ 51,150	\$ 1,782,695
Net Transfers		
<b>Fund Balance June 30, 2018</b>	<b>\$ 157,198</b>	<b>\$ 4,070,362</b>

\* Public Building Commission

Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund
\$ 2,389,192	\$ 369,513	\$ 1,193,857	\$ 13,331,306

6,344,299	-	-	-
-	-	-	-
-	-	627,553	-
-	-	12,364,953	-
-	-	7,194,003	-
-	184,997	680,505	-
23,678	1,968,992	344,055	180,216
\$ 6,367,977	\$ 2,153,989	\$ 21,211,069	\$ 180,216

-	-	5,388,665	-
-	-	2,436,353	-
-	-	1,837,671	-
-	-	1,230,587	-
-	-	-	-
-	2,243,959	221,035	-
-	-	1,110,417	-
5,685,542	-	1,648,860	-
-	-	7,250,805	-
\$ 5,685,542	\$ 2,243,959	\$ 21,124,393	\$ -

-	-	9,240,000	-
<b>\$ 3,071,627</b>	<b>\$ 279,543</b>	<b>\$ 10,520,533</b>	<b>\$ 13,511,522</b>

Building Bonds Proceeds Fund	PBC * Rental Fund	PBC * Operations and Maintenance Fund	Total
\$ -	\$ -	\$ -	\$ 70,609,489

-	-	-	22,304,048
-	-	-	1,219,068
-	-	-	6,990,578
-	-	-	12,383,600
-	-	-	7,234,806
-	-	-	16,485,330
-	-	-	3,919,913
\$ -	\$ -	\$ -	\$ 70,537,343

-	-	-	16,070,278
-	-	-	5,747,634
-	-	-	4,255,254
-	-	-	1,847,165
-	-	-	-
-	-	-	2,464,994
-	-	-	17,038,234
-	-	-	15,482,561
-	-	-	10,575,309
\$ -	\$ -	\$ -	\$ 73,481,429

			\$ -
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,665,403</b>

**This page is intentionally left blank**

**SUMMARY OF FIXED ASSETS AND DEBT  
UNIFORM FINANCIAL STATEMENT #2  
Fiscal Year 2018  
District No: 503  
Name: Black Hawk College**

	Fixed Asset/Debt Account Groups <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2018</u>
<b>Fixed Assets</b>				
Sites and Improvements	\$ 10,377,683	\$ 48,681	\$ -	\$ 10,426,364
Buildings, Additions, and Improvements	86,879,419	4,211,207	(26,145)	91,064,481
Equipment	9,933,517	1,037,691	(480,579)	10,490,629
Other Fixed Assets	2,573,177	10,883,294	(4,242,508)	9,213,963
Accumulated Depreciation*	\$ (29,303,198)	\$ (2,584,543)	\$ 448,636	\$ (31,439,105)
<b>Net Fixed Assets</b>	<b>\$ 80,460,598</b>	<b>\$ 13,596,330</b>	<b>\$ (4,300,596)</b>	<b>\$ 89,756,332</b>

<b>Fixed Debt</b>				
Bonds Payable	\$ 50,170,000	\$ -	\$ (3,570,000)	\$ 46,600,000
Other Fixed Liabilities	19,635,594	-	(703,081)	18,932,513
<b>Total Fixed Liabilities</b>	<b>\$ 69,805,594</b>	<b>\$ -</b>	<b>\$ (4,273,081)</b>	<b>\$ 65,532,513</b>

	<u>Outstanding July 1, 2017</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding June 30, 2018</u>
<b>Education Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>Operations and Maintenance Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>Bond and Interest Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>Audit Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>Liability, Protection, and Settlement Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>PBC Rental Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-
<b>PBC Operations and Maintenance Fund:</b>				
Tax Anticipation Warrants				\$ -
Tax Anticipation Notes				-

**OPERATING FUNDS REVENUES AND EXPENDITURES**  
**UNIFORM FINANCIAL STATEMENT #3**  
**Fiscal Year 2018**  
**District No: 503**  
**Name: Black Hawk College**

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING REVENUES BY SOURCE</b>				
Local Government Revenue:				
Local Taxes	\$ 7,302,206	\$ 4,232,615	\$ -	\$ 11,534,821
Chargeback Revenue	-	-	-	-
Other	-	-	-	-
CPPRT	1,097,161	121,907	-	1,219,068
<b>TOTAL LOCAL GOVERNMENT</b>	<b>\$ 8,399,367</b>	<b>\$ 4,354,522</b>	<b>\$ -</b>	<b>\$ 12,753,889</b>
State Government:				
ICCB Base Operating Grant	\$ 2,826,860	\$ 538,450	\$ -	\$ 3,365,310
ICCB Equalization Grant	2,684,210	-	-	2,684,210
ICCB Career & Technical Education	297,810	-	-	297,810
ICCB Adult Education	-	-	-	-
Other ICCB Grants not listed above	15,695	-	-	15,695
Dept. of Corrections	-	-	-	-
Dept. of Veterans Affairs	-	-	-	-
Illinois Student Assistance Commission	-	-	-	-
Other State not listed above	18,647	-	-	18,647
<b>TOTAL STATE GOVERNMENT</b>	<b>\$ 5,843,222</b>	<b>\$ 538,450</b>	<b>\$ -</b>	<b>\$ 6,381,672</b>
Federal Government:				
Dept. of Education	\$ 30,517	\$ -	\$ -	\$ 30,517
Dept. of Labor	-	-	-	-
Dept. of Health & Human Services	-	-	-	-
Other	10,286	-	-	10,286
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>\$ 40,803</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,803</b>
Student Tuition and Fees:				
Tuition	14,008,287	-	-	14,008,287
Fees	1,500,188	111,353	-	1,611,541
Other Student Assessments	-	-	-	-
<b>TOTAL TUITION AND FEES</b>	<b>\$ 15,508,475</b>	<b>\$ 111,353</b>	<b>\$ -</b>	<b>\$ 15,619,828</b>
Other Sources:				
Sales and Service Fees	\$ 449,047	\$ 6,713	\$ -	\$ 455,760
Facilities Revenue	17,153	147,458	-	164,611
Investment Revenue	178,277	37,053	-	215,330
Non-Governmental Grants	-	-	-	-
Other	62,162	13,963	-	76,125
<b>TOTAL OTHER SOURCES</b>	<b>\$ 706,639</b>	<b>\$ 205,187</b>	<b>\$ -</b>	<b>\$ 911,826</b>
<b>TOTAL REVENUE</b>	<b>\$ 30,498,506</b>	<b>\$ 5,209,512</b>	<b>\$ -</b>	<b>\$ 35,708,018</b>
Less: Non-Operating Items *				
Tuition Chargeback Revenue	\$ -	\$ -	\$ -	\$ -
Instructional Service Contracts	-	-	-	-
<b>ADJUSTED REVENUE</b>	<b>\$ 30,498,506</b>	<b>\$ 5,209,512</b>	<b>\$ -</b>	<b>\$ 35,708,018</b>

\* Enter as negative

**OPERATING FUNDS REVENUES AND EXPENDITURES**  
**UNIFORM FINANCIAL STATEMENT #3**  
**Fiscal Year 2018**  
**District No: 503**  
**Name: Black Hawk College**

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	PBC Operations and Maintenance <u>Fund</u>	Total Operating <u>Funds</u>
<b>OPERATING EXPENDITURES BY PROGRAM</b>				
Instruction	\$ 10,681,613	\$ -	\$ -	\$ 10,681,613
Academic Support	3,311,281	-	-	3,311,281
Student Services	2,417,583	-	-	2,417,583
Public Service/Continuing Education	616,578	-	-	616,578
Organized Research	-	-	-	-
Auxiliary Services	-	-	-	-
Operations and Maintenance	-	3,653,944	-	3,653,944
Institutional Support	6,148,812	-	-	6,148,812
Scholarships, Grants, Waivers	3,324,504	-	-	3,324,504
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,500,371</b>	<b>\$ 3,653,944</b>	<b>\$ -</b>	<b>\$ 30,154,315</b>

Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	9,440,000	420,000	-	9,860,000
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 35,940,371</b>	<b>\$ 4,073,944</b>	<b>\$ -</b>	<b>\$ 40,014,315</b>

<b>OPERATING EXPENDITURES BY OBJECT</b>				
Salaries	\$ 16,366,482	\$ 1,502,313	\$ -	\$ 17,868,795
Employee Benefits	4,493,781	366,149	-	4,859,930
Contractual Services	901,911	403,795	-	1,305,706
General Materials and Supplies	1,183,622	224,095	-	1,407,717
Library Materials**	1,996	-	-	1,996
Conference and Meeting Expenses	146,050	2,356	-	148,406
Fixed Charges	31,935	5,400	-	37,335
Utilities	1,200	1,148,361	-	1,149,561
Capital Outlay	18,513	-	-	18,513
Other	3,356,877	1,475	-	3,358,352
Student Grants & Scholarships**	110,164	-	-	110,164
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,500,371</b>	<b>\$ 3,653,944</b>	<b>\$ -</b>	<b>\$ 30,154,315</b>

Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	9,440,000	420,000	-	9,860,000
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 35,940,371</b>	<b>\$ 4,073,944</b>	<b>\$ -</b>	<b>\$ 40,014,315</b>

\*Enter as negative

\*\*Non-add line.

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT #4**

**Fiscal Year 2018**

**District No: 503**

**Name: Black Hawk College**

Restricted  
Purposes  
Fund

**REVENUE BY SOURCE:**

**TOTAL LOCAL GOVERNMENT**

State Government

ICCB - Adult Education	\$ 482,995
ICCB - Other	144,558
Dept. of Corrections	-
Illinois Student Assistance Commission	641,987
SURS - On Behalf	11,067,426
Other	655,540

**TOTAL STATE GOVERNMENT**

\$ 12,992,506

Federal Government

Dept. of Education	\$ 6,819,107
Dept. of Labor	-
Dept. of Health & Human Services	-
Other	374,896

**TOTAL FEDERAL GOVERNMENT**

\$ 7,194,003

Other Sources

Tuition and Fees	\$ 680,505
Other	344,055

**TOTAL OTHER SOURCES**

\$ 1,024,560

**TOTAL RESTRICTED PURPOSES FUND REVENUES**

**\$ 21,211,069**

**EXPENDITURES BY PROGRAM**

Instruction	\$ 5,388,665
Academic Support	2,436,353
Student Services	1,837,671
Public Service/Continuing Education	1,230,587
Organized Research	-
Auxiliary Services	221,035
Operations and Maintenance	1,110,417
Institutional Support	1,648,860
Scholarships, Grants and Waivers	7,250,805

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES**

**\$ 21,124,393**

**EXPENDITURES BY OBJECT**

Salaries	\$ 1,436,351
Employee Benefits (Including SURS On-Behalf)	11,414,559
Contractual Services	730,142
Student Financial Aid	-
General Materials and Supplies	216,625
Library Materials*	-
Travel & Conference//Meeting Expenses	62,472
Fixed Charges	33,255
Utilities	106,459
Capital Outlay	7,900
Other	7,116,630
Scholarships, Grants, Waivers*	7,059,697

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES**

**\$ 21,124,393**

\* Non-add line

**CURRENT FUNDS \* EXPENDITURES BY ACTIVITY**  
**UNIFORM FINANCIAL STATEMENT #5**  
**Fiscal Year 2018**  
**District No: 503**  
**Name: Black Hawk College**

Instruction	Current Funds
Instructional Programs	\$16,070,278
Other	0
<b>TOTAL INSTRUCTION</b>	<b>\$16,070,278</b>
<b>Academic Support</b>	
Library Center	438,783
Instructional Materials Center	205,497
Educational Media Services	9,125
Academic Computing Support	1,571,468
Academic Administration and Planning	1,960,367
Other	1,562,394
<b>TOTAL ACADEMIC SUPPORT</b>	<b>\$5,747,634</b>
<b>Student Services Support</b>	
Admissions and Records	\$610,558
Counseling and Career Services	1,308,731
Financial Aid Administration	459,730
Other	1,876,235
<b>TOTAL STUDENT SERVICES SUPPORT</b>	<b>\$4,255,254</b>
<b>Public Service/ Continuing Education</b>	
Community Education	\$215,513
Customized Training (Instructional)	266,059
Community Services	257,264
Other	1,108,329
<b>TOTAL PUBLIC SERVICE/CONTINUING ED</b>	<b>\$1,847,165</b>
<b>TOTAL ORGANIZED RESEARCH</b>	<b>\$0</b>
<b>TOTAL AUXILIARY SERVICES</b>	<b>\$2,464,994</b>
<b>Operations and Maintenance</b>	
Maintenance	\$781,594
Custodial Services	943,444
Grounds	319,027
Campus Security	809,657
Transportation	0
Utilities	1,299,778
Administration	211,490
Other	1,111,725
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$5,476,715</b>
<b>Institutional Support</b>	
Executive Management	\$884,030
Fiscal Operations	807,475
Community Relations	917,918
Administrative Support Services	867,240
Board of Trustees	24,328
General Institutional	2,869,435
Institutional Research	0
Administrative Data Processing	479,509
Other	2,069,228
<b>TOTAL INSTITUTIONAL SUPPORT</b>	<b>\$8,919,163</b>
<b>SCHOLARSHIPS, STUDENTS GRANTS, &amp; WAIVERS</b>	<b>\$10,575,309</b>
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<b>\$55,356,512</b>

\*Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection and Settlement; and PBC Operations and Maintenance funds.

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements  
Year ended June 30, 2018**

---

Fund Balances - Uniform Financial Statements	\$ 67,665,403
Capital assets in the Investment in Plant Fund	89,756,332
Long-term bond debt in the General Long Term Debt Fund	(26,413,641)
Unspent bond proceeds in the General Long Term Debt Fund	(20,186,359)
Long-term OPEB liability in the General Long Term Debt Fund	<u>(21,094,884)</u>
Fund Balances - All Fund Types	<u><u>\$ 89,726,851</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Uniform Financial Statements  
Year ended June 30, 2018**

---

Change in Fund Balances - Uniform Financial Statements	\$ (2,944,086)
Additions to buildings and equipment	11,938,365
Depreciation and loss of disposal of assets	<u>(2,642,631)</u>
Net Effect	<u>9,295,734</u>
Payment on long-term debt	3,570,000
Issuance of long-term debt	<u>-</u>
Net Effect	<u>3,570,000</u>
OPEB expense	<u>(1,459,290)</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 8,462,358</u></u>

# **ICCB State Grants Financial Compliance Section**

**This page is intentionally left blank**



## **Independent Auditor's Report on Compliance with State Requirements For State Adult Education and Family Literacy Grants**

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

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

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion, and the College is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2018, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

### **Compliance**

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

### **Emphasis of Matter**

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

*Wipfli LLP*

Sterling, Illinois  
October 12, 2018

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

**Adult Education and Family Literacy Grant Program  
Balance Sheet  
June 30, 2018**

	State Basic	Performance	Total
<b>Assets</b>			
Cash	\$ -	\$ -	\$ -
Receivable from ICCB	92,970	68,028	160,998
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
<b>Total assets</b>	<u>\$ 92,970</u>	<u>\$ 68,028</u>	<u>\$ 160,998</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,038	\$ 199	\$ 2,237
Accrued salaries	-	924	924
Due to other funds	90,932	66,905	157,837
<b>Total liabilities</b>	<u>92,970</u>	<u>68,028</u>	<u>160,998</u>
<b>Fund balance</b>			
Reserved for encumbrances	-	-	-
<b>Total fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Note to Financial Statements - Grant Programs.

**Adult Education and Family Literacy Grant Program  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2018**

	State Basic	Performance	Total
Revenues, state sources	\$ 278,910	\$ 204,085	\$ 482,995
Expenditures:			
Current year's grant:			
Instruction	186,004	24,688	210,692
Social work services	-	-	-
Guidance services	27,309	23,433	50,742
Assessment and testing	14,565	10,961	25,526
Transportation	-	-	-
Literacy services	-	-	-
Child care services	-	-	-
Improvement of Instructional Services	-	12,632	12,632
General administration	9,971	10,506	20,477
Workforce coordination	-	4,191	4,191
Data and information services	41,061	117,674	158,735
Operation of plant services	-	-	-
<b>Total expenditures</b>	<u>278,910</u>	<u>204,085</u>	<u>482,995</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Beginning, July 1, 2017			-
Ending, June 30, 2018			<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, 2018**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 186,004	66.69%
General Administration (15% Maximum Allowed)	9,971	3.57%

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

**ICCB State Program Improvement  
Balance Sheet  
June 30, 2018**

---

<b>Assets</b>		
Cash		\$ 14,429
<b>Total assets</b>		<u>\$ 14,429</u>
<b>Liabilities</b>		
Accounts Payable		\$ 14,429
		<u>14,429</u>
<b>Fund balance, encumbered</b>		-
<b>Total liabilities and fund balance</b>		<u>\$ 14,429</u>

See Note to Financial Statements - Grant Programs

**ICCB State Program Improvement  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2018**

---

Revenues, state sources		\$ 33,090
Expenditures:		
Salaries		-
Employee benefits		-
Contractual Services		855
Supplies and materials		32,235
<b>Total expenditures</b>		<u>33,090</u>
<b>Revenues over (under) expenditures</b>		-
Fund balance:		
Beginning, July 1, 2017		-
Ending, June 30, 2018		<u>\$ -</u>

See Note to Financial Statements - Grant Programs

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

**Note to Financial Statements - Grant Programs**

---

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

**General:**

The accompanying statements include only those transactions resulting from the Adult Education and Family Literacy, and ICCB State Program Improvement. 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, 2018. 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, 2018.

**Capital Assets:**

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

**Encumbrances:**

Payments of prior year's encumbrances for goods and services received prior to August 31, 2018, are reflected as expenditures during the current fiscal year.

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

**Background Information on State Grant Activity**

---

**Unrestricted Grants**

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

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

**Restricted Grants/Special Initiatives**

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

**Statewide Initiatives**

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

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

**Restricted Adult Education Grants/State**

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

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, 2018**

---

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, 2017**

---

None

**This page is intentionally left blank**



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

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

We have examined management of Black Hawk College, Illinois Community College District #503 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 during the period July 1, 2017 through June 30, 2018. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 is fairly stated, in all material respects.

A handwritten signature in black ink that reads "Wipfli LLP".

Sterling, Illinois  
October 12, 2018

**This page is intentionally left blank**

**BLACK HAWK COLLEGE  
ILLINOIS COMMUNITY COLLEGE DISTRICT #503  
SCHEDULE OF CREDIT HOUR DATA AND OTHER BASES  
UPON WHICH CLAIMS ARE FILED  
YEAR ENDED JUNE 30, 2018**

<b>Total Reimbursable Semester Credit Hours by Term</b>				
<u>Credit Hour Categories</u>	<b>Summer Term</b>		<b>Fall Term</b>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Baccalaureate	4,026.50	-	22,960.50	104.40
Business Occupational	279.30	-	1,664.70	-
Technical Occupational	598.70	-	4,961.30	165.60
Health Occupational	695.90	-	4,325.10	-
Remedial/Developmental	417.00	-	3,291.00	-
Adult Education	194.60	1,077.70	2,122.00	5,832.40
<b>Total</b>	<b>6,212.00</b>	<b>1,077.70</b>	<b>39,324.60</b>	<b>6,102.40</b>

<u>Credit Hour Categories</u>	<b>Spring Term</b>		<b>Total All Terms</b>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Baccalaureate	20,842.00	144.00	47,829.00	248.40
Business Occupational	1,826.10	-	3,770.10	-
Technical Occupational	4,609.70	170.40	10,169.70	336.00
Health Occupational	3,602.70	-	8,623.70	-
Remedial/Developmental	1,865.00	-	5,573.00	-
Adult Education	2,210.30	5,341.10	4,526.90	12,251.20
<b>Total</b>	<b>34,955.80</b>	<b>5,655.50</b>	<b>80,492.40</b>	<b>12,835.60</b>

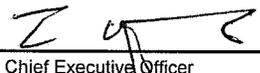
<b>In-District (All terms)</b>		
	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Hours</u>	<u>Hours</u>
Reimbursable Credit Hours:	77,243.20	12,383.50

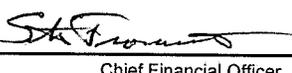
Credit Hours on Chargeback or Contractual Agreement: \_\_\_\_\_

	<b>Dual Credit (All Terms)</b>		<b>Dual Enrollment (All Terms)</b>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Reimbursable Credit Hours:	9,132.00	-	273.00	-

District Equalized Assessed Valuation: \$ 3,994,498,184

<b>Correctional Semester Credit Hours</b>				
<u>Credit Hour Categories</u>	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
	<u>Correctional</u>	<u>Correctional</u>	<u>Correctional</u>	<u>Correctional</u>
	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>	<u>Hours</u>
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial/Developmental	-	-	-	-
Adult Education	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Signature:  \_\_\_\_\_  
Chief Executive Officer

Signature:  \_\_\_\_\_  
Chief Financial Officer

**BLACK HAWK COLLEGE  
ILLINOIS COMMUNITY COLLEGE DISTRICT #503  
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS  
YEAR ENDED JUNE 30, 2018**

<b>Total Reimbursable Semester Credit Hours</b>			
<u>Credit Hour Categories</u>	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Unrestricted Hours</u></b>	<b><u>Unrestricted Hours</u></b>	
Baccalaureate	47,829.00	47,829.00	-
Business Occupational	3,770.10	3,770.10	-
Technical Occupational	10,169.70	10,169.70	-
Health Occupational	8,623.70	8,623.70	-
Remedial/Developmental	5,573.00	5,573.00	-
Adult Education	4,526.90	4,526.90	-
Total:	80,492.40	80,492.40	-

<u>Credit Hour Categories</u>	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Restricted Hours</u></b>	<b><u>Restricted Hours</u></b>	
Baccalaureate	248.40	248.40	-
Business Occupational	-	-	-
Technical Occupational	336.00	336.00	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	12,251.20	12,251.20	-
Total:	12,835.60	12,835.60	-

	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Unrestricted Hours</u></b>	<b><u>Unrestricted Hours</u></b>	
In-District Credit Hours:	77,243.20	77,243.20	-
Dual Credit Hours:	9,132.00	9,132.00	-
Dual Enrollment Hours:	273.00	273.00	-

	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Restricted Hours</u></b>	<b><u>Restricted Hours</u></b>	
In-District Credit Hours:	12,383.50	12,383.50	-
Dual Credit Hours:	-	-	-
Dual Enrollment Hours:	-	-	-

<b>Total Correctional Semester Credit Hours</b>			
<u>Credit Hour Categories</u>	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Unrestricted Hours</u></b>	<b><u>Unrestricted Hours</u></b>	
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	-	-	-
Total:	-	-	-

<u>Credit Hour Categories</u>	<b>Total</b>	<b>Total</b>	<b>Difference</b>
	<b>Reported in Audit</b>	<b>Certified to ICCB</b>	
	<b><u>Restricted Hours</u></b>	<b><u>Restricted Hours</u></b>	
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	-	-	-
Total:	-	-	-

### **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
2017	\$ 3,994,498,184
2016	3,786,687,074
2015	3,668,741,551

# **Federal Financial Compliance Section**

**This page is intentionally left blank**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of Black Hawk College, Illinois Community College District #503 (the College), as of and for the years ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 12, 2018. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Wipfli LLP*

Sterling, Illinois  
October 12, 2018



**Independent Auditor's Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance**

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

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

We have audited Black Hawk College, Illinois Community College District #503's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility for Compliance***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Black Hawk College, Illinois Community College District #503 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

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

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

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

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

*Wipfli LLP*

Sterling, Illinois  
October 12, 2018

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

**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Education</b>				
Direct Programs:				
Student Financial Aid - cluster				
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q161337	\$ 375	\$ -
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q171337	8,380	-
Federal PELL Grant Program	84.063	P063P161337	(2,760)	-
Federal PELL Grant Program	84.063	P063P171337	5,712,555	-
Federal Supplemental Educational Opportunity Grant	84.007	P007A161107	100	-
Federal Supplemental Educational Opportunity Grant	84.007	P007A171107	109,625	-
Federal Family Education Loans	84.268	P268K171337	38,177	-
Federal Family Education Loans	84.268	P268K181337	2,193,182	-
Federal Work-Study Program	84.033	P033A171107	145,605	-
<b>Total student financial aid</b>			<u>8,205,239</u>	<u>-</u>
TRIO - Student Support Services	84.042A	P042A150187	308,743	-
<b>Total direct programs</b>			<u>308,743</u>	<u>-</u>
Passed through Illinois Community College Board:				
Adult Education State Grant Program (Fed Basic)	84.002A	5030118	214,030	-
Adult Education State Grant Program (EL Civics)	84.002A	5030118	32,340	-
			<u>246,370</u>	<u>-</u>
Vocational Education (Perkins)	84.048	CTE50318	289,548	-
Bridging the Gap - English	84.367A	BTG50317	8,022	-
Bridging the Gap - Math	84.367A	BTG50318	2,519	-
			<u>300,089</u>	<u>-</u>
<b>Total pass through programs from Illinois Community College Board</b>			<u>546,459</u>	<u>-</u>
<b>Total U.S. Department of Education:</b>			<u>9,060,441</u>	<u>-</u>
<b>U.S. Department of Veteran's Affairs</b>				
Veteran's Educational Assistance	64.120		199,592	-
VA Rehab	64.116		21,658	-
<b>Total U.S. Department of Veteran's Affairs</b>			<u>221,250</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
Passed through Illinois Department of Employment:				
WIA - Training Employee Academic Mastery	17.259	PY2016-BHC TEAM	69,402	-
WIA - Career Link		OOSY 2015-4	84,244	-
<b>Total U.S. Department of Labor:</b>			<u>153,646</u>	<u>-</u>
<b>Total Expenditures of Federal Awards:</b>			<u>\$9,435,337</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

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

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018**

---

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Black Hawk College under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Black Hawk College, it is not intended to and does not present the financial position, changes in net position or cash flows of Black Hawk College. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2018.

**Note 2. Summary of Significant Accounting**

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

**Note 3. Loan Program**

For the year ended, June 30, 2018, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$2,231,359.

**Note 4. Non-cash Assistance**

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2018.

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

---

**I. Summary of Independent Auditor's Results**

**Financial Statements:**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        Yes   X   No

**Federal Awards:**

Internal control over major programs:

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

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

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?        Yes   X   No

**Identification of Major Programs:**

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

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low risk auditee?   X   Yes        No

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

**Schedule of Findings and Questioned Costs  
Year Ending June 30, 2018**

---

**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

None

B. Compliance Findings

None

**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**

**Summary Schedule of Prior Audit Findings  
June 30, 2018**

---

**None**

**This page is intentionally left blank**

# Management Information

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

**Combining Balance Sheet**  
**June 30, 2018**

<b>Assets</b>	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Agency Funds
Cash and cash equivalents	\$ 14,910,284	\$ 3,925,404	\$ 10,453	\$ 1,100,426	\$ 412,429
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,398,185	2,571,087	-	-	-
Federal government claims	-	-	-	398,115	-
State government claims	186,941	20,771	-	358,610	-
Student tuition and fees	4,688,501	-	-	-	-
Other	23,470	-	93,007	-	30,524
Due from other funds	-	-	-	8,896,498	-
Inventory	-	-	453,080	-	-
Prepaid expenses	102,866	48,428	11,365	144,940	1,517
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$31,439,105 depreciation	-	-	-	-	-
Total assets	<u>\$ 24,310,247</u>	<u>\$ 6,565,690</u>	<u>\$ 567,905</u>	<u>\$ 10,898,589</u>	<u>\$ 444,470</u>
Deferred outflows of resources					
OPEB	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>					
Accounts payable	224,653	118,157	2,180	90,503	382,751
Accrued expenses					
Payroll	644,683	28,877	3,004	9,993	-
Early retirement	152,458	-	-	-	-
Accrued vacation	596,791	96,843	21,244	26,422	-
Other	-	-	-	-	-
Due to other funds	8,874,106	419,840	205,210	-	19,223
Unearned revenues					
Student tuition and fees	3,869,739	-	55,849	204,778	-
Grants and restricted funds	-	-	-	6,365	42,496
Other liabilities	69,617	21,730	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
OPEB Liability	-	-	-	-	-
Total liabilities	<u>14,432,047</u>	<u>685,447</u>	<u>287,487</u>	<u>338,061</u>	<u>444,470</u>
Deferred inflows of resources					
Property taxes	3,696,245	2,161,101	-	-	-
Other	285	2,320	875	39,995	-
OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>3,696,530</u>	<u>2,163,421</u>	<u>875</u>	<u>39,995</u>	<u>-</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	280,533	-
Unrestricted	6,181,670	3,716,822	279,543	10,240,000	-
Total fund balance	<u>6,181,670</u>	<u>3,716,822</u>	<u>279,543</u>	<u>10,520,533</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 24,310,247</u>	<u>\$ 6,565,690</u>	<u>\$ 567,905</u>	<u>\$ 10,898,589</u>	<u>\$ 444,470</u>

See Note to Management Information.

Audit Fund	Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 147,640	\$ 3,619,653	\$ 13,511,522	\$ 2,638,075	\$ 28,464,528	\$ -	\$ -	\$ 68,740,414
-	-	-	-	-	-	-	-
61,273	1,486,102	-	3,787,231	1,177,962	-	-	13,481,840
-	-	-	-	-	-	-	398,115
-	-	-	-	-	-	-	566,322
-	-	-	-	-	-	-	4,688,501
-	-	-	-	-	-	-	147,001
-	1,881	-	-	620,000	-	-	9,518,379
-	-	-	-	-	-	-	453,080
-	299,254	-	-	-	-	-	608,370
-	-	-	-	-	1,032,464	-	1,032,464
-	-	-	-	-	9,213,963	-	9,213,963
-	-	-	-	-	79,509,905	-	79,509,905
<b>\$ 208,913</b>	<b>\$ 5,406,890</b>	<b>\$ 13,511,522</b>	<b>\$ 6,425,306</b>	<b>\$ 30,262,490</b>	<b>\$ 89,756,332</b>	<b>\$ -</b>	<b>\$ 188,358,354</b>
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86,236</b>	<b>\$ 86,236</b>
-	-	-	-	-	-	86,236	86,236
-	14,746	-	-	3,116,224	-	-	3,949,214
-	26,089	-	-	-	-	-	712,646
-	-	-	-	-	-	-	152,458
-	46,367	-	-	-	-	-	787,667
-	-	-	171,065	-	-	-	171,065
-	-	-	-	-	-	-	9,518,379
-	-	-	-	-	-	-	4,130,366
-	-	-	-	-	-	-	48,861
-	-	-	-	-	-	-	91,347
-	-	-	-	-	-	46,600,000	46,600,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	18,932,513	18,932,513
-	87,202	-	171,065	3,116,224	-	65,532,513	85,094,516
51,715	1,249,326	-	3,182,614	990,140	-	-	11,331,141
-	-	-	-	-	-	-	43,475
-	-	-	-	-	-	2,248,607	2,248,607
<b>51,715</b>	<b>1,249,326</b>	<b>-</b>	<b>3,182,614</b>	<b>990,140</b>	<b>-</b>	<b>2,248,607</b>	<b>13,623,223</b>
-	-	-	-	-	89,756,332	(26,413,641)	63,342,691
157,198	4,070,362	10,194,190	3,071,627	23,636,027	-	(20,186,359)	21,223,578
-	-	3,317,332	-	2,520,099	-	(21,094,884)	5,160,582
<b>157,198</b>	<b>4,070,362</b>	<b>13,511,522</b>	<b>3,071,627</b>	<b>26,156,126</b>	<b>89,756,332</b>	<b>(67,694,884)</b>	<b>89,726,851</b>
<b>\$ 208,913</b>	<b>\$ 5,406,890</b>	<b>\$ 13,511,522</b>	<b>\$ 6,425,306</b>	<b>\$ 30,262,490</b>	<b>\$ 89,756,332</b>	<b>\$ 86,236</b>	<b>\$ 188,444,590</b>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year ended June 30, 2018**

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Agency Funds
<b>Revenues:</b>					
Local governmental sources					
Property taxes	\$ 7,302,206	\$ 4,232,615	\$ -	\$ -	\$ -
Personal Property Replacement Tax	1,097,161	121,907	-	-	-
Other	-	-	-	-	-
<b>Total local government sources</b>	<b>8,399,367</b>	<b>4,354,522</b>	<b>-</b>	<b>-</b>	<b>-</b>
State governmental sources	5,843,222	538,450	-	1,925,080	-
Federal governmental sources	40,803	-	-	7,194,003	-
Student tuition and fees	15,508,475	111,353	184,997	680,505	-
Sales, services and rental of facilities and equipment	466,200	154,171	1,940,684	2,168	-
Investment earnings	178,277	37,053	767	-	-
Other sources	62,162	13,963	27,541	341,887	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	10,981,190	-
OPEB CIP contribution provided by state	-	-	-	86,236	-
<b>Total revenues</b>	<b>30,498,506</b>	<b>5,209,512</b>	<b>2,153,989</b>	<b>21,211,069</b>	<b>-</b>
<b>Expenditures:</b>					
Instruction	10,681,613	-	-	497,595	-
Academic support	3,311,281	-	-	977,159	-
Student services	2,417,583	-	-	613,535	-
Public services	616,578	-	-	787,737	-
Institutional support	6,148,812	-	-	8,953	-
Auxiliary services	-	-	2,243,959	-	-
Scholarships, student grants, and waivers	3,324,504	-	-	7,171,988	-
SURS contribution provided by state	-	-	-	10,981,190	-
OPEB CIP contribution provided by state	-	-	-	86,236	-
OPEB Expense	-	-	-	-	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,653,944	-	-	-
<b>Total expenditures</b>	<b>26,500,371</b>	<b>3,653,944</b>	<b>2,243,959</b>	<b>21,124,393</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,998,135</b>	<b>1,555,568</b>	<b>(89,970)</b>	<b>86,676</b>	<b>-</b>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	9,240,000	-
Operating transfers out	(9,440,000)	(420,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(9,440,000)</b>	<b>(420,000)</b>	<b>-</b>	<b>9,240,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(5,441,865)</b>	<b>1,135,568</b>	<b>(89,970)</b>	<b>9,326,676</b>	<b>-</b>
Fund balance					
Beginning	11,623,535	2,581,254	369,513	1,193,857	-
Ending	\$ 6,181,670	\$ 3,716,822	\$ 279,543	\$ 10,520,533	\$ -

See Note to Management Information.

Audit Fund	Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 100,200	\$ 2,534,892	\$ -	\$ 6,344,299	\$ 1,789,836	\$ -	\$ -	\$ 22,304,048
-	-	-	-	-	-	-	1,219,068
-	-	-	-	-	-	-	-
100,200	2,534,892	-	6,344,299	1,789,836	-	-	23,523,116
-	-	-	-	-	-	-	8,306,752
-	-	-	-	-	-	-	7,234,806
-	-	-	-	-	-	-	16,485,330
-	-	-	-	-	-	-	2,563,223
1,492	43,201	180,216	23,678	444,267	-	-	908,951
-	-	-	-	2,186	-	-	447,739
-	-	-	-	-	11,938,365	-	11,938,365
-	-	-	-	-	-	3,570,000	3,570,000
-	-	-	-	-	-	-	10,981,190
-	-	-	-	-	-	-	86,236
101,692	2,578,093	180,216	6,367,977	2,236,289	11,938,365	3,570,000	86,045,708
-	-	-	-	-	-	-	11,179,208
-	-	-	-	-	-	-	4,288,440
-	-	-	-	-	-	-	3,031,118
-	-	-	-	-	-	-	1,404,315
51,150	1,070,341	-	5,685,542	877,856	-	-	13,842,654
-	-	-	-	-	-	-	2,243,959
-	-	-	-	-	-	-	10,496,492
-	-	-	-	-	-	-	10,981,190
-	-	-	-	-	-	-	86,236
-	-	-	-	-	-	1,459,290	1,459,290
-	-	-	-	-	2,584,543	-	2,584,543
-	-	-	-	-	58,088	-	58,088
-	712,354	-	-	11,561,519	-	-	15,927,817
51,150	1,782,695	-	5,685,542	12,439,375	2,642,631	1,459,290	77,583,350
50,542	795,398	180,216	682,435	(10,203,086)	9,295,734	2,110,710	8,462,358
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	620,000	-	-	9,860,000
-	-	-	-	-	-	-	(9,860,000)
-	-	-	-	620,000	-	-	-
50,542	795,398	180,216	682,435	(9,583,086)	9,295,734	2,110,710	8,462,358
106,656	3,274,964	13,331,306	2,389,192	35,739,212	80,460,598	(69,805,594)	81,264,493
\$ 157,198	\$ 4,070,362	\$ 13,511,522	\$ 3,071,627	\$ 26,156,126	\$ 89,756,332	\$ (67,694,884)	\$ 89,726,851

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

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

---

Fund Balances - All Fund Types	\$ 89,726,851
Pension expense related to Federal, Trust, Grant and Other Contribution	<u>80,987</u>
Long-term portion of early retirement liability	<u>(1,336,123)</u>
Unamortized bond premium	<u>(2,450,054)</u>
Net Position of Statement of Net Position	<u><u>\$ 86,021,661</u></u>

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

---

Net Change in Fund Balances	\$ 8,462,358
Reduction in student tuition and fees	(7,734,949)
Reduction in financial aid	7,734,949
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	11,938,365
Expended for capital assets	(11,938,365)
Net Effect	<u>-</u>
Long-term debt retired	3,570,000
Additions to general long-term debt fund	(3,570,000)
Net Effect	<u>-</u>
Amortization of bond premium	<u>737,704</u>
Increase in pension expense related to Federal, Trust, Grant and Other Contribution	<u>9,158</u>
Change in Net Position	<u><u>\$ 9,209,220</u></u>

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

See Note to Management Information.

**This page is intentionally left blank**

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

**Statement of Budgetary Comparison - General Fund by Program**  
**Year ended June 30, 2018**

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ 7,013,750	\$ 7,302,206	\$ 288,456	\$ 4,095,100	\$ 4,232,615	\$ 137,515
Personal property taxes	1,170,000	1,097,161	(72,839)	130,000	121,907	(8,093)
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>8,183,750</b>	<b>8,399,367</b>	<b>215,617</b>	<b>4,225,100</b>	<b>4,354,522</b>	<b>129,422</b>
State governmental sources	3,343,000	5,843,222	2,500,222	272,000	538,450	266,450
Federal governmental sources	32,100	40,803	8,703	-	-	-
Student tuition and fees	16,792,853	15,508,475	(1,284,378)	145,000	111,353	(33,647)
Sales, services and rental of facilities	450,079	466,200	16,121	150,937	154,171	3,234
Investment earnings	30,000	178,277	148,277	7,500	37,053	29,553
Other sources	117,446	62,162	(55,284)	15,000	13,963	(1,037)
Contingency	-	-	-	100,000	-	(100,000)
<b>Total revenues</b>	<b>28,949,228</b>	<b>30,498,506</b>	<b>1,549,278</b>	<b>4,915,537</b>	<b>5,209,512</b>	<b>293,975</b>
<b>Expenditures:</b>						
Current						
Instruction	11,409,256	10,681,613	(727,643)	-	-	-
Academic support	3,349,732	3,311,281	(38,451)	-	-	-
Student services	2,517,596	2,417,583	(100,013)	-	-	-
Public services	660,933	616,578	(44,355)	-	-	-
Institutional support	7,072,062	6,148,812	(923,250)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	3,708,000	3,324,504	(383,496)	-	-	-
Operation of physical facilities	-	-	-	4,214,100	3,653,944	(560,156)
Contingency	175,939	-	(175,939)	420,000	-	(420,000)
<b>Total expenditures</b>	<b>28,893,518</b>	<b>26,500,371</b>	<b>(2,393,147)</b>	<b>4,634,100</b>	<b>3,653,944</b>	<b>(980,156)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55,710</b>	<b>3,998,135</b>	<b>3,942,425</b>	<b>281,437</b>	<b>1,555,568</b>	<b>1,274,131</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(9,440,000)	(9,440,000)	-	(420,000)	(420,000)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(9,440,000)</b>	<b>(9,440,000)</b>	<b>-</b>	<b>(420,000)</b>	<b>(420,000)</b>
<b>Net change in fund balance</b>	<b>\$ 55,710</b>	<b>(5,441,865)</b>	<b>\$ (5,497,575)</b>	<b>\$ 281,437</b>	<b>1,135,568</b>	<b>\$ 854,131</b>
<b>Fund balance</b>						
Beginning		<u>\$ 11,623,535</u>			<u>\$ 2,581,254</u>	
Ending		<u>\$ 6,181,670</u>			<u>\$ 3,716,822</u>	

See Note to Management Information.

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

**Statement of Budgetary Comparison - General Fund by Object**  
**Year ended June 30, 2018**

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ 7,013,750	\$ 7,302,206	\$ 288,456	\$ 4,095,100	\$ 4,232,615	\$ 137,515
Personal property taxes	1,170,000	1,097,161	(72,839)	130,000	121,907	(8,093)
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>8,183,750</b>	<b>8,399,367</b>	<b>215,617</b>	<b>4,225,100</b>	<b>4,354,522</b>	<b>129,422</b>
State governmental sources	3,343,000	5,843,222	2,500,222	272,000	538,450	266,450
Federal governmental sources	32,100	40,803	8,703	-	-	-
Student tuition and fees	16,792,853	15,508,475	(1,284,378)	145,000	111,353	(33,647)
Sales, services and rental of facilities	450,079	466,200	16,121	150,937	154,171	3,234
Investment earnings	30,000	178,277	148,277	7,500	37,053	29,553
Other sources	117,446	62,162	(55,284)	15,000	13,963	(1,037)
Contingency	-	-	-	100,000	-	(100,000)
<b>Total revenues</b>	<b>28,949,228</b>	<b>30,498,506</b>	<b>1,549,278</b>	<b>4,915,537</b>	<b>5,209,512</b>	<b>293,975</b>
<b>Expenditures:</b>						
Current						
Salaries	17,268,367	16,366,482	(901,885)	1,768,537	1,502,313	(266,224)
Benefits	4,958,037	4,493,781	(464,256)	453,465	366,149	(87,316)
Contractual Services	1,060,532	901,911	(158,621)	465,760	403,795	(61,965)
Supplies & Materials	1,406,456	1,183,622	(222,834)	290,994	224,095	(66,899)
Conference & Meetings	232,087	146,050	(86,037)	12,720	2,356	(10,364)
Fixed Charges	39,100	31,935	(7,165)	8,200	5,400	(2,800)
Utilities	3,000	1,200	(1,800)	1,213,424	1,148,361	(65,063)
Capital Outlay	-	18,513	18,513	-	-	-
Other	3,750,000	3,356,877	(393,123)	1,000	1,475	475
Contingency	175,939	-	(175,939)	420,000	-	(420,000)
<b>Total expenditures</b>	<b>28,893,518</b>	<b>26,500,371</b>	<b>(2,393,147)</b>	<b>4,634,100</b>	<b>3,653,944</b>	<b>(980,156)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55,710</b>	<b>3,998,135</b>	<b>3,942,425</b>	<b>281,437</b>	<b>1,555,568</b>	<b>1,274,131</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(9,440,000)	(9,440,000)	-	(420,000)	(420,000)
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(9,440,000)</b>	<b>(9,440,000)</b>	<b>-</b>	<b>(420,000)</b>	<b>(420,000)</b>
<b>Net change in fund balance</b>	<b>\$ 55,710</b>	<b>(5,441,865)</b>	<b>\$ (5,497,575)</b>	<b>\$ 281,437</b>	<b>1,135,568</b>	<b>\$ 854,131</b>
<b>Fund balance</b>						
Beginning		<u>\$ 11,623,535</u>			<u>\$ 2,581,254</u>	
Ending		<u>\$ 6,181,670</u>			<u>\$ 3,716,822</u>	

See Note to Management Information.

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

**Statement of Budgetary Comparison - Major Special Revenue Funds by Program**  
**Year ended June 30, 2018**

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 92,000	\$ 100,200	\$ 8,200
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,000</b>	<b>100,200</b>	<b>8,200</b>
State governmental sources	1,918,628	1,925,080	6,452	-	-	-
Federal governmental sources	7,969,380	7,194,003	(775,377)	-	-	-
Student tuition and fees	736,194	680,505	(55,689)	-	-	-
Sales, services and rental of facilities	-	2,168	2,168	-	-	-
Investment earnings	-	-	-	500	1,492	992
Other sources	1,382,229	341,887	(1,040,342)	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
<b>Total revenues</b>	<b>12,281,431</b>	<b>10,143,643</b>	<b>(2,137,788)</b>	<b>92,500</b>	<b>101,692</b>	<b>9,192</b>
<b>Expenditures:</b>						
Current						
Instruction	513,973	497,595	(16,378)	-	-	-
Academic support	1,065,685	977,159	(88,526)	-	-	-
Student services	678,455	613,535	(64,920)	-	-	-
Public services	928,161	787,737	(140,424)	-	-	-
Institutional support	1,034,727	8,953	(1,025,774)	48,500	51,150	2,650
Auxiliary services	75,000	-	(75,000)	-	-	-
Scholarships, student grants, and waivers	7,608,242	7,171,988	(436,254)	-	-	-
Operation of physical facilities	-	-	-	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
<b>Total expenditures</b>	<b>12,179,243</b>	<b>10,056,967</b>	<b>(2,122,276)</b>	<b>48,500</b>	<b>51,150</b>	<b>2,650</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>102,188</b>	<b>86,676</b>	<b>(15,512)</b>	<b>44,000</b>	<b>50,542</b>	<b>6,542</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	9,240,000	9,240,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>9,240,000</b>	<b>9,240,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 102,188</b>	<b>9,326,676</b>	<b>\$ 9,224,488</b>	<b>\$ 44,000</b>	<b>50,542</b>	<b>\$ 6,542</b>
<b>Fund balance</b>						
Beginning		<u>\$ 1,193,857</u>			<u>\$ 106,656</u>	
Ending		<u>\$ 10,520,533</u>			<u>\$ 157,198</u>	

See Note to Management Information.

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,306,000	\$ 2,534,892	\$ 228,892	\$ 6,294,000	\$ 6,344,299	\$ 50,299	\$ 1,848,000	\$ 1,789,836	\$ (58,164)
-	-	-	-	-	-	-	-	-
<u>2,306,000</u>	<u>2,534,892</u>	<u>228,892</u>	<u>6,294,000</u>	<u>6,344,299</u>	<u>50,299</u>	<u>1,848,000</u>	<u>1,789,836</u>	<u>(58,164)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	43,201	33,201	-	23,678	23,678	15,000	444,267	429,267
-	-	-	-	-	-	-	2,186	2,186
-	-	-	-	-	-	400,000	-	(400,000)
<u>2,316,000</u>	<u>2,578,093</u>	<u>262,093</u>	<u>6,294,000</u>	<u>6,367,977</u>	<u>73,977</u>	<u>2,263,000</u>	<u>2,236,289</u>	<u>(26,711)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,178,001	1,070,341	(107,660)	6,294,000	5,685,542	(608,458)	10,242	877,856	867,614
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
722,173	712,354	(9,819)	-	-	-	9,856,261	11,561,519	1,705,258
-	-	-	-	-	-	400,000	-	(400,000)
<u>1,900,174</u>	<u>1,782,695</u>	<u>(117,479)</u>	<u>6,294,000</u>	<u>5,685,542</u>	<u>(608,458)</u>	<u>10,266,503</u>	<u>12,439,375</u>	<u>2,172,872</u>
-	-	-	-	-	-	-	-	-
415,826	795,398	379,572	-	682,435	682,435	(8,003,503)	(10,203,086)	(2,199,583)
-	-	-	-	-	-	-	620,000	620,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	620,000	620,000
<u>\$ 415,826</u>	<u>795,398</u>	<u>\$ 379,572</u>	<u>\$ -</u>	<u>682,435</u>	<u>\$ 682,435</u>	<u>\$ (8,003,503)</u>	<u>(9,583,086)</u>	<u>\$ (1,579,583)</u>
	<u>\$ 3,274,964</u>			<u>\$ 2,389,192</u>			<u>\$ 35,739,212</u>	
	<u>\$ 4,070,362</u>			<u>\$ 3,071,627</u>			<u>\$ 26,156,126</u>	

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

**Statement of Budgetary Comparison - Major Special Revenue Funds by Object**  
**Year ended June 30, 2018**

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 92,000	\$ 100,200	\$ 8,200
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,000</b>	<b>100,200</b>	<b>8,200</b>
State governmental sources	1,918,628	1,925,080	6,452	-	-	-
Federal governmental sources	7,969,380	7,194,003	(775,377)	-	-	-
Student tuition and fees	736,194	680,505	(55,689)	-	-	-
Sales, services and rental of facilities	-	2,168	2,168	-	-	-
Investment earnings	-	-	-	500	1,492	992
Other sources	1,382,229	341,887	(1,040,342)	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
<b>Total revenues</b>	<b>12,281,431</b>	<b>10,143,643</b>	<b>(2,137,788)</b>	<b>92,500</b>	<b>101,692</b>	<b>9,192</b>
<b>Expenditures:</b>						
Current						
Salaries	1,649,171	1,436,351	(212,820)	-	-	-
Benefits	451,799	347,133	(104,666)	-	-	-
Contractual Services	1,017,349	730,142	(287,207)	48,500	51,150	2,650
Supplies & Materials	597,717	216,625	(381,092)	-	-	-
Conference & Meetings	176,880	62,472	(114,408)	-	-	-
Fixed Charges	39,550	33,255	(6,295)	-	-	-
Utilities	132,342	106,459	(25,883)	-	-	-
Capital Outlay	45,000	7,900	(37,100)	-	-	-
Other	7,794,435	7,116,630	(677,805)	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
<b>Total expenditures</b>	<b>12,179,243</b>	<b>10,056,967</b>	<b>(2,122,276)</b>	<b>48,500</b>	<b>51,150</b>	<b>2,650</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>102,188</b>	<b>86,676</b>	<b>(15,512)</b>	<b>44,000</b>	<b>50,542</b>	<b>6,542</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	9,240,000	9,240,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>9,240,000</b>	<b>9,240,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 102,188</b>	<b>9,326,676</b>	<b>\$ 9,224,488</b>	<b>\$ 44,000</b>	<b>50,542</b>	<b>\$ 6,542</b>
<b>Fund balance</b>						
Beginning		<u>\$ 1,193,857</u>			<u>\$ 106,656</u>	
Ending		<u>\$ 10,520,533</u>			<u>\$ 157,198</u>	

See Note to Management Information.

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,306,000	\$ 2,534,892	\$ 228,892	\$ 6,294,000	\$ 6,344,299	\$ 50,299	\$ 1,848,000	\$ 1,789,836	\$ (58,164)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,306,000</u>	<u>2,534,892</u>	<u>228,892</u>	<u>6,294,000</u>	<u>6,344,299</u>	<u>50,299</u>	<u>1,848,000</u>	<u>1,789,836</u>	<u>(58,164)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	43,201	33,201	-	23,678	23,678	15,000	444,267	429,267
-	-	-	-	-	-	-	2,186	2,186
-	-	-	-	-	-	400,000	-	(400,000)
<u>2,316,000</u>	<u>2,578,093</u>	<u>262,093</u>	<u>6,294,000</u>	<u>6,367,977</u>	<u>73,977</u>	<u>2,263,000</u>	<u>2,236,289</u>	<u>(26,711)</u>
715,431	731,311	15,880	-	-	-	-	-	-
796,169	662,297	(133,872)	-	-	-	-	-	-
181,050	203,105	22,055	-	-	-	-	27,964	27,964
5,260	3,950	(1,310)	-	-	-	231,503	543,053	311,550
31,909	3,833	(28,076)	-	-	-	-	-	-
170,355	177,388	7,033	6,294,000	5,685,542	(608,458)	-	9,781	9,781
-	395	395	-	-	-	-	-	-
-	-	-	-	-	-	9,635,000	11,857,577	2,222,577
-	416	416	-	-	-	-	1,000	1,000
-	-	-	-	-	-	400,000	-	(400,000)
<u>1,900,174</u>	<u>1,782,695</u>	<u>(117,479)</u>	<u>6,294,000</u>	<u>5,685,542</u>	<u>(608,458)</u>	<u>10,266,503</u>	<u>12,439,375</u>	<u>2,172,872</u>
415,826	795,398	379,572	-	682,435	682,435	(8,003,503)	(10,203,086)	(2,199,583)
-	-	-	-	-	-	-	620,000	620,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	620,000	620,000
<u>\$ 415,826</u>	<u>795,398</u>	<u>\$ 379,572</u>	<u>\$ -</u>	<u>682,435</u>	<u>\$ 682,435</u>	<u>\$ (8,003,503)</u>	<u>(9,583,086)</u>	<u>\$ (1,579,583)</u>
	<u>\$ 3,274,964</u>			<u>\$ 2,389,192</u>			<u>\$ 35,739,212</u>	
	<u>\$ 4,070,362</u>			<u>\$ 3,071,627</u>			<u>\$ 26,156,126</u>	

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

**Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)**  
**Year ended June 30, 2018**

	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	88,696	180,216	91,520
Other sources	-	-	-
Contingency	-	-	-
<b>Total revenues</b>	<b>88,696</b>	<b>180,216</b>	<b>91,520</b>
<b>Expenditures:</b>			
Current			
Salaries	-	-	-
Benefits	-	-	-
Contractual Services	-	-	-
Supplies & Materials	-	-	-
Conference & Meeting	-	-	-
Fixed Charges	-	-	-
Utilities	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Contingency	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>88,696</b>	<b>180,216</b>	<b>91,520</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 88,696</b>	<b>180,216</b>	<b>\$ 91,520</b>
Fund balance			
Beginning		<u>\$ 13,331,306</u>	
Ending		<u>\$ 13,511,522</u>	

See Note to Management Information.

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

**Statement of Budgetary Comparison - Proprietary Fund by Program**  
**Year ended June 30, 2018**

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
<b>Total local government sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	200,780	184,997	(15,783)
Sales, services and rental of facilities	2,190,410	1,940,684	(249,726)
Investment earnings	500	767	267
Other sources	32,986	27,541	(5,445)
Contingency	100,000	-	(100,000)
<b>Total revenues</b>	<u>2,524,676</u>	<u>2,153,989</u>	<u>(370,687)</u>
<b>Expenditures:</b>			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	2,481,067	2,243,959	(237,108)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	100,000	-	(100,000)
<b>Total expenditures</b>	<u>2,581,067</u>	<u>2,243,959</u>	<u>(337,108)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(56,391)</u>	<u>(89,970)</u>	<u>(33,579)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (56,391)</u>	<u>(89,970)</u>	<u>\$ (33,579)</u>
Fund balance			
Beginning		<u>\$ 369,513</u>	
Ending		<u>\$ 279,543</u>	

See Note to Management Information.

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

**Statement of Budgetary Comparison - Proprietary Fund by Object**  
**Year ended June 30, 2018**

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
<b>Total local government sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	200,780	184,997	(15,783)
Sales, services and rental of facilities	2,190,410	1,940,684	(249,726)
Investment earnings	500	767	267
Other sources	32,986	27,541	(5,445)
Contingency	100,000	-	(100,000)
<b>Total revenues</b>	<b>2,524,676</b>	<b>2,153,989</b>	<b>(370,687)</b>
<b>Expenditures:</b>			
Current			
Salaries	416,858	408,935	(7,923)
Benefits	84,768	71,748	(13,020)
Contractual Services	120,436	81,011	(39,425)
Supplies & Materials	1,679,739	1,514,050	(165,689)
Conference & Meeting	155,901	145,015	(10,886)
Fixed Charges	50	-	(50)
Utilities	-	-	-
Capital Outlay	-	3,506	3,506
Other	23,315	19,694	(3,621)
Contingency	100,000	-	(100,000)
<b>Total expenditures</b>	<b>2,581,067</b>	<b>2,243,959</b>	<b>(337,108)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(56,391)</b>	<b>(89,970)</b>	<b>(33,579)</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (56,391)</b>	<b>(89,970)</b>	<b>\$ (33,579)</b>
Fund balance			
Beginning		\$ 369,513	
Ending		\$ 279,543	

See Note to Management Information.

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

**Note to Management Information**

---

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

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



<p><b>QUAD-CITIES CAMPUS</b>   309-796-5000 6600 34th Avenue, Moline, Illinois 61265</p>	<p><b>EAST CAMPUS</b>   309-854-1700 26230 Black Hawk Road, Galva, Illinois 61434</p>
--	---





**Black Hawk College**

**CORE VALUES**

INCLUSION AND DIVERSITY

CARING AND COMPASSION

FAIRNESS | HONESTY | INTEGRITY

RESPECT | RESPONSIBILITY