

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2023



**ILLINOIS COMMUNITY COLLEGE
DISTRICT #503**



QUAD-CITIES CAMPUS | 309-796-5000
6600 34TH AVENUE, MOLINE
ILLINOIS 61265

EAST CAMPUS | 309-854-1700
26230 BLACK HAWK ROAD, GALVA
ILLINOIS 61434



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the
Fiscal Year Ended June 30, 2023**

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	8
Map of the District	9
Organization Chart	10
Certificate of Achievement for Excellence in Financial Reporting	11

Financial Section

Independent Auditor's Report	15
Management's Discussion and Analysis	21
Basic Financial Statements	
Statement of Net Position/Net Assets	32
Statement of Revenues, Expenses, and Changes in Net Position/Net Assets	33
Statement of Cash Flows	34
Statement of Fiduciary Net Position	35
Statement of Changes in Fiduciary Net Position	35
Notes to Financial Statements	39
Required Supplementary Information (RSI)	
Schedule of SURS Pension Liability and Contributions	89
Schedule of OPEB Liability and Contributions	90
Notes to Required Supplementary Information	91

Statistical Section

Statistical Narrative	95
Schedule of Net Position by Component	96
Schedule of Changes in Net Position	97
Schedule of Fund Balance by Fund	98
State Equalization Grant Funding History & Accumulated Deficit	99
State Credit Hour Grant Funding History & Accumulated Deficit	100
Assessed and Estimated Actual Value of Taxable Property	101
Property Tax Extensions and Collections	102
Representative Tax Rates	103
Principal Taxpayers	104
Mandatory Tuition and Fees	105
Ratio of Outstanding Debt by Type	106
Computation of Legal Debt Margin	107
Use of Bond Issuance Proceeds	108
Schedule of Bond Coverage	109
Direct and Overlapping General Obligation Bonded Debt	110
Demographic and Economic Statistics	111
Principal Employers	112
Faculty and Staff Headcount	113
Student Enrollment Demographic Statistics	114
Financial Aid Recipients	115
Credit Hours Eligible for Funding by ICCB Reimbursement Categories	116
Schedule of Capital Assets – Instructional Facilities Information	117
Miscellaneous Statistics	118

Contents (Continued)

Special Reports Section

ICCB Supplemental Information

Equalized Assessed Valuations and Tax Collections	121
Schedule of Legal Debt Margin	122
Certification of Chargeback Reimbursement for Fiscal Year 2024	123

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	126
Uniform Financial Statement No. 2 – Summary of Capital Assets and Long-Term Debt	129
Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures	130
Uniform Financial Statement No. 4 – Restricted Purposes Fund Revenues and Expenditures	132
Uniform Financial Statement No. 5 – Expenditures by Activity – Current Funds	134
Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements	135
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Uniform Financial Statements	135

ICCB State Grants Financial Compliance Section

Independent Auditor's Report

On State Adult Education and Family Literacy Grants Financial Statements	139
--	-----

Independent Auditor's Report

On Compliance with State Requirements for State Adult Education and Family Literacy Grants	141
--	-----

State Adult Education and Family Literacy Grant Program

Adult Education and Family Literacy Grant Program, Balance Sheet	142
Adult Education and Family Literacy Grant Program, Statement of Revenues, Expenditures, and Changes in Fund Balance	142
ICCB Compliance Statement for the State Adult Education and Family Literacy Restricted Funds	143
Note to Financial Statements – Grant Programs	144
Background Information on State Grant Activity	145

Independent Accountant's Report

On the Enrollment Data and Other Bases Upon Which Claims are Filed	147
--	-----

Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed	148
Reconciliation of Total Semester Credit Hours	149
Student Residency Verification	150
Summary of Assessed Valuations	151

Federal Financial Compliance Section

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 <i>Government Auditing Standards</i>	155
--	-----

Independent Auditor's Report

On Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance	157
---	-----

Schedule of Expenditures of Federal Awards	160
Notes to Schedule of Expenditures of Federal Awards	161
Schedule of Findings and Questioned Costs	162
Summary Schedule of Prior Audit Findings	164

Contents (Continued)

Management Information

Combining Balance Sheet	166
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	168
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	171
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Revenues, Expenses, and Changes in Net Position	171
Statement of Budgetary Comparison – Education and Operations & Maintenance Fund by Program	172
Statement of Budgetary Comparison – Education and Operations & Maintenance Fund by Object	173
Statement of Budgetary Comparison – Major Special Revenue Funds by Program	174
Statement of Budgetary Comparison – Major Special Revenue Funds by Object	176
Statement of Budgetary Comparison – Proprietary Fund by Program	179
Statement of Budgetary Comparison – Proprietary Fund by Object	180
Note to Management Information	181

This page is intentionally left blank



Office of the President
309.796.5301

December 21, 2023

To the Citizens of Black Hawk College:

The Annual Comprehensive Financial Report of Black Hawk College, Community College District No. 503, for the fiscal year ended June 30, 2023, 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 Annual Comprehensive 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 34th Avenue
Moline, IL 61265-5899
309.796.5000
800.334.1311
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 380,000. 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 4.0%, which is higher than the national rate of 3.6% as of the end of June 2023. The state unemployment rate was 4.0% in June 2023. Unemployment rates continue to be below 5.0% since peaking in April 2020.

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 tax revenues.

Mission, Vision, and Strategic Priorities

OUR MISSION is to

- Inspire students
- Develop talent and
- Strengthen communities

OUR VISION is to prepare learners to live and work in diverse global communities through the relentless pursuit of student success, innovation and educational excellence.

OUR STRATEGIC PRIORITIES are:

BE A LEADER IN STUDENT SUCCESS AND OUTCOMES - We will prepare all students for rewarding careers and futures.

To do this, we will:

- Enhance and expand innovative teaching and learning practices and support services that promote quality educational experiences.
- Implement systematic assessment of learning in academic programs, co-curricular activities and student services that inform and improve curriculum and student success.
- Foster an equitable and inclusive learning and student support environment.

- Identify and close equity gaps in student retention, persistence and program completion rates.

EMBRACE DIVERSITY, EQUITY AND INCLUSION AS PART OF WHO WE ARE - We will model an inclusive, equity-minded college that educates and celebrates the unique contributions of all members of our community.

To do this, we will:

- Create an inclusive college community of learners in an atmosphere of mutual respect, inclusiveness and acceptance where all feel welcome and able to contribute.
- Provide targeted outreach and enrollment opportunities to historically underserved populations.
- Recruit and retain quality employees who reflect the diversity of our communities.
- Provide opportunities for civic engagement in a diverse, multicultural society.

DEVELOP WORKPLACE CULTURE: WORK AS IF ANYTHING IS POSSIBLE - We will develop a work environment where employees are innovative, engaged and make a difference.

To do this, we will:

- Implement programs to strengthen a culture of trust, accountability and collaboration resulting in innovation and resiliency within the college.
- Establish career pathways for employees through the use of job shadowing, mentoring and succession planning.
- Invest in strategic professional development opportunities for all employees to advance their skills, competencies and professional qualities in delivering and supporting best practices in higher education.

STRENGTHEN INSTITUTIONAL EFFECTIVENESS THROUGH INTEGRATION OF ASSESSMENT, PLANNING AND RESOURCE ALLOCATION - We will demonstrate continuous improvement and reflection based on systematic collection, analysis and communication of the use of information.

To do this, we will:

- Ensure institutional effectiveness through the development, collection and transparent communication of strategic key performance metrics.
- Implement processes that use data-informed decision making to drive continuous improvement, allocate resources and enable initiatives that align with the institution's strategic priorities.
- Provide stewardship of our resources to ensure financial and environmental sustainability.
- Adhere to accreditation expectations through continuous improvement, evidence-based documentation and annual monitoring processes.

STRENGTHEN THE COMMUNITY THROUGH ENGAGEMENT AND WORKFORCE DEVELOPMENT - We will be the leading provider of workforce and economic development solutions.

To do this, we will:

- Expand participation as a genuine economic development partner on regional economic agency bodies.
- Develop and align college transfer and career and technical programs to meet regional employer needs.
- Provide co-curricular learning opportunities, such as, but not limited to, internships, apprenticeships, job shadowing, clinicals, competitive academic teams, etc., providing students with experiences and pathways from college to work/career.

Local Economy

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

Tuition and fee revenues accounted for approximately 33.2% of total general fund revenue earned in fiscal year 2023. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, increased by 3.9% or 2,594.3 total credit hours in fiscal year 2023. Enrollment was budgeted to remain flat from FY23 budget to FY24. Preliminary results for fiscal year 2024 Fall semester indicate enrollment increased by 2.1% credit hours when compared to fiscal year 2023 Fall semester on tenth day.

State funding, which accounted for approximately 13.3% of total general fund revenue earned, continues to be a concern for the College as the level of College appropriations from state funding remains below the intended one-third of operating revenue. As enrollment in community colleges across the country and the State of Illinois have increased since COVID, the College still anticipates State funding levels to remain flat, but steady. There is an ongoing awareness that the state continues to operate with an unbalanced operating budget, and without adjusting interest rates used in actuarial calculations, the unfunded liabilities continue to grow. State operating and equalization grants continue to be an important and valued part of funding Black Hawk College operations.

Property taxes, which accounted for approximately 33.7% 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 eleven years despite the uncertain national economic climate and subsequent impact on property values. The College is indirectly entered in 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 2022 tax year due to TIF agreements in place equals 5.1% of total tax extensions as of June 30, 2023.

Financial Planning

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

- Reorganization

- New and renovated facilities to attract and retain students
- Competitive tuition rates and fees
- Review and redesign of the organization and business processes, and utilization of technology to improve efficiency
- Development and implementation of new programs to increase enrollment
- Providing multiple modalities of learning which include traditional classroom, online and hybrid format coursework.

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.

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 to proactively 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 traditionally includes the Education and Operations & Maintenance funds. The Auxiliary fund has recently been added to the General Fund calculation as any short-coming from Auxiliary is supported by General Fund operations. If the ending general fund balance falls below the target range, the College is required to replenish the ending general fund balance within two (2) years. If the ending general 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, 2023, the General Fund ending fund balance, including Auxiliary, is 53.4% of fiscal year 2023 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 reserves to cover potential losses and the reserves are reviewed monthly.

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 2023 audit. The auditor's report on the financial statements and schedules is unmodified and is included in the financial section of this report.
- Awards Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk College for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This is the 14th consecutive year that the government will achieve this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

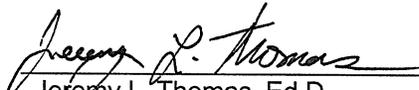
In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009 through fiscal year 2017. The GFOA budget award process changed and was renamed to "Award for Best Practices in Community College Budgeting" in 2018.

The College received an award for the 2019 through 2020 budgets under this new program. The GFOA budget award process and title changed again for the fiscal year 2021 application. The new award was named back to “Distinguished Budget Presentation Award” and the College has received this award for the 2021, 2022 and 2023 budget.

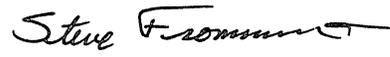
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting District financial operations to the degree of excellence necessary for continuance of operations in a responsible manner.

The timely preparation of the Annual Comprehensive 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.

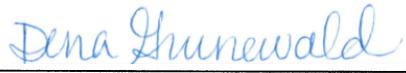
Respectfully submitted,



Jeremy L. Thomas, Ed.D.
President



Steven J. Frommelt
Executive Vice President and Board Treasurer



Dena M. Grunewald
Director of Accounting



Illinois Community College District No. 503

Board of Trustees



Fritz W. Larsen
Moline
Board Chair



Douglas L. Strand
East Moline
Vice Chair



Christian H. Jackson
Geneseo
Secretary



David L. Dyer
Galva



Samantha J. Gange
Rock Island



Kimberly D. Goodley
Annawan



Jeffrey M. Swan
Colona



Jonwyn Ayres
Medford, OR
Student Trustee



Dr. Jeremy L. Thomas
President



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



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



Kathy M. Malcolim
Executive Director of Planning
and Institutional Effectiveness



Vacant
Director of Human Resources



Barb A. Courville
Associate Dean of Adult and
Continuing Education

Executive Administration

Black Hawk College District



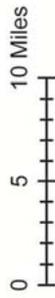
Legend

Black Hawk College District

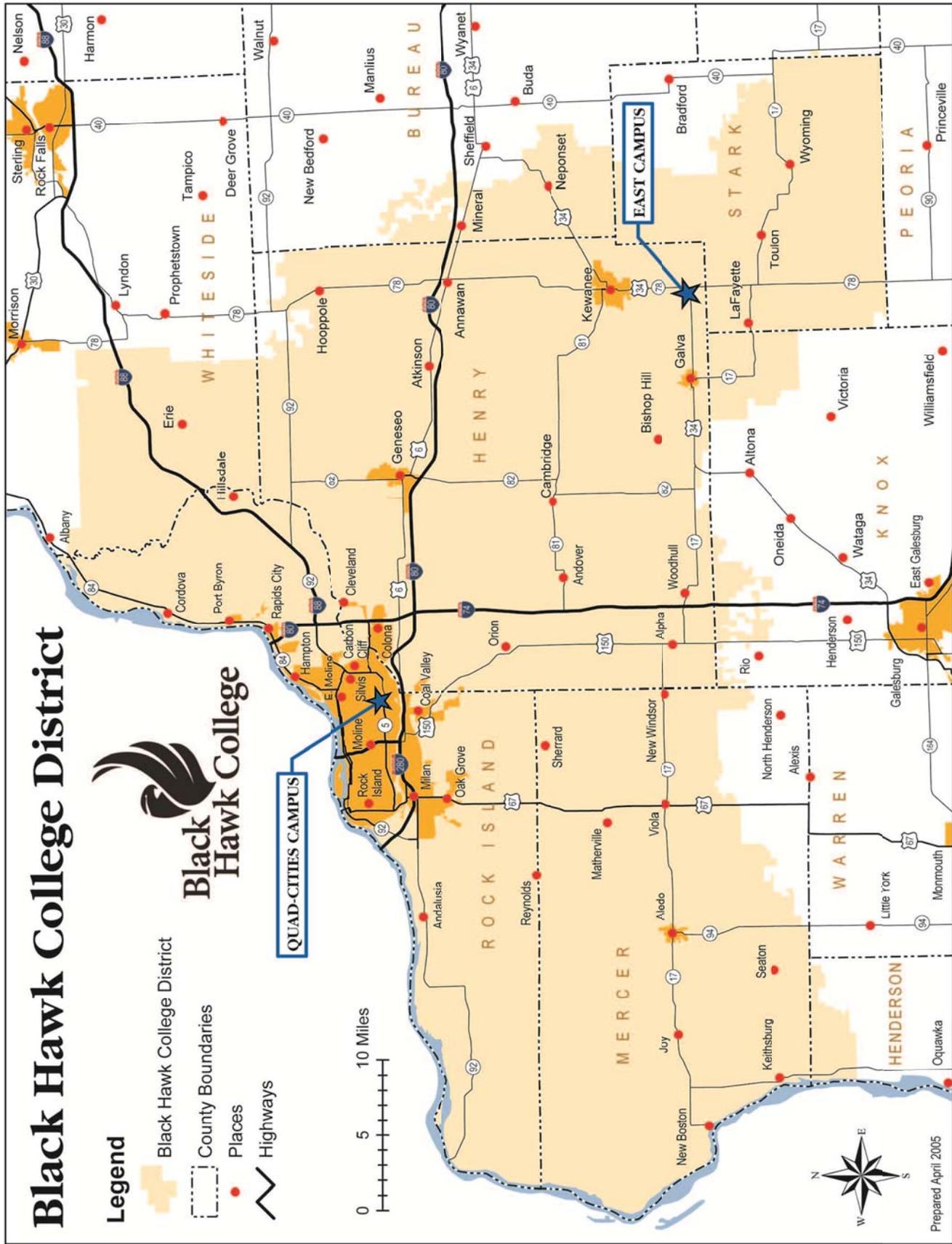
County Boundaries

Places

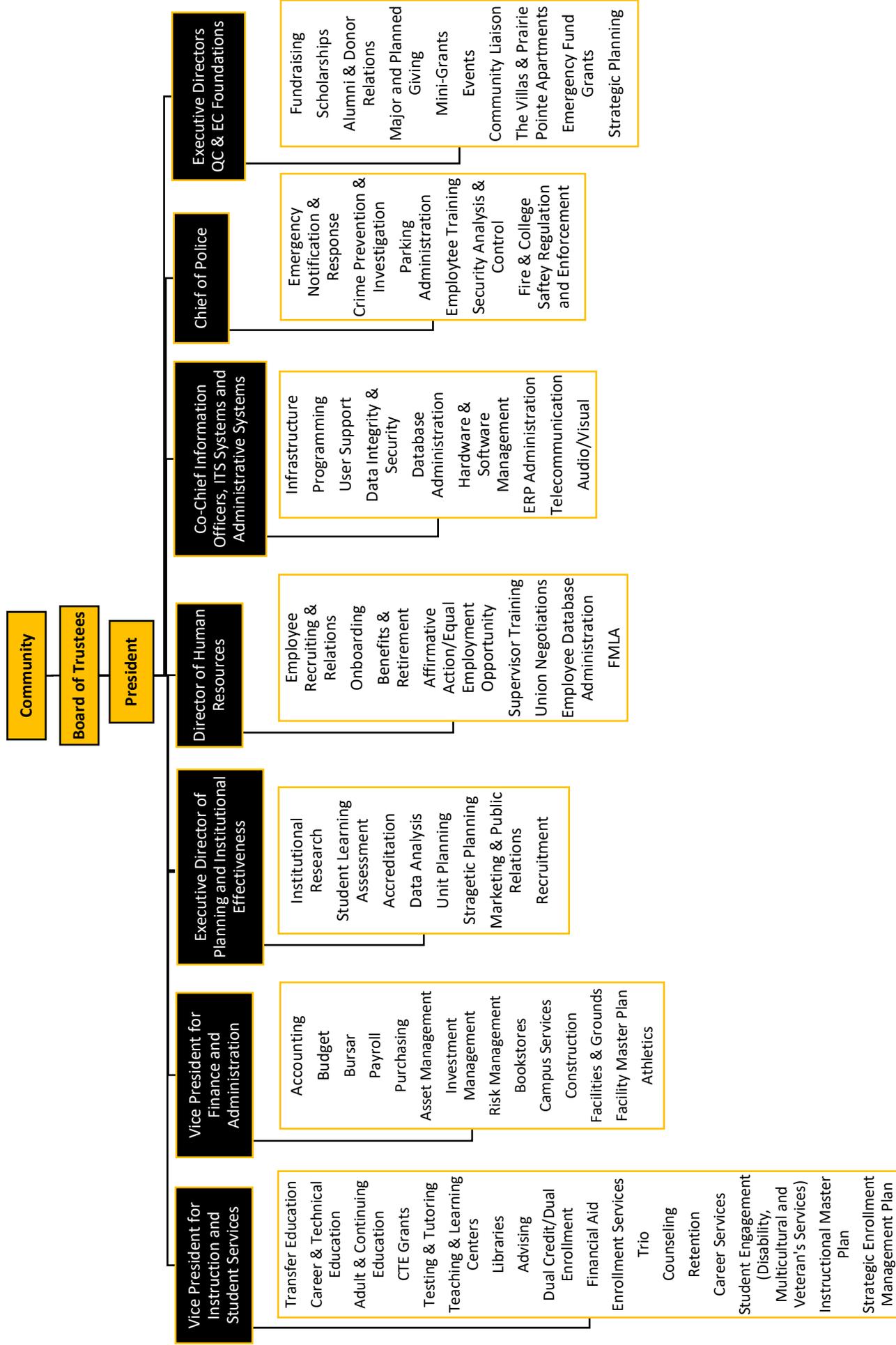
Highways



Prepared April 2005



Black Hawk College Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Black Hawk College
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

This page is intentionally left blank

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 Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College – Community College District 503 (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College – Community College District 503, as of June 30, 2023, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the College adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The ICCB supplemental information, the ICCB uniform financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental financial information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and management information as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023, 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
December 21, 2023

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) Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2023 and June 30, 2022. 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, 2023, the College recorded total operating revenues of \$8,606,993 and total operating expenses of \$45,972,795. The difference produced an operating loss of \$37,365,802. Net non-operating revenue of \$51,989,838 offsets this loss and results in an overall increase in net position of \$14,624,036.

Non-operating revenue included local property taxes of \$25,322,952, state grants and contracts of \$12,405,981, federal grants and contracts of \$6,205,709, and other net miscellaneous revenue of \$8,055,196. Within the state grants and contracts non-operating revenue line, the SURS and CIP contributions provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaled \$4,392,968. The comparable contribution by the state to SURS and CIP for the fiscal year ended June 30, 2022, was \$6,275,584.

Operating revenue accounted for 13.7% of the College's total revenue, while non-operating revenues accounted for the other 86.3% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$7,108,762 and sales, services, and rentals of facilities revenues totaling \$1,498,231.

Operating expenses accounted for 95.2% of the College's total expenses, while non-operating expenses accounted for the remaining 4.8%. The SURS and CIP on-behalf contributions provided by the state as well as the OPEB expense was allocated among the existing functions of operating expenses and decreased by \$4,496,681 from fiscal year 2022. Total operating expenses, excluding OPEB expense, SURS on-behalf expense, and CIP on-behalf expense, decreased by 4.0% in fiscal year 2023 from prior year.

Overall, the College's financial position remains strong at the end of fiscal year 2023 while operating in a climate of less than targeted state funding and enrollment trends which impact tuition and future state appropriations. Data related to enrollment, credit hour, and state funding trend information are available in the Statistical section of this document. Additionally, overall, actual fiscal year 2023 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

Long-Term Debt

The College issued \$67,735,000 in bonds during fiscal year 2023 for the renovation of existing buildings, site and street improvements, vehicle updates and technology upgrades across the District and also to partially refund \$1,150,000 of Series 2013A General Obligation Bonds. The unused legal debt capacity of the College is currently \$37,169,792, which represents 2.875% of the assessed valuation of the College's district less the \$98,477,914 in outstanding debt. See Note 9 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

Economic Factors

Unemployment rates, both locally and nationally, have fluctuated dramatically due to the COVID-19 pandemic. While unemployment exists, hiring and retaining qualified talent continues to be a challenge. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Property tax revenue accounts for 46.6% of total non-operating revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While some 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.

Management's Discussion and Analysis

The State of Illinois has approved an annual budget. State revenues have grown, yet the fixed demands on cash outflow still stress the state's budget. And while the College remains optimistic the State of Illinois will continue to support higher education, an on-going financial pattern of spending more than what is generated is not sustainable. State support is valued and critical to maintain college operations. The state political environment has changed since the budget impasse of 2016 and 2017 as the governor's office is now aligned with state legislators which allows more measures to move forward including the support of higher education.

Enrollment had a 3.9% increase in fiscal year 2023 compared to a 5.8% decrease during fiscal year 2022. Fall credit hour enrollment for fiscal year 2024 increased by 2.1% from fiscal year 2023 fall credit hour 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.

While the fiscal year 2023 enrollment is up from prior year, there has been a long-run enrollment decrease trend, and the College Administration and Board of Trustees continue to identify opportunities for growth. The College is going through the implementation of the long-term facility master plan to renovate and improve classrooms, hands-on labs, instructional and student space. These renovations will improve learning environments, expand program offerings, and make a more welcoming environment, thus providing a greater opportunity for generating credit hours. In addition to capital development, the Board of Trustees has designated operating funds 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. Fiscal year 2023 tuition rates were increased from \$149 per credit hour to \$164 per credit hour. Fiscal year 2024 tuition rates stayed at \$164 per credit hour. Tuition rates for 2025 have not yet been finalized but are anticipated to remain the same. The College is conscious about the recent increases to cost of living and the importance of keeping tuition as affordable as possible. Without a significant increase in enrollment, an adjustment to account for changes in auxiliary service revenue and new state mandates (i.e. change in minimum wage) will be required. 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 November of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2023 tax increased 3.6% over fiscal year 2022 primarily due to the increase in EAV throughout the district. While it will need to be revisited, the intention is to keep the tax levy steady for 2024. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Position – Fiscal Years 2023 and 2022

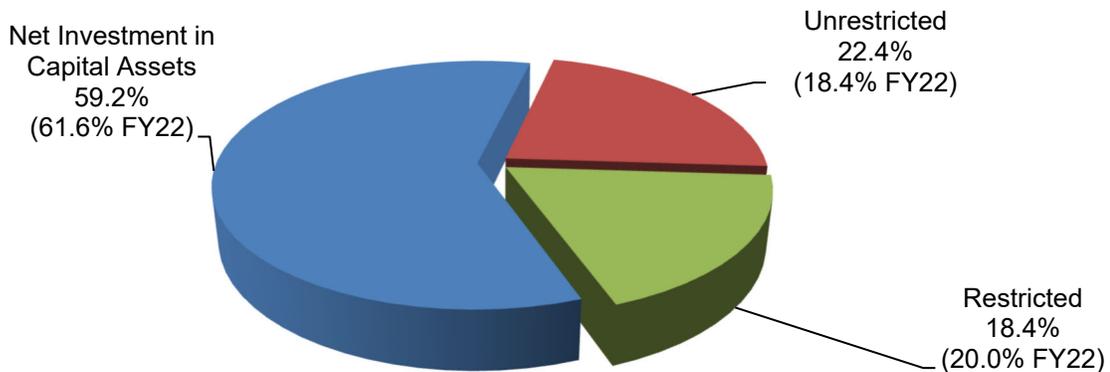
	2023	2022	Increase (Decrease)	Percent Change
Current Assets	\$ 156,111,605	\$ 89,387,599	\$ 66,724,006	74.6%
Capital Assets, net of depreciation	128,175,272	107,312,893	20,862,379	19.4%
Total Assets	\$ 284,286,877	\$ 196,700,492	\$ 87,586,385	44.5%
Deferred Outflows of Resources	\$ 481,750	\$ 290,534	\$ 191,216	65.8%
Current Liabilities	\$ 13,647,337	\$ 9,384,989	\$ 4,262,348	45.4%
Non-Current Liabilities	101,532,956	39,769,056	61,763,900	155.3%
Total Liabilities	\$ 115,180,293	\$ 49,154,045	\$ 66,026,248	134.3%
Deferred Inflows of Resources	\$ 25,195,121	\$ 18,067,804	\$ 7,127,317	39.4%
Net Position				
Net Investment in Capital Assets	\$ 85,463,666	\$ 79,874,008	\$ 5,589,658	7.0%
Restricted	26,626,858	26,011,156	615,702	2.4%
Unrestricted	32,302,689	23,884,013	8,418,676	35.2%
Total Net position	\$ 144,393,213	\$ 129,769,177	\$ 14,624,036	11.3%

The College had a net position at the beginning of the fiscal year totaling \$129,769,177. The increase in net position of \$14,624,036 brought the total net position at the end of fiscal year 2023 to \$144,393,213.

The entire balance sheet had large increases during fiscal year 2023. There was a \$66,724,006 increase in current assets due to an increase in cash from the \$67,735,000 2023 bond issuance. Capital assets, net of depreciation, increased by \$20,862,379 due to a large amount of new capital projects being classified as construction in process as well as new subscription assets being capitalized due to implementation of GASB 96. Deferred outflows of resources increased by 65.8% primarily due to an increase in deferred outflows of OPEB expense by \$176,698. Current liabilities increased by 45.4% which is mostly a direct result of accounts payable increasing from prior year by \$3,655,303 due to increase in capital projects in process. Non-current liabilities increased by 155.3% due to the \$67,735,000 2023 bond issuance. Deferred inflows of resources increased by 39.4% primarily due to a \$6,708,907 increase in OPEB deferred inflows of resources as well as deferred increased property tax revenue. Lastly, the unrestricted net position increased by 35.2% primarily due to an increase in surplus operating fund balances within the Restricted O&M fund balance.

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 2023



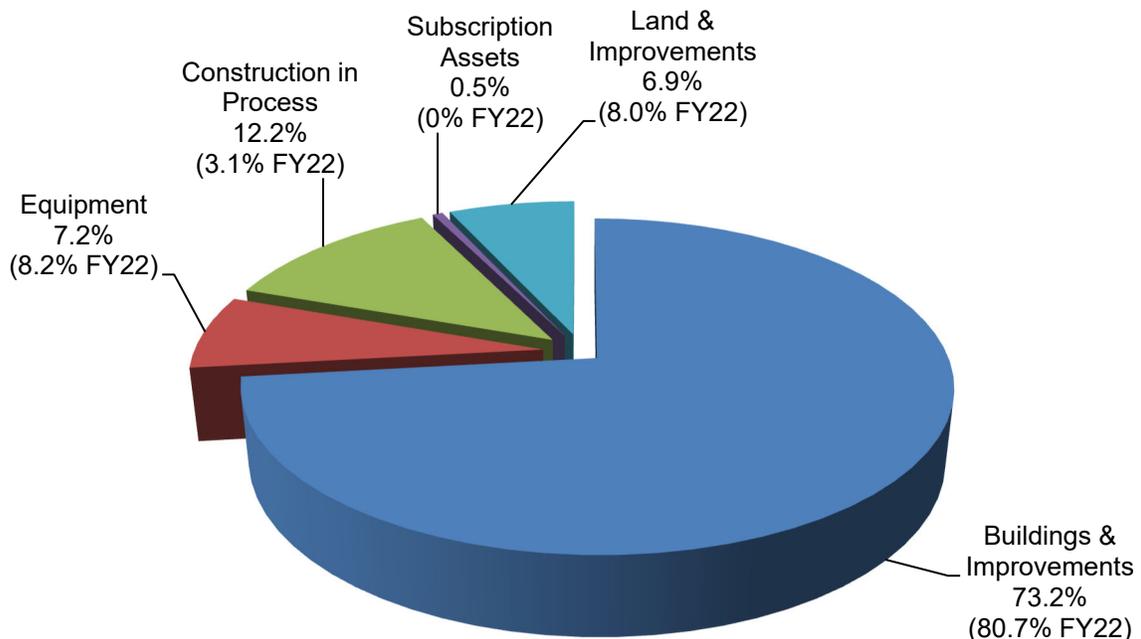
Comparison of Net Capital Assets Fiscal Years 2023 and 2022

	2023	2022	Increase (Decrease)	Percent Change
Capital Assets				
Land and Improvements	\$ 11,943,396	\$ 11,943,396	\$ -	0.0%
Building and Improvements	127,349,031	120,941,428	6,407,603	5.3%
Equipment	12,485,365	12,315,597	169,768	1.4%
Subscription Assets	946,645	-	946,645	n/a
Construction in Progress	21,177,078	4,619,115	16,557,963	358.5%
Total Capital Assets	\$ 173,901,515	\$ 149,819,536	\$ 24,081,979	16.1%
Less Accumulated Depreciation and Amortization	45,726,243	42,506,643	3,219,600	7.6%
Net Capital Assets	\$ 128,175,272	\$ 107,312,893	\$ 20,862,379	19.4%

As of June 30, 2023, the College has recorded \$173,901,515 invested in capital assets, \$45,726,243 in accumulated depreciation and amortization and \$128,175,272 in net capital assets.

Total Capital Assets increased \$24,081,979 or 16.1% and Net Capital Assets increased \$20,862,379 or 19.4%. This change is due to a large amount of new capital projects being classified as construction in process as well as new subscription assets being capitalized due to implementation of GASB 96. The College's current bonding strategy continues to allow investment in facilities, technology, and improvements. The expectation exists that Net Capital Assets will increase in future years as a result. For further information, see Note 5 - Changes in Capital Assets and Note 9 - Long-Term Liabilities in the Notes to Financial Statements.

Capital Assets - Fiscal Year 2023



Revenues, Expenses & Changes in Net Position For the Fiscal years ending June 30, 2023 and 2022

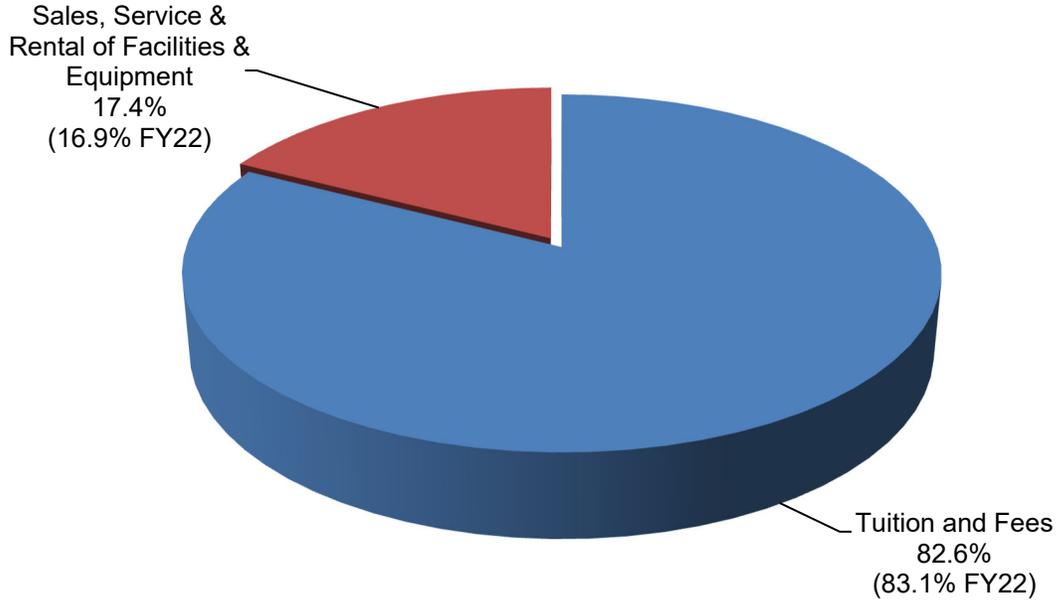
	2023	2022	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 7,108,762	\$ 6,351,437	\$ 757,325	11.9%
Sales, Services and Rentals	1,498,231	1,291,467	206,764	16.0%
Total Operating Revenue	\$ 8,606,993	\$ 7,642,904	\$ 964,089	12.6%
Less: Operating Expenses	45,972,795	52,359,460	(6,386,665)	-12.2%
Operating Income (Loss)	\$ (37,365,802)	\$ (44,716,556)	\$ 7,350,754	-16.4%
Non-operating Revenue:				
State Grants & Contracts	\$ 12,405,981	\$ 15,265,077	\$ (2,859,096)	-18.7%
Federal Grants & Contracts	6,205,709	14,401,804	(8,196,095)	-56.9%
Property Taxes	25,322,952	24,474,478	848,474	3.5%
Other Income	8,055,196	5,489,050	2,566,146	46.8%
Total Non-operating Revenue:	\$ 51,989,838	\$ 59,630,409	\$ (7,640,571)	-12.8%
Change in Net Position	\$ 14,624,036	\$ 14,913,853	\$ (289,817)	-1.9%
Net Position, Beginning of Year	129,769,177	114,855,324	14,913,853	13.0%
Net Position, End of Year	\$ 144,393,213	\$ 129,769,177	\$ 14,624,036	11.3%

Total operating revenue increased by 12.6% and total operating expenses decreased 12.2% for fiscal year 2023 when compared to fiscal year 2022.

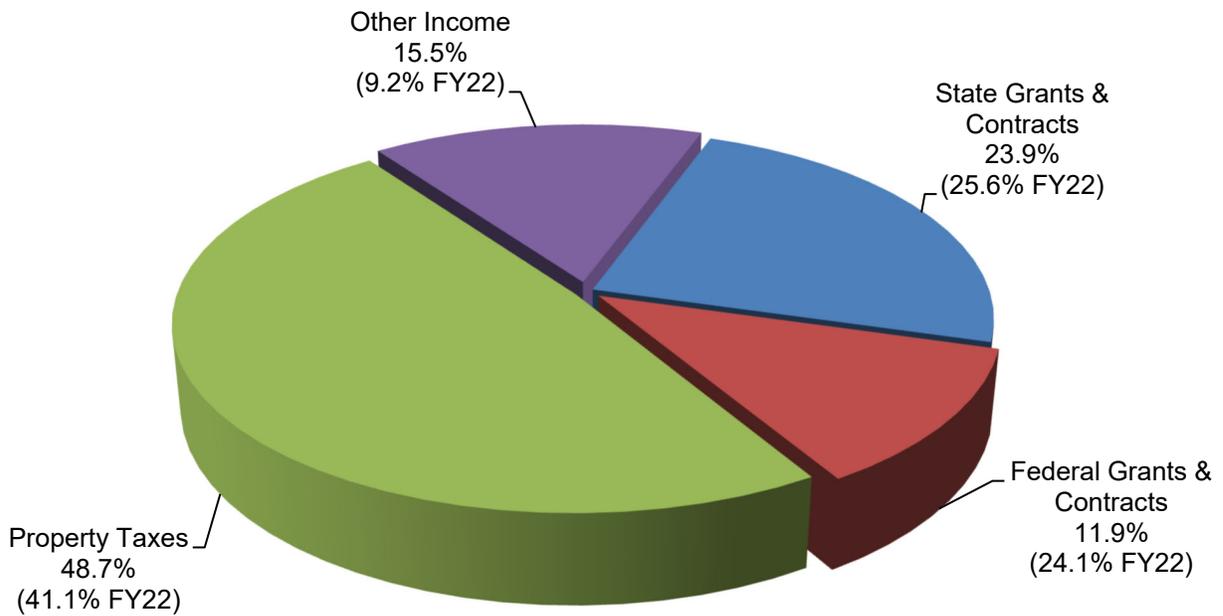
Tuition and fees increased \$757,325 or 11.9% from fiscal year 2022 to fiscal year 2023. The increase is attributable to an increase in enrollment along with an increase in tuition and fees. Sales, services, and rental revenue increased during fiscal year 2023 at 16.0%. The increase is a result of increased BTC & PaCE revenues, increased internal Marketing salary reimbursement and increased Bookstore sales.

Total non-operating revenue decreased by \$7,640,571. State grants and contracts decreased by \$2,859,096 from fiscal year 2022 primarily due to the \$1,882,616 decrease in state on-behalf contributions as well as the one-time Illinois Capital Development Board (CDB) grants being spent down in fiscal year 2022 with less activity in these CDB grants in fiscal year 2023. There was also a large decrease in the Illinois Base Operating grant paid due to decreasing enrollment in past years. Federal grants and contracts decreased by \$8,196,095 related to the final portion of COVID-19 HEERF grant funds being received in fiscal year 2022. Lastly, an increase of \$2,566,146 in other income due to a large increase in investment earnings revenue in fiscal year 2023.

Operating Revenues - Fiscal Year 2023



Non-Operating Revenues - Fiscal Year 2023



Comparison of Operating Expenses Fiscal Years 2023 and 2022

	2023	2022	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 11,344,933	\$ 12,832,512	\$ (1,487,579)	-11.6%
Academic Support	5,548,324	5,529,340	18,984	0.3%
Student Services	3,786,447	3,846,266	(59,819)	-1.6%
Public Service / Continuing Ed.	1,100,219	1,142,278	(42,059)	-3.7%
Institutional Support	9,714,517	11,396,199	(1,681,682)	-14.8%
Auxiliary Services	2,005,481	1,991,567	13,914	0.7%
Scholarships, student grants and waivers	3,630,434	6,834,470	(3,204,036)	-46.9%
Depreciation and amortization	3,415,478	3,184,520	230,958	7.3%
Loss on Disposal of Equipment	146,914	10,353	136,561	1319.0%
Operations of Physical Facilities	5,280,048	5,591,955	(311,907)	-5.6%
Total Operating Expenses	\$ 45,972,795	\$ 52,359,460	\$ (6,386,665)	-12.2%

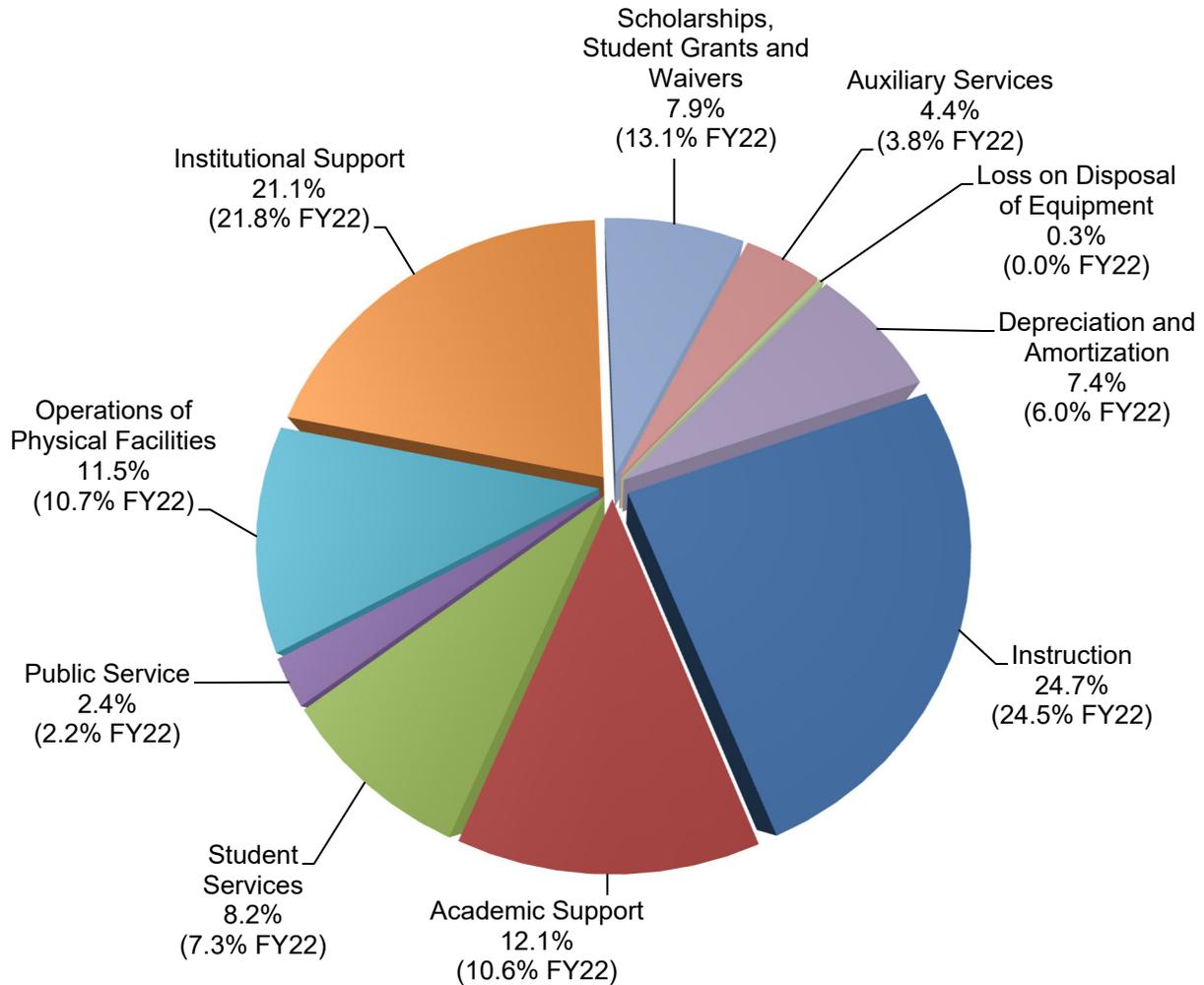
Operating expenses for fiscal year 2023 decreased by 12.2% from fiscal year 2022. The SURS and CIP on-behalf contribution provided by the state decreased to \$4,392,968 compared to \$6,275,584 in fiscal year 2022. This \$1,882,616 decrease of SURS and CIP on-behalf contribution expense, \$2,614,065 decrease in OPEB expense, plus a net \$1,889,984 decrease in all other expenses creates a net operating expense decrease of \$6,386,665 for the fiscal year 2023 when compared to fiscal year 2022. See Notes 6 and 7 in the Notes to Financial Statements for additional information related to CIP OPEB and SURS Pension Plan contributions.

The change from year to year in the expense categories of Instruction, Academic Support, Student Services and Public Service / Continuing Education all were heavily impacted by the decrease in SURS and CIP on behalf contributions provided by the state plus OPEB expense. Outside of this impact, the largest change in expense from year to year was a decrease of 46.9% in the Scholarships, student grants and waivers line. This change was a result of distributing the remaining Higher Education Emergency Relief Funds (HEERF) grant available to students during fiscal year 2022.

Management's Discussion and Analysis

The following graphic illustration shows the operating expenses by program for fiscal year 2023 by percentage of the total with the comparable percentage for fiscal year 2022 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2023



Management's Discussion and Analysis

Requests for Information

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

Finance Department
6600 34th Avenue
Moline, IL 61265

Basic Financial Statements

Black Hawk College
Illinois Community College District #503

Statement of Net Position/Net Assets
June 30, 2023

	Primary	Component Units	
	Government	Black Hawk College	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 137,529,927	\$ 512,180	\$ 995,556
Investments	-	5,819,263	2,992,290
Receivables:			
Property taxes, net of allowance \$77,037, \$0 and \$0, respectively	14,769,385	-	-
Federal government claims	942,779	-	-
State of Illinois claims	1,036,506	-	-
Student tuition and fees, net of allowance \$286,387, \$0 and \$0, respectively	416,428	-	-
Other, net of allowance \$0, \$196 and \$58,000, respectively	297,413	916,532	41,154
Inventory	591,304	-	-
Prepaid expenses	527,863	-	-
Total current assets	156,111,605	7,247,975	4,029,000
Noncurrent Assets:			
Capital assets:			
Land	1,032,464	45,000	-
Construction and Equipment in process	21,177,078	-	-
Building, improvements and equipment, net of accumulated depreciation \$45,725,943, \$0 and \$1,476,585, respectively	105,965,730	-	1,194,370
Total capital assets, net of depreciation	128,175,272	45,000	1,194,370
Total noncurrent assets	128,175,272	45,000	1,194,370
Total assets	284,286,877	7,292,975	5,223,370
Deferred Outflows of Resources			
Deferred Outflows of SURS Pension expense	105,350	-	-
Deferred Outflows of OPEB expense	376,400	-	-
Total deferred outflows of resources	481,750	-	-
Liabilities			
Current Liabilities:			
Accounts payable	5,512,756	85,906	42,477
Accrued liabilities:			
Payroll	1,110,308	-	-
Early retirement	154,873	-	-
Accrued vacation	235,652	-	-
Other	1,191,119	-	-
Unearned revenues:			
Grants and restricted funds	112,319	-	-
Notes and bonds due in less than one year	4,850,000	-	-
Subscriptions due in less than one year	274,846	-	-
Other liabilities	205,464	-	-
Total current liabilities	13,647,337	85,906	42,477
Noncurrent Liabilities:			
Early retirement	956,069	-	-
Accrued vacation	706,955	-	-
Notes and bonds payable in more than one year	93,031,872	-	-
Subscription payable in more than one year	321,196	-	-
Net OPEB Liability	6,516,864	-	-
Total noncurrent liabilities	101,532,956	-	-
Total liabilities	115,180,293	85,906	42,477
Deferred Inflows of Resources			
Property Taxes	12,839,459	-	-
Grants and restricted funds	26,044	-	-
OPEB	12,234,910	-	-
Lease Revenue	94,708	-	-
Total deferred inflows of resources	25,195,121	-	-
Net Position/Net Assets (Deficit)			
Net Investment in capital assets	85,463,666	45,000	1,194,370
Restricted	-	6,440,114	3,579,862
Audit	280,806	-	-
Liability, Protection and Settlement	6,050,733	-	-
Working Cash	10,194,190	-	-
Bond & Interest	4,073,104	-	-
Operations & Maintenance, Restricted	3,659,839	-	-
Custodial	408,595	-	-
Grants & Scholarships	1,959,591	-	-
Unrestricted	32,302,689	721,955	406,661
Total net position/net assets	\$ 144,393,213	\$ 7,207,069	\$ 5,180,893

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, 2023

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 7,108,762	\$ -	\$ -
Sales, service and rental of facilities and equipment	1,498,231	-	-
Total operating revenues	8,606,993	-	-
Operating expenses:			
Instruction	11,344,933	-	-
Academic support	5,548,324	-	-
Student services	3,786,447	-	-
Public service	1,100,219	-	-
Auxiliary services	2,005,481	-	-
Institutional support	9,714,517	205,832	479,948
Scholarships, student grants and waivers	3,630,434	215,007	198,748
Operation of physical facilities	5,280,048	-	-
Loss on disposal of buildings and equipment	146,914	-	-
Depreciation and amortization	3,415,478	-	80,248
Total operating expenses	45,972,795	420,839	758,944
Operating (loss)	(37,365,802)	(420,839)	(758,944)
Non-operating revenues (expenses):			
Property taxes	25,322,952	-	-
Personal property replacement taxes	4,611,826	-	-
State government sources	12,405,981	-	-
Federal government sources	6,205,709	-	-
Investment earnings	4,318,491	187,335	375,143
Other sources	1,444,209	822,386	899,498
Interest expense	(2,319,330)	-	-
Total non-operating revenues (expenses)	51,989,838	1,009,721	1,274,641
Change in net position/net assets	14,624,036	588,882	515,697
Net position/net assets:			
Beginning	129,769,177	6,618,187	4,665,196
Ending	\$ 144,393,213	\$ 7,207,069	\$ 5,180,893

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2023

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,167,213
Payments to employees	(20,905,588)
Payments to suppliers	(16,362,639)
Sales, service, and rental of facilities and equipment	1,401,800
Net cash flows from operating activities	<u>(28,699,214)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	16,505,178
Personal property replacement taxes	4,611,826
Property taxes	25,251,873
Net cash flows from non-capital financing activities	<u>46,368,877</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(23,540,694)
Proceeds on debt	77,736,455
Debt issuance costs	(861,740)
Principal paid on debt	(7,467,790)
Interest paid on debt	(1,457,590)
Principal paid on subscription	(350,603)
Net cash flows from capital and related financing activities	<u>44,058,038</u>
Cash Flows from Investing Activities	
Interest received	<u>4,318,491</u>
Net cash flows from investing activities	<u>4,318,491</u>
Net increase (decrease) in cash	66,046,192
Cash and cash equivalents:	
Beginning	71,483,735
Ending	<u>\$ 137,529,927</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	\$ (37,365,802)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	3,415,478
Loss on disposal of equipment	146,914
Changes in assets and liabilities:	
(Increase) decrease in receivables	(11,550)
(Increase) decrease in inventory	83,820
(Increase) decrease in prepaid expenses	164,911
(Increase) decrease in deferred outflows	(14,518)
Increase (decrease) in accounts payable	3,717,871
Increase (decrease) in accrued expenditures	1,119,316
Increase (decrease) in other liabilities	70,776
Increase (decrease) in deferred inflows	(26,430)
Total adjustments	<u>8,666,588</u>
Net cash provided by (used in) operating activities	<u>\$ (28,699,214)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 7,599,663
OPEB CIP contribution paid by state	(3,206,695)
OPEB expense	(3,256,242)
Purchase of capital assets on account	(62,568)
Subscription proceeds	946,645
	<u>\$ 2,020,803</u>

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position
June 30, 2023**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,332,737
Liabilities	
Claims payable	1,180,317
Due to others	-
Total liabilities	<u>1,180,317</u>
Net Position, unrestricted	<u>\$ 152,420</u>

See Notes to Financial Statements.

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023**

Additions:	
Employer paid premiums	\$ 4,701,813
Grant paid premiums	392,581
Employee paid premiums	999,363
Investment earnings	43,459
Total additions	<u>\$ 6,137,216</u>
Deductions:	
Health and dental claims	5,900,132
Administrative	825,394
Total deductions	<u>\$ 6,725,526</u>
Change in net position	(588,310)
Net position:	
Beginning	740,730
Ending	<u>\$ 152,420</u>

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 fundraising organizations to supplement the resources that are available to the College in support of its programs. The 8 to 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, 2023, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$201,623 and \$197,952, 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 and 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 fiduciary activities (e.g. assets held on behalf of outside parties, including other governments). 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. This fiduciary fund is not considered a fiduciary component unit due to the College board overseeing the administration of VEBA assets and plan policies. A separate audit report is issued annually for the VEBA plan as of December 31 and is available in the Finance Department, 6600 34th Avenue, Moline, IL 61265.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College two items that qualify for reporting in this category. The College reports deferred outflows of resources related to pension and OPEB for its proportionate shares of collective deferred outflows of resources related to pension and OPEB and College contributions to pension and OPEB plans subsequent to the measurement date of the collective net pension and net OPEB liability (asset).

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. The College has four items that qualify for reporting in this category. The College report unavailable revenues from property taxes and grants that will be available in a future period. The College also reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to OPEB.

Lease-related amounts are recognized at the inception of leases in which the College is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner of the term of the lease.

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 2022 levy. Property tax revenue recorded on the financial statements relates to the 2021 and 2022 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 2022 or 2023, 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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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, 2023.

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 the purpose of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Universities Retirement System (SURS) and additions/deductions to/from SURS fiduciary 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 financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. This situation exists when a nonemployer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (Black Hawk College) and the nonemployer (the State) is the only entity with

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

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

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.

Subscription Based Information Technology Arrangements: The College is a party to multiple noncancelable subscription-based information technology arrangements (SBITAs). If the contract provides the College the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the College's incremental borrowing rate.

For all underlying classes of assets, the College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

For SBITAs whose current year annual payment is less than \$35,000, the College has elected to recognize the payments as an expense in the period incurred.

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

Notes to Financial Statements

Note 2. Cash and Investments

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

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

At June 30, 2023, the College’s cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 137,518,560
Petty cash	<u>11,363</u>
Total cash and cash equivalents	\$137,529,923
Fiduciary funds	<u>1,332,736</u>
Total cash and cash equivalents	\$138,862,659
Less: Petty cash	<u>(11,363)</u>
Total carrying amount of deposits	<u>\$138,851,296</u>

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

Notes to Financial Statements

Note 2. Cash and Investments (continued)

As of June 30, 2023, the carrying amount of the College's deposits totaled \$138,851,296 with a bank balance of \$139,055,159. Of the \$139,055,159 bank balance, \$139,055,159 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. As of June 30, 2023, \$0 was exposed to custodial credit risk. The College has no foreign currency risk for deposits at year end.

As of June 30, 2023, 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, 2023, the College did not hold any investments.

Credit Risk:

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

Concentration of Credit Risk:

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

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2023, 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, 2023, the \$1 million had still not been received by the College from DCEO. While the funding was included in the State of Illinois fiscal year 2023 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.

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

Notes to Financial Statements

Note 4. Liability, Protection, & Settlement Fund Expenditures

The College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2023:

Security	\$1,024,218
Risk management & loss prevention	974,558
Insurance	694,651
Legal services	61,001
Security related salaries & benefits	<u>512,428</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$3,266,856</u>

Note 5. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions and Transfers	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 1,032,464	\$ -	\$ -	\$ 1,032,464
Construction in process	4,619,115	22,965,566	(6,407,603)	21,177,078
Total capital assets not being depreciated	5,651,579	22,965,566	(6,407,603)	22,209,542
Capital assets being depreciated:				
Buildings and improvements	120,941,428	-	6,407,603	127,349,031
Land improvements	10,910,932	-	-	10,910,932
Equipment	12,315,597	512,560	(342,792)	12,485,365
Total capital assets being depreciated	144,167,957	512,560	6,064,811	150,745,328
Less accumulated depreciation for:				
Buildings and improvements	31,437,933	2,246,313	-	33,684,246
Land improvements	2,510,247	214,137	-	2,724,384
Equipment	8,558,463	778,232	(195,878)	9,140,817
Total accumulated depreciation	42,506,643	3,238,682	(195,878)	45,549,447
Total capital assets being depreciated, net	101,661,314	(2,726,122)	(146,914)	105,195,881
Subscription-based information technology arrangement assets being amortized				
Subscription-based information technology arrangement assets	-	946,645	-	946,645
Less accumulated amortization for				
Subscription-based information technology arrangement assets	-	176,796	-	176,796
Subscription-based information technology arrangement assets being amortized, net	-	769,849	-	769,849
Total capital assets, net	<u>\$ 107,312,893</u>	<u>\$ 27,416,896</u>	<u>(6,554,517)</u>	<u>\$ 128,175,272</u>

**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 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 CCHISF's financial statements of the Department may be obtained by accessing the website www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

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 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 Appropriation 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.

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, 2022. At June 30, 2022, CIP reported a net OPEB liability of \$684,560,152.

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 \$6,516,864 or 0.9520%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0125%. The proportionate share of the State's net OPEB liability associated with the College is \$6,516,864. The total proportionate share of the net OPEB liability associated with the

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

College is \$13,033,728. The net OPEB liability and total OPEB liability as of June 30, 2021, was determined based on the June 30, 2021, 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 2022.

OPEB Expense:

At June 30, 2022, CIP reported a collective net OPEB income of \$(287,349,940).

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 2022. As a result, the College recognized OPEB income of \$3,256,242 for its proportionate share of OPEB expense for the fiscal year ended June 30, 2023. In addition, the College recognized an additional \$(3,206,695) as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 51,482	\$ 2,714,476
Changes in assumption	-	8,784,530
Net difference between projected and actual earnings on OPEB plan investments	-	337
Changes in proportion and differences between employer contributions and share of contributions	232,251	735,567
Total deferred amounts to be recognized in pension expense in future periods	283,733	12,234,910
OPEB contributions made subsequent to the measurement date	92,667	-
Total	\$ 376,400	\$ 12,234,910

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (1,991,863)
2025	(1,991,863)
2026	(1,991,863)
2027	(1,991,863)
2028	(1,991,863)
2029	(1,991,863)
Total	\$ (11,951,177)

Employer Deferral of Fiscal Year 2023 OPEB Expense

The College paid \$92,667 CIP contributions for the fiscal year ended June 30, 2023. These contributions were made subsequent to the OPEB liability date of June 30, 2022, and are recognized as Deferred Outflows of Resources as of June 30, 2023. This amount will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2024.

Assumptions and Other Inputs

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation for all plan years
Healthcare cost trend rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trends rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table. For disabled annuitants mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

Discount Rate: Projected benefit payments were discounted to their actuarial present values 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 bonds 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 fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported by Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The increase in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to decrease by approximately \$119.2 million from 2021 to 2022.

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.

Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate: The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.69%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.69%) or lower (2.69%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Single Discount Rate Assumption			
	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	2.69%	3.69%	4.69%
Net OPEB liability	\$ 7,133,869	\$ 6,516,864	\$ 5,989,237

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total 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 2024 decreasing to an ultimate trend rate of 4.25% in 2039.

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$ 5,823,816	\$ 6,516,864	\$ 7,363,709

Current healthcare trend rates – Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024,

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

- (a) decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2033 decreasing ratably to an ultimate rate of 4.25% in 2039.
- (b) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2033 decreasing ratably to an ultimate rate of 3.25% in 2039.
- (c) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2033 decreasing ratably to an ultimate rate of 5.25% in 2039.

Note 7. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description: The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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's financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) 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.

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan 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 began participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022, can be found in the Financial Section of SURS ACFR.

Contributions: The State is primarily responsible for funding SURS 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 within SURS 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 2022 and 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

Notes to Financial Statements

Note 7. Defined Benefit Pension Plan (Continued)

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), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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

Net Pension Liability:

The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, SURS defined benefit plan reported a NPL of \$29,078,053,857.

Employer Proportionate Share of Net Pension Liability:

The amount of the proportionate share of the NPL to be recognized for the College is \$0. The proportionate share of the State’s NPL associated with the College is \$111,404,712 or 0.3831%. The College’s proportionate share changed by (0.0177%) from 0.4008% since the last measurement date on June 30, 2021. This amount is not recognized in the College’s financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, 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 defined benefit plan during fiscal year 2021.

Defined Benefit Pension Expense:

For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699.

Employer Proportionate Share of Defined Benefit Pension Expense:

The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) 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 defined benefit plan during fiscal year 2021. As a result, the College recognized revenue and defined benefit pension expense of \$7,292,036 from this special funding situation during the year ended June 30, 2023.

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

Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS 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	\$ 31,973,496	\$ 28,674,599
Changes in assumption	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	\$ 342,964,872	\$ 1,011,628,867

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

Notes to Financial Statements

Note 7. Defined Benefit 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 (Inflows) of Resources
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
2027	-
Thereafter	-
Total	\$ (668,663,995)

College Deferral of Fiscal Year 2023 Contributions:

The College paid \$105,350 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023. This amount will be recognized as a reduction of the pension liability in the reporting year ended June 30, 2024.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.00 to 12.75 percent, including inflation
Investment rate of return	6.50 percent

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants. The long-term expected rate of return on defined benefit 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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

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

Notes to Financial Statements

Note 7. Defined Benefit Pension Plan (Continued)

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	38.0%	7.62%
Stabilized Growth		
Public Credit Fixed Income	9.0	4.20
Credit Real Assets	4.5	4.98
Options Strategies	2.5	4.91
Private Credit	1.0	7.45
Non-Traditional Growth		
Private Equity	10.5	11.91
Non-Core Real Assets	2.5	9.43
Inflation Sensitive		
U.S. TIPS	5.0	1.23
Principal Protection		
Core Fixed Income	8.0	1.79
Crisis Risk Offset		
Systematic Trend Following	10.0	4.33
Alternative Risk Premia	5.0	3.59
Long Duration	4.0	2.16
Total	100.0%	6.08%
Inflation		2.25
Expected arithmetic return		8.33%

Discount Rate: A single discount rate of 6.39% 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 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). 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 SURS 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
\$ 35,261,802,968	\$ 29,078,053,857	\$ 23,928,731,076

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in SURS Annual Comprehensive Financial Report by accessing the website at www.surs.org.

Notes to Financial Statements

Note 8. Defined Contribution Pension Plan

Plan Description: The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation where by the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. 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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided: A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448, effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

Contributions: All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Forfeitures: Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense: For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense: The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 0.3427%. As a result, the College recognized revenue and defined contribution pension expense of \$307,627 from this special funding situation during the year ended June 30, 2023, of which \$30,390 constituted forfeitures.

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

Notes to Financial Statements

Note 9. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Bonds Payable	\$ 27,185,000	\$ 67,735,000	\$(6,805,000)	\$ 88,115,000	\$ 4,850,000
Unamortized premium	428,207	10,001,455	(662,790)	9,766,872	1,433,998
SBITAs	-	946,645	(350,603)	596,042	274,846
Accrued vacation	934,414	942,608	(934,414)	942,608	235,652
Early retirement	1,224,966	154,873	(268,897)	1,110,942	154,873
OPEB	16,305,315	283,733	(10,072,184)	6,516,864	-
Total	\$ 46,077,902	\$ 80,064,314	\$(19,093,888)	\$107,048,328	\$ 6,949,369

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. During fiscal year 2023, the Series 2013A bonds were partially defeased by the Series 2023 General Obligation Community College Bonds and were called on February 27, 2023.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2023, are as follows:

Year Ending June 30:	Principal	Interest	Total
2024	-	372,240	372,240
2025	1,190,000	352,308	1,538,986
2026	1,225,000	311,688	1,533,240
2027	1,270,000	271,950	1,538,775
2028	1,300,000	233,400	1,530,150
2029-2033	7,130,000	547,350	7,690,545
Total	\$ 12,115,000	\$ 2,088,936	\$ 14,203,936

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

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

Notes to Financial Statements

Note 9. Long-Term Liabilities (Continued)

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 as of June 30, 2023, are as follows:

Year Ending June 30:	Principal	Interest	Total
2024	4,850,000	292,000	5,142,000
2025	3,415,000	85,375	3,500,375
Total	\$ 8,265,000	\$ 377,375	\$ 8,642,375

General Obligation Community College Bonds, Series 2023: On February 22, 2023, the College issued \$67,735,000 in tax exempt General Obligation Bonds, Series 2023, to refund \$75.0 million of short-term debt certificates issued and received by the College on November 10, 2022. The purpose of issuing these debt certificates was to use the proceeds for the renovation of existing buildings, site and street improvements, vehicle updates and technology upgrades across the District and partially current refund \$1,150,000 of Series 2013A General Obligation Bonds. The College partially refunded the Series 2013A bonds to extend the debt service period from one year to two years resulting in an increase of debt service of \$34,140 and economic loss of \$3,539. Principal and interest payments on the General Obligation Bonds are to be paid annually on December 1 with the final payment on December 1, 2034. Interest only payments are due June 1 of each year beginning June 1, 2024. The coupon 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 as of June 30, 2023, are as follows:

Year Ending June 30:	Principal	Interest	Total
2024	-	4,166,636	4,166,636
2025	1,280,000	3,242,350	4,522,350
2026	5,105,000	3,114,650	8,219,650
2027	5,495,000	2,902,650	8,397,650
2028	5,960,000	2,643,750	8,603,750
2029-2033	37,980,000	8,019,250	45,999,250
2034-2035	11,915,000	341,125	12,256,125
Total	\$ 67,735,000	\$ 24,430,411	\$ 92,165,411

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$4,718,181,083 less outstanding debt. As of June 30, 2023, the College had \$37,169,792 remaining legal debt margin.

SBITA – Canvas Learning Management System: Open subscription agreement with Instructure regarding the Canvas Learning Management System in effect from February 2022 to January 2027. The annual installments are scheduled to pay a total contract amount of \$398,296 over five years. Interest of 1.05% is included in this SBITA calculation. The remaining annual debt service requirement is as follows:

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

Notes to Financial Statements

Note 9. Long-Term Liabilities (Continued)

Year Ending June 30:	Principal	Interest	Total
2024	47,054	21,480	68,534
2025	53,337	15,196	68,533
2026	60,460	8,073	68,533
Total	160,851	44,749	205,600

SBITA – Anthology: Open subscription agreement with Anthology in effect from September 2022 to August 2027. The annual installments are scheduled to pay a total contract amount of \$335,788 over five years. Interest of 1.05% is included in this SBITA calculation. The remaining annual debt service requirement is as follows:

Year Ending June 30:	Principal	Interest	Total
2024	39,916	26,570	66,486
2025	45,911	21,240	67,151
2026	52,713	15,109	67,822
2027	60,431	8,070	68,501
Total	198,971	70,989	269,960

SBITA – Lumens: Open subscription agreement with Augusoft regarding Lumens in effect from August 2020 to July 2025. The annual installments are scheduled to pay a total contract amount of \$332,422 over five years. Interest of 1.05% is included in this SBITA calculation. The annual debt service requirement is as follows:

Year Ending June 30:	Principal	Interest	Total
2024	42,649	12,151	54,800
2025	48,344	6,456	54,800
Total	90,993	18,607	109,600

SBITA – CrowdStrike: Open subscription agreement with CDW-G regarding CrowdStrike in effect from February 2022 to January 2025. The annual installments are scheduled to pay a total contract amount of \$462,062 over three years. Interest of 1.05% is included in this SBITA calculation. The annual debt service requirement is as follows:

Year Ending June 30:	Principal	Interest	Total
2024	145,227	19,393	164,620
Total	145,227	19,393	164,620

Note 10. 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).

Notes to Financial Statements

Note 10. Early Retirement and Voluntary Separation Plans (Continued)

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.

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, 2023.

Actuarial Cost Method

Costs are determined using Projected Unit Credit Actuarial Cost Method

Asset Valuation Method

Market Value

Discount Rate

3.50%

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

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

Notes to Financial Statements

Note 10. Early Retirement and Voluntary Separation Plans (Continued)

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

Health Care Trend Rate

Year	Medical/Rx	Dental	Vision
2023	6.5%	4.0%	3.0%
2024	6.0%	4.0%	3.0%
2025	5.5%	4.0%	3.0%
2026	5.0%	4.0%	3.0%
2027	4.5%	4.0%	3.0%
2028+	4.0%	4.0%	3.0%

Medical/Rx Costs

The following chart shows the monthly contribution rates for the 2022-2023 Plan Year

Coverage	Retiree	Spouse
Medical/Rx Under 65	\$ 924.61	\$ 1,262.09
Medical/Rx Over 65	\$ 443.68	\$ 652.15

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

Plan	Retiree Contribution %	Spouse Contribution %
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 2022-2023 Plan Year

Coverage	Retiree	Spouse
Dental	\$ 39.08	\$ 59.86
Vision	\$ 7.39	\$ 11.14

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

Notes to Financial Statements

Note 10. Early Retirement and Voluntary Separation Plans (Continued)

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 Early Retirement and Voluntary Separation liability of the College, separately for Medical/Rx, Dental, and Vision coverage:

	Medical/Rx	Dental	Vision	Total
Number of Retirees Covered	19	19	17	19
Number of Spouses Covered	16	15	13	16
Total Liability	\$1,016,380	\$ 83,797	\$ 10,766	\$1,110,942
Expected Payments Next Twelve Months	\$ 140,142	\$ 12,456	\$ 2,275	\$ 154,873

The recorded liability for these plans is \$1,110,942 as of June 30, 2023.

Note 11. 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 reinsurer is maintained for claims in excess of the specific and aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

The College establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. At June 30, 2023, the amount of these liabilities was \$1,180,317. 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>
FY2021	\$ 450,000	\$ 5,341,340	\$ 5,186,340	\$ 605,000
FY2022	\$ 605,000	\$ 6,949,803	\$ 6,954,803	\$ 600,000
FY2023	\$ 600,000	\$ 7,219,705	\$ 6,639,388	\$ 1,180,317

Note 12. Deferred Inflows of Resources

The \$26,044 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.

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

Notes to Financial Statements

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, 2023, the College had 11 active construction contracts. The remaining commitment on these contracts as of June 30, 2023, was approximately \$31,970,000.

Note 14. Tax Abatements

Tax abatements are defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual entity in which (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 2022 tax year due to TIF agreements in place equals \$1,306,737 as of June 30, 2023.

Note 15. Component Unit Footnotes

Black Hawk College Foundation Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies:

Nature of Entity

Black Hawk College Foundation (the Foundation) was founded under this name on November 19, 1982 as a non profit, Illinois corporation. The Foundation has been organized to operate exclusively for educational purposes to assist in developing and augmenting the facilities and carrying out the educational functions of Black Hawk College. In order to achieve such purposes, the Foundation raises funds by campaign and/or encourages the making of loans, gifts, grants, devises or bequests of money, donation of property for research and instruction, and the establishment of endowments and scholarships for buildings, equipment and all other facilities of the College.

The Foundation has a Trustee from Black Hawk College serving as Foundation board member.

The Foundation acts in a fiduciary capacity in order to carry out the foregoing purposes by adhering to any restrictions imposed by the donor or transferor as well as managing, administering, investing and disposing of all funds received. Policies for such actions have been established by the Board and must be abided by for the direction of these actions.

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Basis of Accounting

The Foundation follows the accrual basis of accounting, recognizing revenue when earned and recording expenses when the liability is incurred.

Pledges of cash which are only in the form of letters of intent are recognized as revenues or gains in the period the intent was received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, cash receipts and disbursements. Receipts are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board designated endowment.

Net assets with donor restrictions are net assets subject to donor or certain grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long lived assets placed in service, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Inclusion in College Financial Statements

Black Hawk College has included the Foundation as a component unit in its financial statements in accordance with the provisions of the accounting standard, *Determining Whether Certain Organizations are Component Units*.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Foundation defines cash accounts which are not subject to withdrawal restrictions or penalties with an original maturity of three months or less as cash and cash equivalents.

Investments

The Foundation carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pledges Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. As of June 30, 2023 there were promises to give to the Foundation of \$678,500 (see Note 6).

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Nonfinancial Assets

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized in the financial statements, if the services (a) create or enhance a non financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. For the year ending June 30, 2023 the Foundation received contributed nonfinancial assets of equipment and miscellaneous items valued at \$8,572 and contributed services, software, and supplies from a related party of \$151,565. These amounts are included in the financial statements as contributed nonfinancial asset revenues and expenses.

The Foundation also receives donated services generally in the form of contributed time by volunteers. However, these donated services are not reflected in the consolidated financial statements since they do not meet the criteria for recognition as contributed services.

Functional Expenses Allocation Method

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy and management and general costs excluding administrative salaries are allocated to programs and fundraising based on revenues generated by those functions.

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Pending Accounting Pronouncements

In June 2016, the FASB issued ASU 2016 13, Financial Instruments Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for periods beginning December 15, 2022. Management is currently evaluating the impact of adoption of this ASU on the financial statements and the related notes to the financial statements.

Note 2 Investments:

Investments are presented in the financial statements in the aggregate at fair value. Gains and losses on the sale of or redemption at maturity of investments are shown net for each fund.

Investments are composed of the following as of June 30, 2023:

	Cost	Fair Value
Exchange-traded & closed-ended funds	\$559,354	\$631,036
Mutual funds	5,455,937	5,188,227
Total investments	6,015,291	5,819,263
Money market funds (cash equivalents)	59,841	59,841
Total investments and money markets	\$6,075,132	\$5,879,104

The following tabulation summarizes the relationship between carrying value and fair value of investment assets.

	Cost	Fair Value	Excess of Fair Value Over (Under) Cost
Balance at end of year	\$6,015,291	\$5,819,263	\$(196,028)
Balance at beginning of year	5,846,877	5,562,551	(284,326)
Decrease in unrealized appreciation			88,298
Realized net income (loss) for the year			(41,068)
Total net gain for the year			\$ 47,230

Note 3 Fair Value Measurement:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 3 Fair Value Measurement: (continued)

value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include; quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Certificates of deposits, mutual funds, bonds and notes and equities: Valued at the cost basis of shares held by the Plan at year end.

Beneficial interest in perpetual trust: Valued at the net asset value of the trust assets by the percentage of ownership in the trust assets.

Beneficial interest in charitable trust: Valued at the discounted principal and earnings of the percentage of the ownership in the trust assets.

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis at June 30, 2023:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments:				
Exchange-traded & closed ended	\$631,036	\$631,036	\$-	\$-
Mutual funds	5,188,227	5,188,227	-	-
Beneficial interest in:				
Perpetual trust	88,557	-	-	88,557
Charitable trust	140,151	-	-	140,151
Total	\$6,047,971	\$5,819,263	\$-	\$228,708

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 3 Fair Value Measurement: (continued)

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Changes in assets measured on a recurring basis using significant unobservable inputs (Level 3 inputs) for the year ending June 30, 2023:

	Beneficial Interest in Perpetual Trust	Beneficial Interest in Charitable Trust
June 30, 2022	\$ 83,316	\$ 127,662
Change in value	10,537	12,489
Fees	(1,085)	-
Distributions	(4,211)	-
June 30, 2023	\$ 88,557	\$ 140,151

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Nonrecurring Fair Value Measurements

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

As of June 30, 2023

Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trust	\$ 88,557	Market approach	Fair value of assets contributed to trust	N/A
Beneficial interest in charitable trust	\$140,151	Present value of future cash flows	Fair value of assets contributed to trust	N/A
Total	\$228,708			

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 3 Fair Value Measurement: (continued)

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a nonrecurring basis at June 30, 2023:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Contributed nonfinancial assets:				
Services, software, and supplies	\$151,565	\$-	\$-	\$151,565
Supplies and misc giveaway items	8,572	-	-	8,572
Total	\$160,137	\$-	\$-	\$160,137

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Nonrecurring Fair Value Measurements

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

As of June 30, 2023

Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Contributed services, software, and supplies	\$151,565	Market approach	Fair value of assets contributed to trust	N/A
Contributed supplies and misc giveaway items	\$8,572	Market approach	Fair value of assets contributed to trust	N/A
Total	\$160,137			

Note 4 Endowment Funds:

The Foundation's endowment consists of approximately 64 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment income generated by the Foundation's endowment funds are used for the benefit of the Foundation.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 4 Endowment Funds: (continued)

The endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$ -	\$6,440,114	\$6,440,114
Board-designated endowment funds	409,491	-	409,491
Total	\$409,491	\$6,440,114	\$6,849,605

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assts, beginning of year	\$394,014	\$5,905,061	\$6,299,075
Donations	-	496,386	496,386
Special events	-	41,723	41,723
Contributed nonfinancial assets	-	8,572	8,572
Change in value of beneficial interest	-	19,326	19,326
Investment income	16,609	190,193	206,802
Internal Scholarship Program admin fee	(4,827)	(50,154)	(54,981)
Net unrealized and realized gain(loss) on investments	3,695	42,252	45,947
Amounts released from restrictions	-	(213,245)	(213,245)
Total	\$409,491	\$6,440,114	\$6,849,605

Note 5 Beneficial Interest in Trusts:

The Foundation established the Black Hawk College Foundation Community Endowment Challenge Fund with The Moline Foundation in 2017 for the benefit of the Foundation. The fund agreement allows the use of the fund's principal and income in accordance with The Moline Foundation's spending policy for endowed funds for supporting of Black Hawk College Foundation. The fund is held and invested by The Moline Foundation, which were contributed by the Foundation, and is reported at fair value as beneficial interest in perpetual trust in the statement of financial position in the amount of \$ 88,557 as of June 30, 2023. Distributions and changes in fair value are recognized in the statement of activities and changes in net assets.

The Foundation is the beneficiary of a charitable remainder trust that was created independently by donors and are administered by outside agents designated by the donors. Therefore, the Foundation has neither possession nor control over the assets of the trust. At the date the Foundation received notice of a beneficial interest, a contribution with donor restrictions was recorded in the statements of activities and changes in net assets, and a beneficial interest in charitable trusts held by others was recorded in the statements of financial position at fair value using present value techniques. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position in the

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 5 Beneficial Interest in Trusts: (continued)

amount of \$140,151 as of June 30, 2023.

Changes in fair value are recognized in the statements of activities and changes in net assets. Upon receipt of trust distributions, in satisfaction of the donor restricted purpose, net assets with donor imposed time or purpose restrictions are released to net assets without donor restrictions.

Note 6 Pledge Receivable:

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue of the appropriate net asset category. An allowance has been set up in the amount of \$0 for uncollectible pledges. The breakdown of pledges receivable as of June 30, 2023 is as follows:

Due in one year or less	\$ 2,500
Due beyond one year	1,000,000
Less unamortized discount	(324,000)
<u>Less allowance for uncollectible pledges</u>	<u>0</u>
<u>Donation receivables</u>	<u>\$678,500</u>

Note 7 Income Taxes:

The Foundation qualifies for tax exempt status under Section 501(c)(3) of the Internal Revenue Code as a charitable group not organized for profit. Accordingly, no provision for income taxes is included in the consolidated financial statements. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation on unrelated business income.

The Foundation accounts for income taxes in accordance with Financial Accounting Standards Board *Accounting for Uncertainty Income Taxes*. The standard provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Foundation recorded no liabilities for uncertain tax positions or unrecognized tax benefits.

Note 8 Related Parties:

The Foundation expends funds either directly to or for the indirect benefit of Black Hawk College, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year, \$137,613 was expended for scholarships, \$5,423 expended for student emergency fund grants, and \$58,587 was expended for grants. As of June 30, 2023, the Foundation had payables to the College in the amount of \$85,906.

The College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not for Profit Entities: Services Received from Employees of an Affiliate" that includes \$151,565 on the financial statements as contributed nonfinancial assets revenue and expense for the personnel costs incurred by the College on the Foundation's behalf.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 9 Ground Lease:

The Foundation has a ground lease with The Villas at Black Hawk LLC with the initial term running through December 31, 2053, with two additional 10 year options for a cumulative possible extension of 20 years. This lease states basic rent shall be paid in the form of a housing scholarship credit, to be divided and allocated at Black Hawk College Foundation's discretion, equal to the value of the annual rental cost of two bedrooms in a four bedroom unit. The housing scholarship credits shall be given by The Villas at Black Hawk LLC to Black Hawk College students each lease year. The outstanding balance of basic rent due in housing scholarship credits from The Villas at Black Hawk LLC equals \$12,444 on June 30, 2023. During fiscal year 2023, \$14,554 in housing scholarship credits were received by Black Hawk College students and an additional housing scholarship credit balance due from The Villas at Black Hawk LLC for the upcoming fiscal year will be in the amount of \$12,444.

The property taxes related to the property that The Villas at Black Hawk LLC occupies is due annually to Rock Island County from Black Hawk College Foundation. The ground lease with The Villas at Black Hawk LLC states that the Villas will be responsible for paying the property taxes annually.

Note 10 Net Assets with Donor Restrictions:

Net assets with donor restrictions are available as of June 30, 2023 for the following purposes:

Scholarship	\$ 5,637,347
Library	19,337
Grants to College	466,014
Student Emergency Fund	17,208
Specific programs	58,153
Scholarships or grants	83,841
Other	158,214
<hr/>	
Total	\$6,440,114

Note 11 Net Assets Released:

The Foundation reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2023 as follows:

Scholarship	\$ 136,613
Student emergency grants	5,423
Grants	54,241
Fundraising and special events	8,396
Miscellaneous	8,572
<hr/>	
Total	\$ 213,245

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 12 Commitments:

As of June 30, 2023, the Foundation has not committed to paying any scholarships awarded for Fall 2023.

Note 13 Subsequent Events:

The Foundation has evaluated subsequent events through November 15, 2023, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

Note 14 Liquidity

The Foundation strives to maintain liquid financial assets to meet the short term needs of the Foundation. Financial assets in excess of daily cash requirements are invested to earn more revenue. Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the consolidated statement of financial position date, comprise the following as of June 30, 2023: (see next page)

Financial assets available within one year and free of donor restrictions:

Cash and cash equivalents:	
Cash	\$ 70,688
Cash equivalents	1,900
Board-designated endowment	200,000
Board-designated earnings	209,492
Investments	164,737
	646,817

Financial Assets with liquidity restrictions greater than one year:

Beneficial interest in perpetual trust (Moline Foundation)	40,245
--	--------

Financial assets available for expenditure, subject to restrictions:

Cash and cash equivalents:	
Cash	343,476
Cash equivalents	4,922
Assets-in kind	50
Receivables	2,500
Investments	481,298
Beneficial interest in perpetual trust (Moline Foundation)	48,312
Beneficial interest in charitable trust (Saffield)	140,151
	1,020,709

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 14 Liquidity (continued)

Financial assets held as board-designated term endowment (quasi-endowments)	129,185
Financial assets subject to donor-imposed endowment restrictions:	
Cash and cash equivalents:	
Cash	38,175
Cash equivalents	53,019
Investments	4,634,552
	4,725,745
Non-cash assets:	
Land	45,000
Scholarship receivable from Villas	9,274
Endowed pledge receivable (only enforceable if funds are available when donor passes away)	676,000
	730,274
Total financial assets	\$7,292,975

Note 15 Contributed Nonfinancial Assets

Contributed services, software, and supplies	\$ 151,565
Supplies and misc giveaway items	8,572
Total	\$ 160,137

The Foundation recognizes contributed nonfinancial assets within revenues, including contributed advertising and services. Unless otherwise noted, contributed nonfinancial assets did not have donor imposed restrictions.

Contributed fundraising giveaways were used to raise funds during events as raffle or other giveaway items. Contributed fundraising giveaways is valued and reported at the estimated fair value in the financial statements based on current rates for similar items.

Contributed services recognized comprise of salaries and benefits for administrative personnel handling the operations of the Foundation, professional accounting services performed by the College employees, software, and supplies.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Black Hawk East College Foundation Notes to Financial Statements

Note 1 Nature of Entity and Summary of Significant Accounting Policies:

Black Hawk East College Foundation (the Foundation) was founded under this name on February 23, 1968 as a non profit, Illinois corporation. The Foundation has been organized to operate exclusively for educational purposes to assist in developing and augmenting the facilities and carrying out the educational functions of Black Hawk East College campus located in Galva, Illinois, five miles south of Kewanee, Illinois. In order to achieve such purposes, the Foundation raises funds by campaign and/or encourages the making of loans, gifts, grants, devises or bequests of money, donation of property for research and instruction, and the establishment of endowments, scholarships, and academic chairs for buildings, equipment and all other facilities of the College.

The Foundation acts in a fiduciary capacity in order to carry out the foregoing purposes by adhering to any restrictions imposed by the donor or transferor as well as managing, administering, investing and disposing of all funds received. Policies for such actions have been established by the Board and must be abided by for the direction of these actions.

There is a separate Foundation whose purpose is to provide for the Black Hawk College Quad Cities Campus. The two Foundations do not share any Board members, but each may share members with the Board of Trustees of Black Hawk College.

In December 2011, the Foundation created the Prairie Pointe Apartments LLC. The Prairie Pointe Apartments LLC was created to finance, construct and manage a student housing facility for Black Hawk College.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Black Hawk East College Foundation and the Prairie Pointe Apartments LLC. The Foundation is the sole member of the LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The Foundation follows the accrual basis of accounting, recognizing revenue when earned and recording expenses when the liability is incurred.

Pledges of cash which are only in the form of letters of intent are recognized as revenues or gains in the period the intent was received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, cash receipts and disbursements. Receipts are allocated

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Fund Accounting (continued)

and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board designated endowment.

Net assets with donor restrictions are net assets subject to donor or certain grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long lived assets placed in service, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Inclusion in College Financial Statements

Black Hawk College has included the Foundation as a component unit in its financial statements in accordance with the provisions of the accounting standard, *Determining Whether Certain Organizations are Component Units*.

Cash and Cash Equivalents

For purposes of reporting the consolidated statement of cash flows, the Foundation defines cash accounts which are not subject to withdrawal restrictions or penalties with an original maturity of three months or less as cash and cash equivalents.

Promises To Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. As of June 30, 2023 there were promises to give to the Foundation of \$22,869 (see Note 5). ■

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Investments

The Foundation carries investments in marketable securities with readily determined fair values in the consolidated statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities and changes in net assets.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Capital Assets

Capital assets are acquired through purchase, donation, or bequest to the Foundation. Expenditures for the acquisition of property and equipment are recorded at cost and property which is donated is recorded at the fair value of the property. Fixed assets are capitalized when purchased or received as a donation. Depreciation is calculated using the straight-line method applied to historical cost or fair market value at date of donation, whichever is applicable.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Nonfinancial Assets

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Contributed Nonfinancial Assets (continued)

Contributed services are recognized in the financial statements, if the services (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. For the year ending June 30, 2023, the Foundation received contributed nonfinancial assets of equipment and miscellaneous items valued at \$79,599 and contributed services from a related party of \$144,858. These amounts are included in the financial statements as contributed nonfinancial assets.

The Foundation also receives donated services generally in the form of contributed time by volunteers. However, these donated services are not reflected in the consolidated financial statements since they do not meet the criteria for recognition as contributed services.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pending Accounting Pronouncements

In June 2016, the FASB issued ASU 2016 13, Financial Instruments Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for periods beginning December 15, 2022. Management is currently evaluating the impact of adoption of this ASU on the financial statements and the related notes to the financial statements.

Note 2 Investments:

Investments are presented in the consolidated financial statements in the aggregate at fair value.

Investments are composed of the following as of June 30, 2023:

	Cost	Fair Value
Certificates of deposit	\$324,596	\$324,596
Fixed income	10,000	9,923
Mutual funds	1,220,076	1,806,100
Stock	482,513	629,918
Annuity	221,753	221,753
Total investments measured at fair value	\$2,258,938	\$2,992,290

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 2 Investments: (continued)

The following tabulation summarizes the relationship between carrying value and fair value of investment assets.

	Cost	Fair Value	Excess of Fair Value Over (Under) Cost
Balance at end of year	\$2,258,938	\$2,992,290	\$733,352
Balance at beginning of year	2,022,331	2,491,218	<u>468,887</u>
Change in unrealized appreciation			264,465
Realized net gain (loss) for the year			<u>(822)</u>
Total net gain (loss) for the year			<u>\$263,643</u>

Note 3 Fair Value:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include; quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 3 Fair Value: (continued)

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis at June 30, 2023:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificates of deposit	\$324,596	\$ -	\$324,596	\$ -
Fixed income	9,923	-	9,923	-
Mutual funds	1,806,100	1,806,100	-	-
Stocks	629,918	629,918	-	-
Annuity	221,753	-	221,753	-
Total	\$2,992,290	\$2,436,018	\$556,272	\$ -

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the year ended June 30, 2023.

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a nonrecurring basis at June 30, 2023:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a nonrecurring basis:				
Contributed nonfinancial assets:				
Services, software, and supplies	\$144,858	\$ -	\$ -	\$144,858
Supplies and misc giveaway items	17,099	-	-	17,099
Horses	62,500	-	-	62,500
Total	\$224,457	\$ -	\$ -	\$224,457

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 3 Fair Value: (continued)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Nonrecurring Fair Value Measurements

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Contributed services, software, and supplies	\$144,858	Market approach	Fair value of assets contributed to trust	N/A
Contributed supplies and misc giveaway items	17,099	Market approach	Fair value of assets contributed to trust	N/A
Contributed horses	62,500	Market approach	Fair value of horses contributed to Foundation	N/A
Total	\$224,457			

Note 4 Endowment Funds:

The Foundation's endowment consists of approximately 67 individual funds for a variety of purposes. Its endowment includes both donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Return Objectives, Risk Parameters and Strategies. The Foundation's funds are invested in a long term asset allocation arrangement depending on the fund, with 45 – 60% in equities, 10% in liquid assets, 0 – 20% in real estate, and 10 – 45% in fixed income. This allocation provides for long term total return more than the fund's spending rate. Since the 4% of market value amount is based on the market value over the prior five years, the calculation helps to iron out fluctuations in the market and ensure that a fair and reasonable distribution takes place based on a broadened time horizon while insuring the longevity of the fund through long term market growth.

Spending Policy. Under the investment policy agreement, 4% of market value of the scholarship funds of 5 year rolling average adjusted for consumer price index will be used for scholarship awards. This percentage can be adjusted by majority vote of the Board from time to time.

Investment income generated by the Foundation's endowment funds are used for the benefit of the Foundation.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 4 Endowment Funds: (continued)

The endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Net Assets With Donor Restrictions
Donor-restricted endowment funds	\$ 3,531,709

Changes in endowment net assets as of June 30, 2023 are as follows:

	Net Assets With Donor Restrictions
Endowment net assets, beginning of year	\$3,132,953
Contributions and fundraising income	242,710
Interest and dividend income	62,503
Net unrealized gain(loss) on investments	244,923
Miscellaneous	85
Transfer out	(9,832)
Amounts released from restriction	(141,633)
	\$3,531,709

Note 5 Pledge Receivables:

Unconditional promises are included in the consolidated financial statements as pledge receivables and revenue of the appropriate net asset category. The Foundation evaluates receivable balances and establishes an allowance for doubtful accounts, based on age of the receivables, collections and current economic considerations. Accounts receivables are written off against the allowance for uncollectible pledges when all reasonable collection efforts have been exhausted. The breakdown of pledges receivable as of June 30, 2023 is as follows:

Due in one year or less	\$40,869
	40,869
Less allowance for uncollectible pledges	(18,000)
Pledge receivables	\$22,869

Note 6 Other Receivables:

Rent receivables for student housing and interest receivable are included in the consolidated financial statements as other receivables. Rent receivables are evaluated annually for collectability by management and an allowance for doubtful accounts is recorded as needed based on student attributes. The other receivables as of June 30, 2023 are \$57,108 and an allowance has been set up

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 6 Other Receivables: (continued)

in the amount of \$(40,000) for estimated uncollectible receivables.

Note 7 Income Taxes:

The Foundation qualifies for tax exempt status under Section 501(c)(3) of the Internal Revenue Code as a charitable group not organized for profit. Accordingly, no provision for income taxes is included in the consolidated financial statements. However, income from certain activities not directly related to the Foundation's tax exempt purpose is subject to taxation on unrelated business income.

The Foundation accounts for income taxes in accordance with Financial Accounting Standards Board *Accounting for Uncertainty Income Taxes*. The standard provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Foundation recorded no liabilities for uncertain tax positions or unrecognized tax benefits.

Note 8 Related Parties:

The Foundation expends funds either directly to or for the indirect benefit of Black Hawk East College, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year, \$108,020 was expended for scholarships and \$89,832 was expended for grants. As of June 30, 2023, the Foundation had payables to the College in the amount of \$10,600.

The College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not for Profit Entities: Services Received from Employees of an Affiliate" that includes \$144,858 on the consolidated financial statements as in kind income and the related in kind expenses for the personnel costs incurred by the College on the Foundation's behalf.

Note 9 Capital Assets:

A summary of capital assets that relate to rental property is as follows:

	Cost 6/30/2022	Additions	Retirements	Cost 6/30/2023
Land	\$363,232	\$ -	\$ -	\$363,232
Building and improvements	1,990,675	30,501	-	2,021,176
Equipment, furniture and appliances	282,429	4,118	-	286,547
	2,636,336	34,619	-	2,670,955
Less accumulated depreciation	(1,396,337)	(80,248)	-	(1,476,585)
Total	\$1,239,999	\$ (45,629)	\$ -	\$1,194,370

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years.

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

Notes to Financial Statements

Note 15. Component Unit Footnotes (continued)

Note 10 Concentrations of Credit Risk:

At year end, the carrying amount of the Foundation's deposits in checking, money market, and savings was \$995,556 and the bank balance was \$1,003,873. Of the bank balance, \$661,511 was covered by federal depository insurance and \$342,362 was uninsured.

The Foundation's investment policy relative to insured deposits, states: "this requirement is waived for any financial institution for which the capital to assets ratio (according to quarterly Call Reports) is 10% or more. In that case, the maximum combined deposits of the Foundation in that financial institution may total up to \$300,000. This Finance Committee will monitor this ratio quarterly and report the status of financial institutions in its quarterly company report."

For financial statement purposes, the Foundation combines cash with savings accounts and money market accounts. Certificates of deposits are shown as investments. The total carrying amount above does not include petty cash.

Note 11 Net Assets Released:

The Foundation reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2023 as follows:

Scholarship	\$104,201
Grants	1,350
Fundraising	22,985
Administrative	13,098
<hr/>	
Total	\$141,634

Note 12 Net Assets with Restrictions:

Net assets with restrictions are available as of June 30, 2023 for the following purposes:

Scholarship, special projects and grants	\$3,531,709
Capital campaign	48,153
<hr/>	
Total	\$3,579,862

Note 13 Agri-Business Club Alumni Agreement:

The Foundation entered into an agreement on April 26, 2011 with Black Hawk East Agri Business Club Alumni (ABCA) to further both of the parties' missions for the education programs at Black Hawk College's East Campus. ABCA funds with the Foundation as of June 30, 2023 are \$230,831.

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 14 Subsequent Events:

The Foundation has evaluated subsequent events through December 21, 2023, which is the date these consolidated financial statements were issued. All subsequent events requiring recognition as of June 30, 2023 have been incorporated herein.

Note 15 Liquidity:

At this time, the Foundation does not have a liquidity management plan. The Foundation reviews cash balances at their Finance Committee meetings, at least once per year, but usually more often. As of June 30, 2023, the Foundation had enough cash to cover expenses for approximately 7.5 months. The Finance Committee's goal is to never have cash balances fall below the amount needed to finance expenses for 90 days. Financial assets in excess of daily cash requirements are invested to earn more revenue. Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the consolidated statement of financial position date, comprise the following as of June 30, 2023:

<u>Financial assets available to meet cash needs for general expenditures within one year:</u>	
Cash and cash equivalents	\$995,556
Investments	2,992,290
Receivables	41,154
Less restricted	(3,579,862)
<hr/>	
Total	\$449,138

Note 16 Contributed Nonfinancial Assets:

Contributed nonfinancial assets consist of the following:

Contributed services, software, and supplies	\$144,858
Supplies and misc giveaway items	17,099
Horses for equestrian program	62,500
<hr/>	
Total contributed nonfinancial assets	\$224,457

The Foundation recognizes contributed nonfinancial assets within revenues, including contributed advertising and services. Unless otherwise noted, contributed nonfinancial assets did not have donor imposed restrictions. Contributed fundraising giveaways were used to raise funds during events as raffle or other giveaway items. Contributed fundraising giveaways is valued and reported at the estimated fair value in the financial statements based on current rates for similar items. Contributed services recognized comprise of salaries and benefits for administrative personnel handling the operations of the Foundation, professional accounting services performed by the College employees, software, and supplies.

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

Notes to Financial Statements

Note 16. Lease Receivable

Lease-related amounts are recognized at the inception of the lease in which the College is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

In March 2014, the College, as a lessor, entered into a lease agreement involving tower space. The tower space is leased by a cellular phone company. As of June 30, 2023, the lease receivable was \$115,375 and the deferred inflows of resources related to lessor agreements was \$94,708. The total amount of inflows of resources, including lease revenue and interest income, recognized during the fiscal year was \$31,042.

Year Ending June 30:	Lease Receivable	Net Deferred Inflows of Resources
2024	30,753	26,430
2025	31,877	26,430
2026	33,033	26,430
2027	19,712	15,418
Total	\$115,375	\$94,708

Note 17. Pending Accounting Pronouncements

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The College has not determined the effect of this Statement.

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The College has not determined the effect of this Statement.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The College has not determined the effect of this Statement.

Note 18. Subsequent Events

The College has evaluated subsequent events through December 21, 2023 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2023 have been incorporated herein with the exception of the following:

In August 2023, the College approved multiple vendor contracts to purchase equipment for the Advanced Manufacturing Academy in the amount of \$986,906. \$807,030 remains encumbered as of December 2023.

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, 2023

SCHEDULE OF BLACK HAWK COLLEGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY									
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
(a) Proportionate Percentage of the Collective Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with the College	\$ 117,152,029	\$ 118,843,678	\$ 126,703,122	\$ 115,964,513	\$ 119,573,827	\$ 120,049,898	\$ 122,716,849	\$ 114,335,860	\$ 111,404,712
Total (b) + (c)	\$ 117,152,029	\$ 118,843,678	\$ 126,703,122	\$ 115,964,513	\$ 119,573,827	\$ 120,049,898	\$ 122,716,849	\$ 114,335,860	\$ 111,404,712
Employer Defined Benefit Covered Payroll	\$ 19,512,271	\$ 18,035,229	\$ 17,584,276	\$ 16,035,416	\$ 15,496,618	\$ 15,061,369	\$ 14,832,131	\$ 14,206,662	\$ 14,651,823
Proportion of Collective Net Pension Liability associated with the College as a percentage of Defined Benefit Covered Payroll	600.40%	658.95%	720.55%	723.18%	771.61%	797.07%	827.37%	804.80%	760.35%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	46.65%

Fiscal Year 2023 Total DB Covered Payroll: \$15,067,336

SCHEDULE OF CONTRIBUTIONS FOR PENSIONS

BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Federal, Trust, Grant and Other contribution	\$ 100,055	\$ 90,997	\$ 90,687	\$ 71,829	\$ 80,987	\$ 82,690	\$ 87,847	\$ 84,974	\$ 90,832	\$ 105,350
Contribution in relation to required contribution	\$ 100,055	\$ 90,997	\$ 90,687	\$ 71,829	\$ 80,987	\$ 82,690	\$ 87,847	\$ 84,974	\$ 90,832	\$ 105,350
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer Covered payroll	\$ 17,235,771	\$ 22,184,485	\$ 21,640,911	\$ 20,088,183	\$ 19,379,989	\$ 19,499,632	\$ 19,385,236	\$ 18,923,684	\$ 19,366,184	\$ 19,903,277
Contributions as a percentage of covered payroll	0.58%	0.41%	0.42%	0.36%	0.42%	0.42%	0.45%	0.45%	0.47%	0.53%

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 2023 Total DB Contributions: \$1,213,865
 Fiscal Year 2023 Total RSP Contributions: \$386,876

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, 2023

SCHEDULE OF SHARE OF NET OPEB LIABILITY							
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
BLACK HAWK COLLEGE							
Proportion Percentage of the Collective Net OPEB Liability	1.08%	1.04%	0.99%	0.98%	0.96%	0.94%	0.95%
Proportion Amount of the Collective Net OPEB Liability	\$ 19,635,594	\$ 18,932,513	\$ 18,616,921	\$ 18,578,409	\$ 17,448,224	\$ 16,305,315	\$ 6,516,864
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability associated with Employer	\$ 20,458,618	\$ 18,683,160	\$ 18,616,921	\$ 18,578,409	\$ 17,448,189	\$ 16,305,315	\$ 6,516,864
Total collective net OPEB liability associated with the College	\$ 40,094,212	\$ 37,615,673	\$ 37,233,842	\$ 37,156,818	\$ 34,896,413	\$ 32,610,630	\$ 13,033,728
Employer Covered Payroll	\$ 21,640,911	\$ 20,088,183	\$ 19,379,989	\$ 19,499,632	\$ 19,385,236	\$ 19,366,184	\$ 19,903,277
Proportion of Collective Net OPEB Liability associated with the Employer as a percentage of Covered Payroll	185.27%	187.25%	192.13%	190.55%	180.02%	168.39%	65.49%
College Insurance Plan (CIP) Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-2.15%	-4.13%	-5.07%	-6.38%	-22.03%

SCHEDULE OF CONTRIBUTIONS								
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
BLACK HAWK COLLEGE								
Statutorily required contribution	\$ 97,783	\$ 90,069	\$ 86,236	\$ 88,306	\$ 88,035	\$ 87,354	\$ 89,776	\$ 92,667
Contribution in relation to the required statutory	\$ 97,783	\$ 90,069	\$ 86,236	\$ 88,306	\$ 88,035	\$ 87,354	\$ 89,776	\$ 92,667
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College covered payroll	\$ 21,640,911	\$ 20,088,183	\$ 19,379,989	\$ 19,499,632	\$ 19,385,236	\$ 18,923,684	\$ 19,366,184	\$ 19,903,277
Contribution as a percentage of covered payroll	0.45%	0.45%	0.44%	0.45%	0.45%	0.46%	0.46%	0.47%

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

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, 2022.

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, 2017 to June 30, 2020, was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

- Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the underlying wage inflation rate of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.50 percent. This reflects decreasing the assumed real rate of return to 4.25 percent and maintaining the underlying assumed price inflation of 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50 percent.
- Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover rates. Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality rates. Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- Disability rates. Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan election. Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement Savings Plan (RSP) for academic members.

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2022.

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, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2021. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2020:

- Per capita claim costs for plan year end June 30, 2022, were updated based on projected claim and enrollment experience through June 30, 2022, and updated premium rates through plan year end 2023;
- Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to \$42 per member per month in calendar year 2028, and increases ratably to \$102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates;

- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2022;
- Healthcare plan participation and lapse rates were updated based on observed experience; and
- The discount rate was changed from 1.92 percent at June 30, 2021, to 3.69 percent at June 30, 2022.

The pension-related assumption changes had minimal impact to the results of the OPEB actuarial valuation.

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

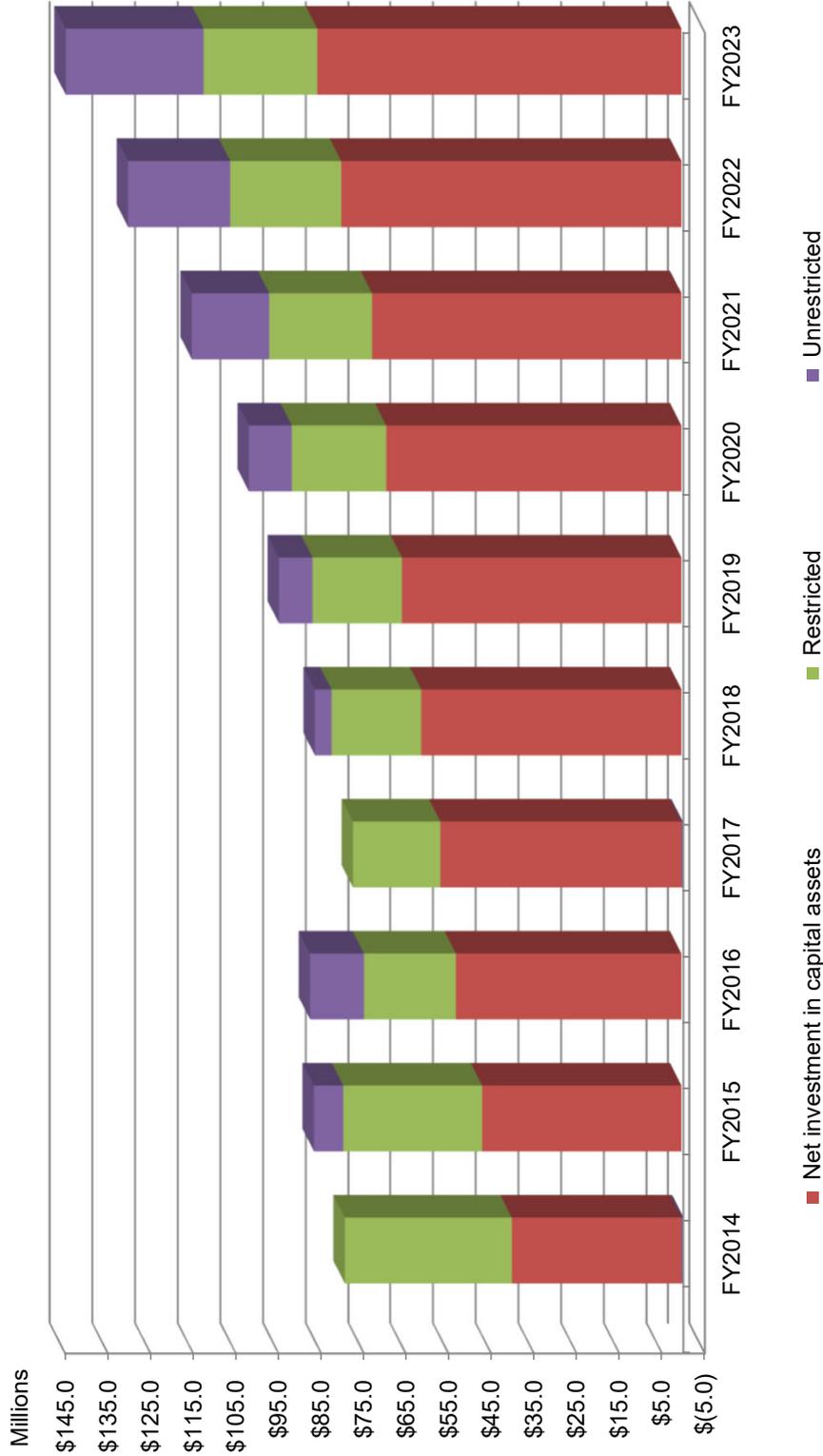
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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
FY2014 through FY2023**

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net investment in capital	\$ 39,682,320	\$ 46,629,046	\$ 52,790,893	\$ 56,423,039	\$ 60,892,637	\$ 65,410,549	\$ 69,088,597	\$ 72,599,855	\$ 79,874,008	\$ 85,463,666
Restricted	39,325,155	32,748,174	21,743,611	20,665,256	21,223,578	21,178,705	22,353,543	24,108,398	26,011,456	26,626,858
Unrestricted	(463,684)	6,880,226	12,612,715	(275,854)	3,905,446	7,835,509	10,045,850	18,147,071	23,884,013	32,302,689
Total net position	\$ 78,543,791	\$ 86,237,446	\$ 87,147,219	\$ 76,812,441	\$ 86,021,661	\$ 94,424,763	\$ 101,487,990	\$ 114,855,324	\$ 129,769,177	\$ 144,393,213



Source: College audited financial statements.
 Note: College implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact.
 1. In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2020 which included a \$387,196 impact from beginning custodial fund balances.
 2. In fiscal year 2021, GASB 84 was implemented retroactively to fiscal year 2021 which included a \$26,065 impact from leases.
 3. In fiscal year 2022, GASB 87 was implemented retroactively to fiscal year 2021 which included a \$26,065 impact from leases.

**Schedule of Changes in Net Position
FY2014 through FY2023**

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 7,624,251	\$ 7,900,764	\$ 8,229,163	\$ 7,892,417	\$ 9,662,882	\$ 8,601,924	\$ 7,299,079	\$ 6,412,494	\$ 6,351,437	\$ 7,108,762
Sales, service, and rental of facilities	2,233,506	2,430,045	3,105,311	3,057,200	1,650,722	1,655,925	1,511,592	1,090,044	1,291,467	1,498,231
Tuition chargeback	-	-	-	3,291	-	-	-	-	-	-
SURS contribution provided by state	8,068,818	-	-	-	-	-	-	-	-	-
Other operating revenue	-	-	-	-	-	-	-	-	-	-
Total operating revenue	17,926,575	10,330,809	11,334,474	10,952,908	11,313,604	10,257,849	8,810,671	7,502,538	7,642,904	8,606,993
Operating expenses:										
Instruction	18,609,563	15,128,229	17,724,388	26,967,368	17,334,662	16,774,426	16,604,364	16,367,722	12,832,512	11,344,933
Academic support	6,272,580	5,874,310	5,983,041	8,645,553	6,125,203	6,049,316	6,434,686	6,294,005	5,529,340	5,548,324
Student services	4,300,131	4,210,904	4,549,668	7,062,263	4,578,630	4,657,028	4,592,178	4,453,541	3,846,266	3,786,447
Public service	2,122,000	2,477,612	2,086,257	2,443,828	1,964,151	1,922,837	1,805,061	1,326,057	1,142,278	1,100,219
Auxiliary services	3,765,785	3,617,263	3,002,230	3,175,143	2,517,809	2,281,350	2,132,268	2,035,307	1,991,567	2,005,481
Institutional support	9,025,272	7,732,965	8,651,774	11,570,659	9,645,521	10,501,177	12,097,709	10,309,024	11,396,199	9,714,517
Scholarships, student grants and waivers	2,615,325	2,665,004	2,925,053	2,760,799	2,861,182	2,387,028	2,799,051	4,719,833	6,834,470	3,630,434
SURS contribution provided by state	-	-	-	-	-	-	-	-	-	-
Operation of physical facilities	5,346,628	8,948,305	6,308,416	9,238,103	6,010,698	6,276,854	6,822,414	6,240,719	5,591,955	5,280,048
Loss on disposal of buildings and equipment	762,732	-	2,869	138,692	58,088	164,089	10,108	17,703	10,353	146,914
Depreciation and amortization	1,740,162	1,830,003	2,065,643	2,372,917	2,584,543	2,744,079	2,747,583	2,948,259	3,184,520	3,415,478
Total operating expenses	54,560,178	52,484,595	53,299,339	74,375,325	53,680,487	53,758,184	56,045,422	54,712,170	52,359,460	45,972,795
Operating (loss)	(36,633,603)	(42,153,786)	(41,964,865)	(63,422,417)	(42,366,883)	(43,500,335)	(47,234,751)	(47,209,632)	(44,716,556)	(37,365,802)
Non-operating revenues (expenses)										
Property taxes	19,462,491	19,623,307	20,316,292	21,077,895	22,304,048	23,116,343	23,354,222	24,145,463	24,474,478	25,322,952
Personal property replacement taxes	1,361,828	1,464,594	1,340,818	1,480,910	1,219,068	1,356,578	1,466,854	2,043,762	4,418,980	4,611,826
State government sources	10,192,344	19,205,104	13,134,693	23,427,506	20,838,529	20,344,690	21,167,329	21,049,016	15,265,077	12,405,981
Federal government sources	9,995,924	9,290,411	7,733,197	7,431,615	7,234,806	6,501,114	7,911,547	12,252,303	14,401,804	6,205,709
Investment earnings	286,520	259,842	232,346	394,887	908,951	1,372,995	807,639	371,200	401,024	4,318,491
Other sources	2,025,129	832,131	838,648	823,466	447,739	495,300	744,863	1,723,627	1,522,157	1,444,209
Interest expense	(923,106)	(827,948)	(721,356)	(1,548,640)	(1,377,038)	(1,283,583)	(1,154,476)	(1,008,405)	(853,111)	(2,319,330)
Total non-operating revenues (expenses)	42,401,130	49,847,441	42,874,638	53,087,639	51,576,103	51,903,437	54,297,978	60,576,966	59,630,409	51,989,838
Change in net position	\$ 5,767,527	\$ 7,693,655	\$ 909,773	\$ (10,334,778)	\$ 9,209,220	\$ 8,403,102	\$ 7,063,227	\$ 13,367,334	\$ 14,913,853	\$ 14,624,036

Note:

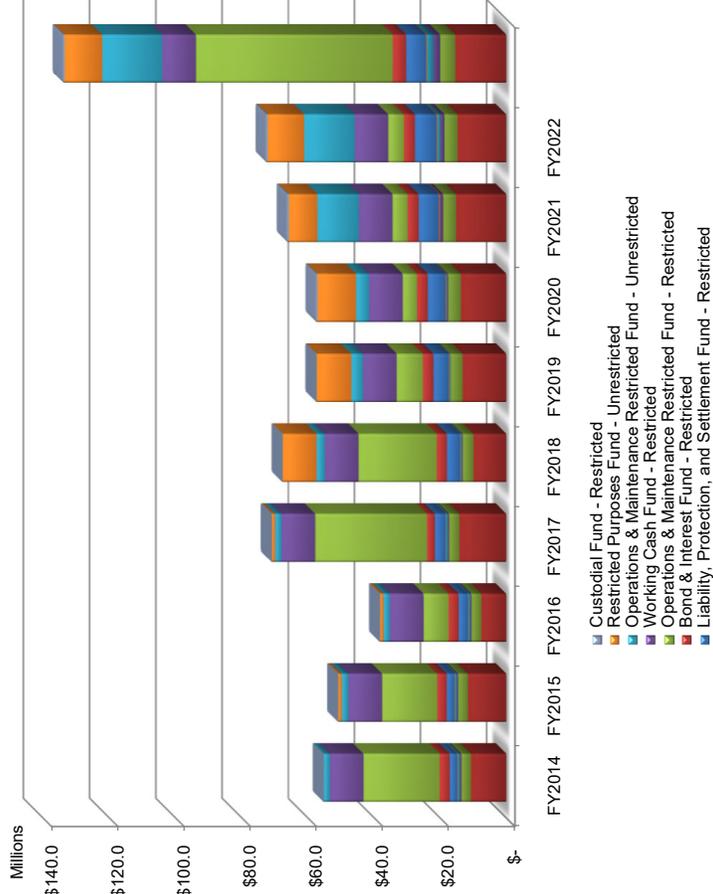
- Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions.
- Beginning FY2015, SURS contribution provided by state included as a non-operating revenue under State government sources.
- In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact.
- In fiscal year 2021, GASB 84 was implemented retroactively to fiscal year 2020 which included a \$387,196 impact from beginning custodial fund balances.
- In fiscal year 2022, GASB 87 was implemented retroactively to fiscal year 2021 which included a \$26,065 impact from leases.

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund
FY2014 through FY2023**

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Education Fund and Operations & Maintenance Fund - Unrestricted	\$ 10,682,400	\$ 11,591,965	\$ 7,534,940	\$ 14,204,789	\$ 9,898,492	\$ 13,235,799	\$ 13,787,583	\$ 15,211,963	\$ 14,722,439	\$ 15,449,348
Working Cash Fund - Unrestricted	2,912,562	2,978,247	3,044,065	3,137,116	3,317,332	3,624,068	3,830,983	3,925,260	4,011,860	4,575,751
Auxiliary Fund - Unrestricted	477,896	458,386	377,799	369,513	279,543	40,420	379,093	1,068,531	1,182,717	2,005,302
Restricted Purposes Fund - Restricted	632,447	487,716	556,420	523,904	280,533	262,322	171,637	-	879,333	1,959,591
Restricted Purposes Fund - Unrestricted	-	1,000,000	1,000,000	1,000,000	10,240,000	10,530,635	11,674,278	8,644,844	11,009,068	11,338,763
Custodial Fund - Restricted	-	-	-	-	-	-	387,196	476,585	463,924	408,595
Audit Fund - Restricted	135,278	113,676	104,536	106,656	157,198	203,058	179,564	244,397	278,440	280,806
Liability, Protection, and Settlement Fund - Restricted	2,265,040	2,386,897	2,798,225	3,274,964	4,070,362	4,701,821	5,454,491	6,112,947	6,579,640	6,050,733
Bond & Interest Fund - Restricted	3,079,546	2,909,841	3,048,701	2,389,192	3,071,627	3,196,333	3,208,268	3,267,826	3,338,192	4,073,104
Operations & Maintenance Restricted Fund - Restricted	23,018,654	16,655,854	7,581,975	33,826,596	23,636,027	7,915,013	4,344,856	4,594,362	4,724,378	59,488,715
Operations & Maintenance Restricted Fund - Unrestricted	1,808,396	2,065,594	1,933,844	1,912,616	2,520,099	3,502,622	3,908,770	12,540,984	15,281,786	18,097,050
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
Total Fund Balance	\$ 55,206,409	\$ 50,842,366	\$ 38,174,695	\$ 70,939,536	\$ 67,665,403	\$ 57,406,281	\$ 57,520,909	\$ 66,281,889	\$ 72,665,967	\$ 133,921,948



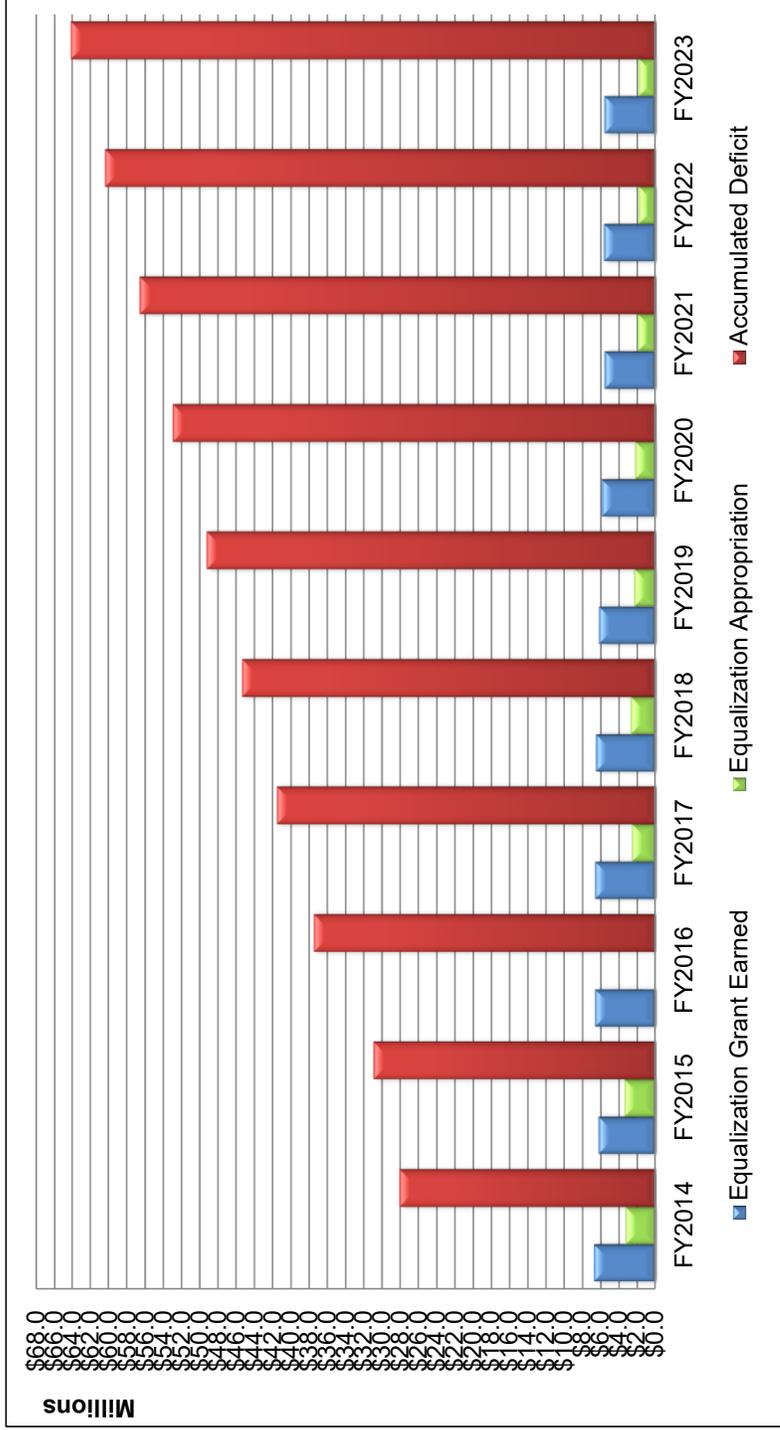
Source: College audited financial statements.

Note:

1. Excludes Investment in Plant and General Long Term Debt funds.
2. In fiscal year 2021, GASB 84 was implemented retroactively to fiscal year 2020 which included a \$387,196 impact from beginning custodial fund balances.
3. In fiscal year 2022, GASB 87 was implemented retroactively to fiscal year 2021 which included a \$26,065 impact from leases.

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

**State Equalization Grant Funding History & Accumulated Deficit
FY2014 through FY2023**

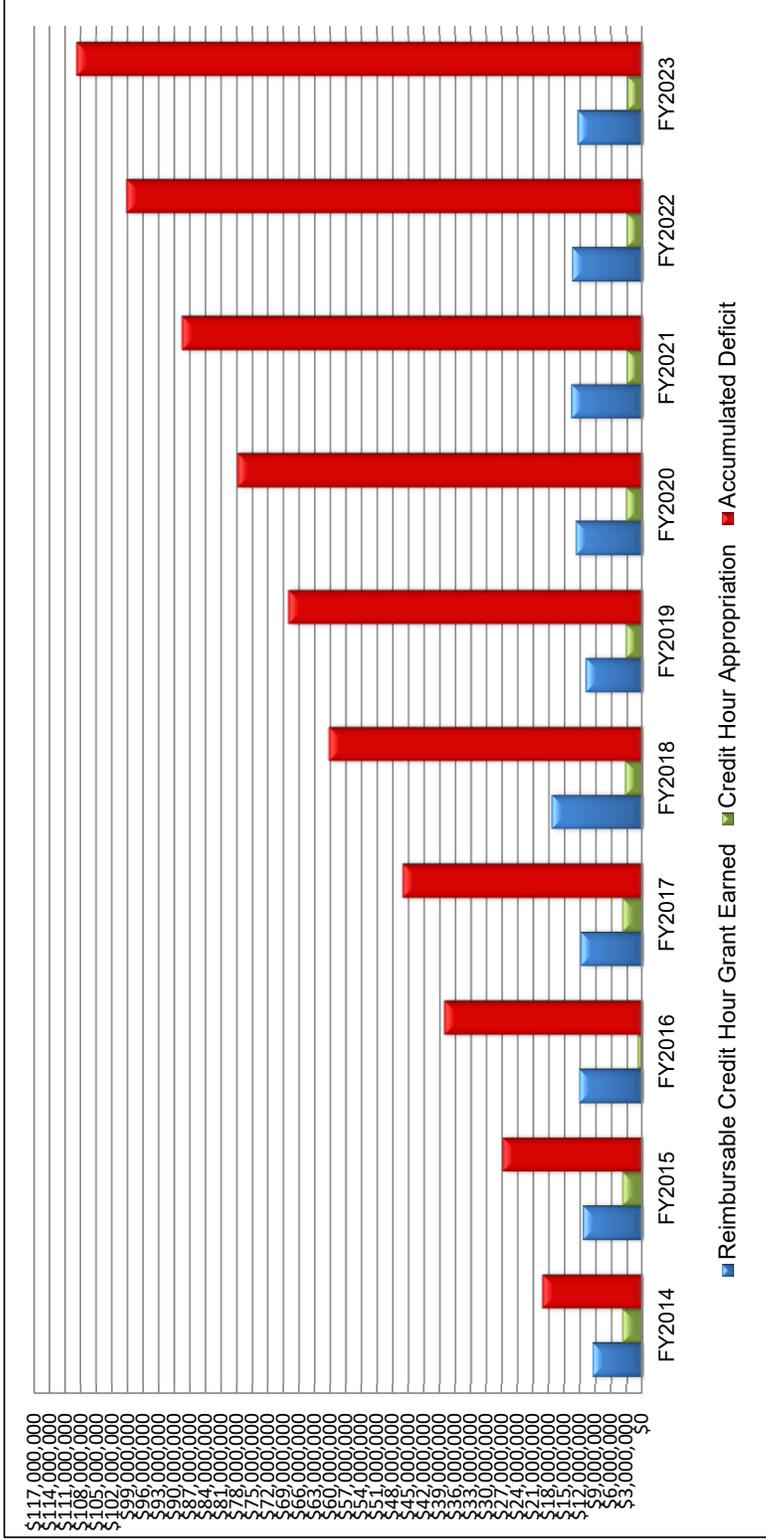


	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Equalization Grant Earned	\$ 6,768,524	\$ 6,238,384	\$ 6,614,329	\$ 6,614,579	\$ 6,509,795	\$ 6,183,772	\$ 5,901,276	\$ 5,567,779	\$ 5,630,996	\$ 5,587,535.00
Equalization Appropriation	3,264,676	3,387,065	50,000	2,566,390	2,684,210	2,304,020	2,194,790	1,920,695	1,831,720	1,824,840.00
Annual Deficit	(3,503,848)	(2,851,319)	(6,564,329)	(4,048,189)	(3,825,565)	(3,879,752)	(3,706,486)	(3,647,084)	(3,799,276)	(3,762,695)
Accumulated Deficit	\$ 28,082,763	\$ 30,934,082	\$ 37,498,411	\$ 41,546,600	\$ 45,372,185	\$ 49,251,937	\$ 52,958,423	\$ 56,605,507	\$ 60,404,783	\$ 64,167,478
Percentage Received	48.23%	54.29%	0.76%	38.80%	41.23%	37.26%	37.19%	34.50%	32.53%	32.66%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2014 through FY2023**



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Reimbursable Credit Hour Grant Earned	\$ 9,701,085	\$ 11,564,377	\$ 12,262,006	\$ 11,950,503	\$ 17,568,916	\$ 11,001,848	\$ 12,931,395	\$ 13,723,440	\$ 13,625,027	\$ 12,535,150
Credit Hour Appropriation	3,897,853	3,919,294	1,051,469	3,919,661	3,365,310	3,249,820	3,150,010	3,069,520	3,034,115	2,914,202
Annual Deficit	(5,803,232)	(7,645,083)	(11,210,537)	(8,030,842)	(14,203,606)	(7,752,028)	(9,781,385)	(10,653,920)	(10,590,912)	(9,620,948)
Accumulated Deficit	\$ 19,301,607	\$ 26,946,690	\$ 38,157,227	\$ 46,188,069	\$ 60,391,675	\$ 68,143,703	\$ 77,925,088	\$ 88,579,008	\$ 99,169,920	\$ 108,790,868
Percentage Received	40.18%	33.89%	8.58%	32.80%	19.15%	29.54%	24.36%	22.37%	22.27%	23.25%

Source: ICCB System's Operating Budgets

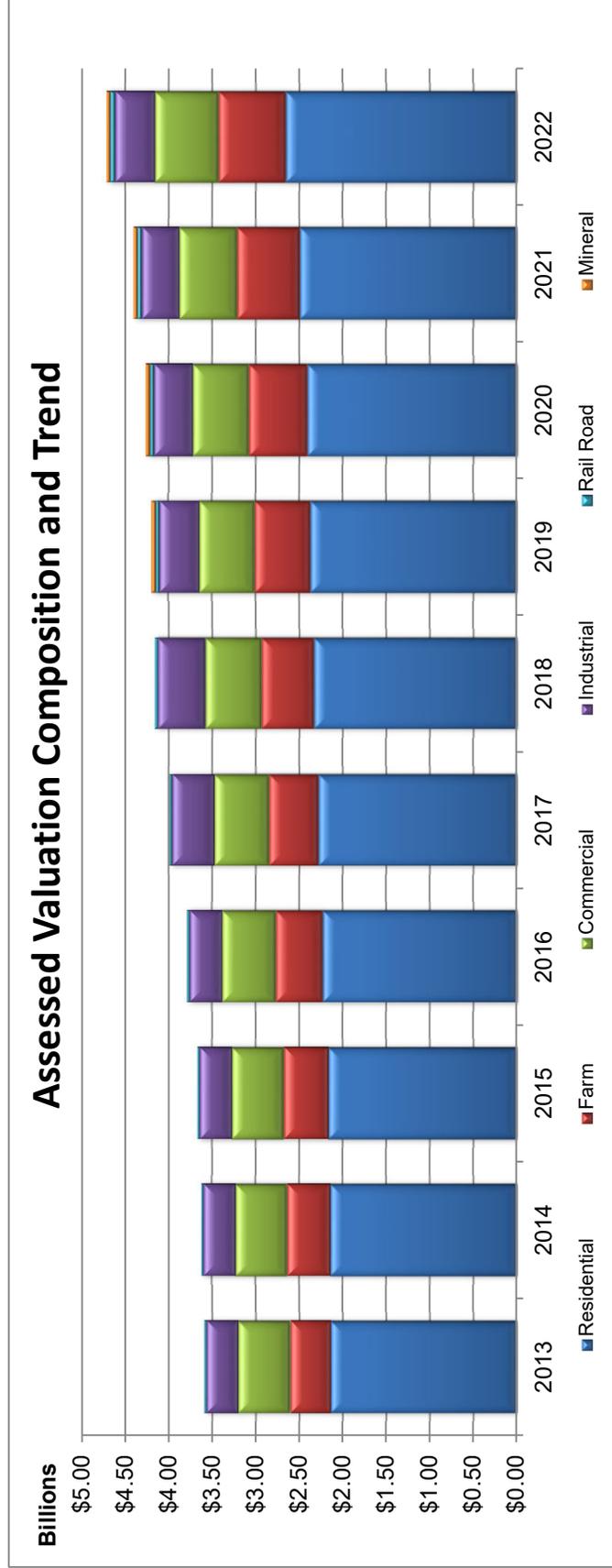
**Black Hawk College
Illinois Community College District No. 503**

Assessed and Estimated Actual Value of Taxable Property
Tax Levy Years 2013 through 2022

Assessed Valuation by Property Type

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
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
2018	2,331,168,336	602,148,998	644,837,721	549,430,491	35,551,679	6,955	4,163,144,180	12,490,681,608
2019	2,368,596,491	637,343,558	636,347,261	461,265,646	39,688,165	48,568,905	4,191,810,026	12,576,687,747
2020	2,406,998,220	672,438,696	641,303,150	447,906,353	45,900,429	47,885,943	4,262,432,791	12,788,577,231
2021	2,494,298,625	716,865,533	666,604,404	430,489,249	52,342,209	44,787,009	4,405,387,029	13,217,482,835
2022	2,652,985,818	775,112,735	732,082,126	455,901,418	56,820,567	45,278,419	4,718,181,083	14,155,958,845

Assessed Valuation Composition and Trend



Notes:

1. Assessed value is computed by various county's clerks offices and is equal to approximately one-third of the estimated actual value.
2. The tax levy for 2022 is the most current information available
3. The total direct rate applied to tax year 2022 is \$0.5441.

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 2013 through 2022

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
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%	13,460,606	22,566,094	100%
2018	2019	4,163,144,180	0.5632	23,442,470	9,158,500	39%	13,787,659	22,946,159	98%
2019	2020	4,191,810,026	0.5714	23,992,675	9,831,580	41%	14,082,113	23,913,693	100%
2020	2021	4,262,432,791	0.5682	24,226,437	10,003,535	41%	14,186,152	24,189,687	100%
2021	2022	4,405,387,029	0.5620	24,789,848	10,436,916	42%	14,402,684	24,839,600	100%
2022	2023	4,718,181,083	0.5441	25,678,918	10,832,495	42%	-	10,832,495	42%

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 2022 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 2013 through 2022

Taxing Districts	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022
Black Hawk College District No. 503	\$ 0.5427	\$ 0.5485	\$ 0.5598	\$ 0.5718	\$ 0.5676	\$ 0.5632	\$ 0.5714	\$ 0.5682	\$ 0.5620	0.5441
Rock Island County	1.0184	1.0596	1.2480	1.2466	1.2436	1.2400	1.3296	1.3042	1.3051	1.1098
South Moline Township	0.1304	0.1244	0.1232	0.1192	0.1162	0.1154	0.1164	0.1131	0.1118	0.1079
Road & Bridge - South Moline Township	0.0152	0.0160	0.0116	0.0118	0.0116	0.0117	0.0175	0.0184	0.0182	0.0173
Road & Bridge - City of Moline	0.0047	0.0048	0.0052	0.0054	0.0054	0.0057	0.0000	0.0000	0.0000	0.0000
South Moline Township Cemetery	0.0040	0.0040	0.0040	0.0032	0.0032	0.0028	0.0000	0.0000	0.0000	0.0000
City of Moline	2.0500	2.0638	2.0782	2.0854	2.0742	2.0602	2.0554	2.0177	1.9437	1.8475
School District No. 40	5.1090	5.1120	5.1594	5.1498	5.1094	5.0318	5.0438	5.0410	5.0181	4.9685
Forest Preserve	0.1148	0.1190	0.1230	0.1246	0.1236	0.1274	0.1306	0.1313	0.1318	0.1278
Metropolitan Airport Authority	0.0750	0.0750	0.0750	0.0750	0.0756	0.0748	0.0733	0.0721	0.0696	0.0647
Metropolitan Transit Authority	0.2054	0.2082	0.2086	0.2056	0.2120	0.1952	0.1958	0.2000	0.1952	0.1888
Total	\$ 9.2696	\$ 9.3353	\$ 9.5960	\$ 9.5984	\$ 9.5424	\$ 9.4282	\$ 9.5338	\$ 9.4660	\$ 9.3555	8.9764

Notes:

1. 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)
2. For tax year 2019, the Rock Island County tax rate report combined the City of Moline Road & Bridge with the City of Moline tax rate. The South Moline Township Cemetery was combined with the South Moline Township tax rate.

Source: Rock Island County Clerk's Office

Taxing Districts	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022
Black Hawk College District No. 503	\$ 0.5344	\$ 0.5485	\$ 0.5492	\$ 0.5723	\$ 0.5676	\$ 0.5627	\$ 0.5720	\$ 0.5682	\$ 0.5632	0.5445
Henry County	0.9004	0.9198	0.9567	0.9423	0.9425	0.8792	0.8605	0.8432	0.8344	0.8126
Kewanee Township	0.1832	0.1835	0.1855	0.1813	0.1804	0.1778	0.1698	0.1757	0.1713	0.1614
Kewanee Township Road District	0.2173	0.2173	0.2174	0.2170	0.2175	0.2177	0.2173	0.2180	0.2174	0.2165
City of Kewanee	2.8057	2.8519	2.8652	2.8526	2.8265	2.9276	2.9234	3.1200	3.1655	2.8429
Kewanee Park District	1.1188	1.1229	1.3777	1.3869	1.4099	1.3973	1.3756	1.4344	1.4094	1.4108
Kewanee Library District	0.7493	0.7286	0.7140	0.7039	0.7083	0.7168	0.7181	0.7288	0.7306	0.6960
Kewanee Airport	0.0133	0.0133	0.0134	0.0131	0.0129	0.0127	0.0124	0.0126	0.0122	0.0117
Kewanee School District No. 229	4.0929	4.2893	4.5990	4.5703	4.5863	4.5924	4.5442	4.5849	4.5274	4.5644
Kewanee Fire District	0.6988	0.6974	0.7023	0.7041	0.7087	0.6952	0.6759	0.6625	0.6480	0.6411
Total	\$ 11.3141	\$ 11.5725	\$ 12.1804	\$ 12.1438	\$ 12.1606	\$ 12.1794	\$ 12.0692	\$ 12.3483	\$ 12.2794	11.9019

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

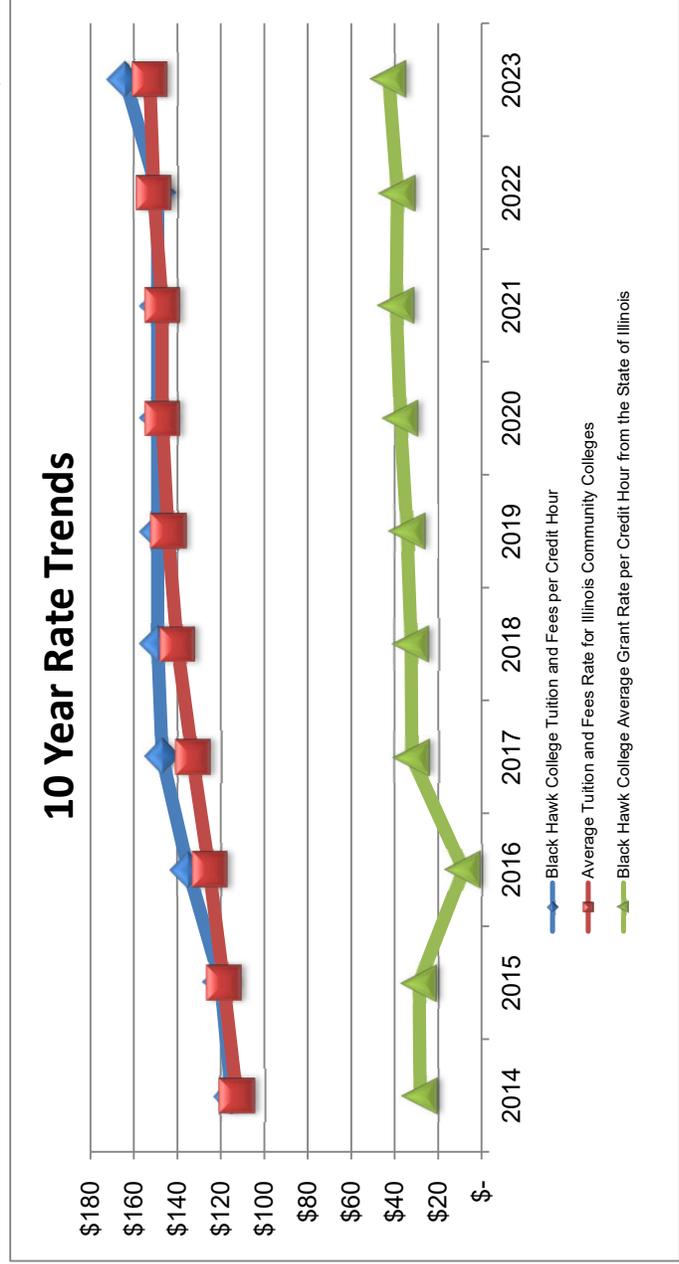
Taxpayer	2013			2023			
	Equalized Assessed Valuation	County	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	County	Percent of District's EAV
Commonwealth Edison	\$ 155,000,000	Rock Island	4.32%	Exelon	\$ 226,500,100	Rock Island	4.80%
Deere and Company	\$ 29,050,925	Rock Island	0.81%	Deere and Company	\$ 62,498,431	Rock Island	1.32%
DNC Gaming/Jumers Casino	\$ 22,000,375	Rock Island	0.61%	Bishop Hill Energy, LLC	\$ 37,160,989	Henry	0.79%
SDG Macerich/Southpark Mall	\$ 9,768,540	Rock Island	0.27%	Patriot Renewable Fuels, LLC	\$ 23,593,196	Henry	0.50%
Modern Woodmen of America	\$ 7,823,999	Rock Island	0.22%	GLP Capital LP/Casino	\$ 22,417,354	Rock Island	0.48%
FedEx Freight	\$ 4,946,651	Rock Island	0.14%	Metropolitan Airport Authority	\$ 17,075,937	Rock Island	0.36%
Walmart - Silvis	\$ 4,819,033	Rock Island	0.13%	Modern Woodmen of America	\$ 10,722,665	Rock Island	0.23%
PFG Thomas Proestler Co.	\$ 4,640,955	Rock Island	0.13%	Big River Resources	\$ 10,009,327	Henry	0.21%
Cordova Energy Company	\$ 4,578,523	Rock Island	0.13%	First Financial Group, LLC	\$ 9,920,044	Rock Island	0.21%
Minnesota Mining & Manufacturing (3M)	\$ 4,538,295	Rock Island	0.13%	MidAmerican Renewables	\$ 8,308,628	Henry	0.18%
	\$ 247,167,296		6.88%		\$ 428,206,671		9.08%

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

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

Mandatory Tuition and Fees
FY2014 through FY2023

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
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297
2016	135.00	125.27	8.57	107,308
2017	147.00	133.07	32.11	100,858
2018	149.00	140.15	32.45	93,328
2019	149.00	144.36	34.28	88,088
2020	149.00	147.01	37.40	82,494
2021	149.00	147.01	39.29	69,997
2022	149.00	150.82	38.70	65,963
2023	164.00	152.78	42.73	68,558



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type
FY2014 through FY2023

Fiscal Year	General Obligation Bonds		Installment Contracts	Subscription Payable	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
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%	198.20
2019	43,992,054	-	-	-	43,992,054	12,490,681,608	0.352%	174.46
2020	38,742,052	-	-	-	38,742,052	12,576,687,747	0.308%	156.28
2021	33,287,022	-	-	-	33,287,022	12,788,577,231	0.260%	134.28
2022	27,613,207	-	-	-	27,613,207	13,217,482,835	0.209%	107.47
2023	97,881,872	-	-	596,042	98,477,914	14,155,958,845	0.696%	399.13

Notes:

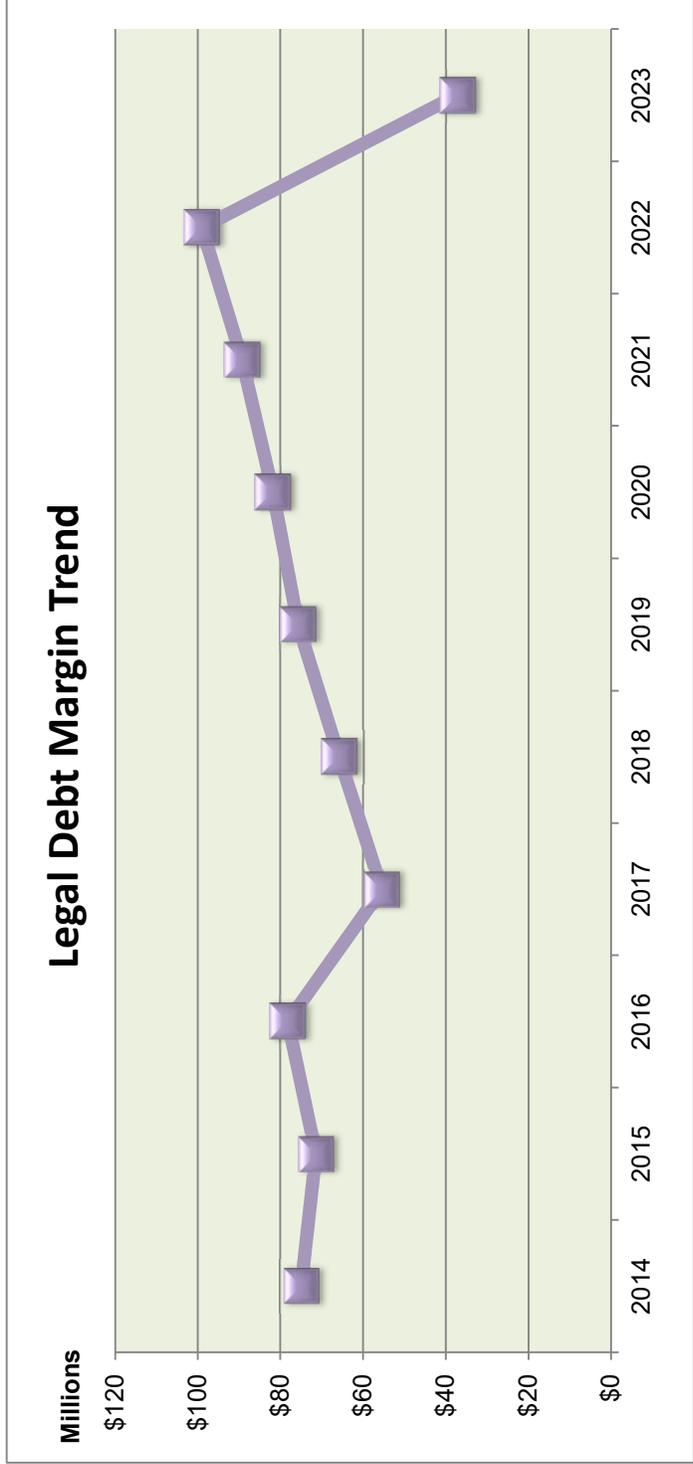
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2020 U.S. Census or the most recent American Community Survey population for each of the nine counties, included either in part or whole, 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 2020 U.S. Census

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

Computation of Legal Debt Margin
FY2014 through FY2023

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds & SBITA	Legal Debt Margin
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
2019	4,163,144,180	119,690,395	43,992,054	75,698,341
2020	4,191,810,026	120,514,538	38,742,052	81,772,486
2021	4,262,432,791	122,544,943	33,287,022	89,257,921
2022	4,405,387,029	126,654,877	27,613,207	99,041,670
2023	4,718,181,083	135,647,706	98,477,914	37,169,792

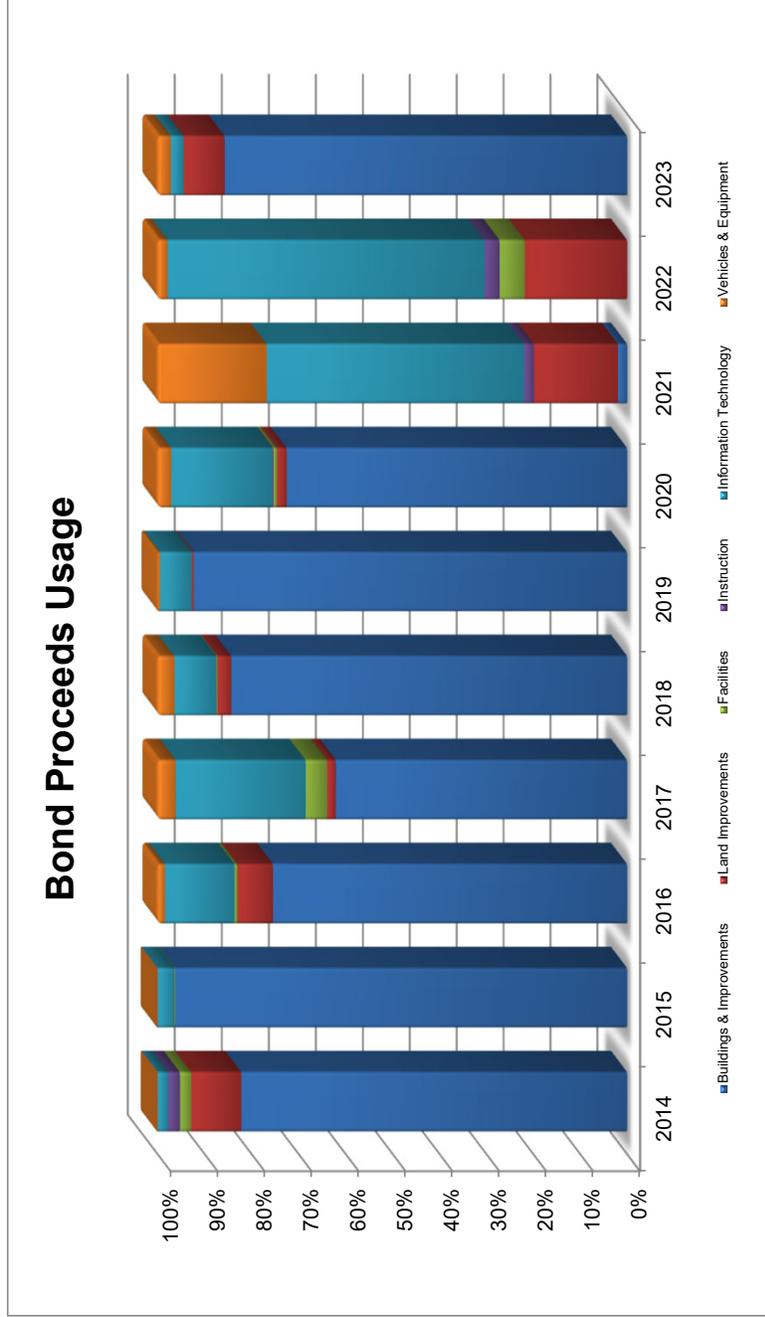


Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds
FY2014 through FY2023

Purpose	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Buildings & Improvements	\$ 4,159,615	\$ 14,027,532	\$ 7,047,573	\$ 2,923,612	\$ 8,284,703	\$ 14,436,690	\$ 2,637,893	\$ 11,009	\$ -	\$ 19,323,961
Land Improvements	538,514	7,117	706,336	85,630	292,003	54,501	75,231	100,516	97,150	1,957,219
Facilities	122,738	15,566	57,498	216,835	16,927	3,267	27,585	-	23,923	-
Instruction	122,476	-	-	-	-	-	5,941	11,582	14,232	-
Information Technology	116,314	531,481	1,383,178	1,298,852	879,140	1,053,149	783,378	307,372	299,685	621,937
Vehicles & Equipment	-	-	143,487	181,040	350,379	85,558	105,231	129,936	9,554	631,483
Total	\$ 5,059,657	\$ 14,581,696	\$ 9,338,072	\$ 4,705,969	\$ 9,823,152	\$ 15,633,165	\$ 3,635,259	\$ 560,415	\$ 444,544	\$ 22,534,600

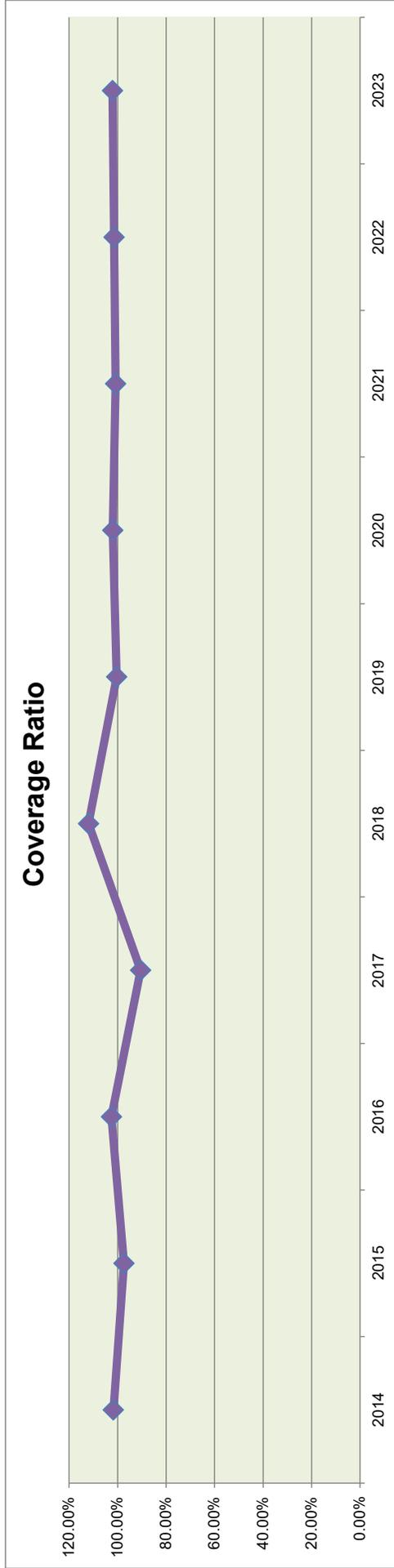


The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, 2013, 2015 and 2017.
Source: College records

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

Schedule of Bond Coverage
FY2014 through FY2023

Fiscal Year	Property Taxes Collected		Interest Earned	Net Revenue Available for Debt Service	2010 Bonds		2013 Bonds		2015 Bonds		2017 Bonds		2023 Bonds		Coverage Ratio
	Collected	Interest Earned			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2014	6,278,922	9,034	6,287,956	5,150,000	296,366	-	734,767	-	-	-	-	-	-	6,181,133	101.73%
2015	6,166,578	9,505	6,176,083	5,300,000	145,242	-	729,996	-	169,551	-	-	-	-	6,344,789	97.34%
2016	6,237,631	9,256	6,246,887	2,265,000	28,313	-	729,996	-	294,825	-	-	-	-	6,093,134	102.52%
2017	6,272,429	12,414	6,284,843	-	-	835,000	706,251	4,530,000	157,500	-	-	-	-	6,943,852	90.51%
2018	6,344,299	23,678	6,367,977	-	-	875,000	665,045	1,005,000	58,550	1,690,000	1,391,146	-	-	5,684,741	112.02%
2019	6,336,494	47,066	6,383,560	-	-	915,000	625,995	1,045,000	20,900	2,450,000	1,302,000	-	-	6,358,895	100.39%
2020	6,516,228	36,514	6,552,742	-	-	960,000	581,465	-	-	3,735,000	1,147,375	-	-	6,423,840	102.01%
2021	6,520,323	13,837	6,534,160	-	-	1,000,000	534,916	-	-	3,995,000	954,125	-	-	6,484,041	100.77%
2022	6,632,737	12,173	6,644,910	-	-	1,050,000	486,228	-	-	4,265,000	747,625	-	-	6,548,853	101.47%
2023	7,838,413	79,365	7,917,778	-	-	2,250,000	425,556	-	-	4,555,000	527,125	-	-	7,757,681	102.06%



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 (1)	Applicable to District	
		Estimated Percentage (2)	Amount
Rock Island County (Public Building Commission)	\$26,125,000	100.00%	\$26,125,000
Rock Island County Forest Preserve Dist.	0	100.00%	0
Rock Island Metropolitan Mass Transit	0	100.00%	0
Metropolitan Airport of Rock Island County	0	100.00%	0
Hammond Henry Hospital	0	100.00%	0
Bureau County	0	3.58%	0
Village of Andalusia	0	100.00%	0
Village of Atkinson	0	100.00%	0
Village of Cambridge	0	100.00%	0
Village of Coal Valley	0	97.69%	0
City of Colona	0	100.00%	0
City of East Moline	0	100.00%	0
City of Geneseo	0	100.00%	0
Village of Hampton	0	100.00%	0
City of Kewanee	0	100.00%	0
Village of Matherville	0	100.00%	0
Village of Milan	1,125,000	100.00%	1,125,000
City of Moline	106,994,000	100.00%	106,994,000
Village of Orion	0	100.00%	0
City of Rock Island	64,724,800	100.00%	64,724,800
City of Silvis	0	100.00%	0
City of Toulon	0	100.00%	0
Cambridge Fire Protection District	725,000	100.00%	725,000
Coal Valley Fire Protection District	60,000	100.00%	60,000
Carnegie Library District	0	100.00%	0
Geneseo Park District	826,000	100.00%	826,000
Kewanee Park District	1,050,000	100.00%	1,050,000
Hampton School District 29	155,000	100.00%	155,000
Silvis School District 34	1,890,000	100.00%	1,890,000
Carbon Cliff/Barstow School District 36	730,000	100.00%	730,000
East Moline School District 37	23,680,000	100.00%	23,680,000
Rock Island School District 41	23,450,000	100.00%	23,450,000
Colona School District 190	275,000	100.00%	275,000
Moline Community Unit School District 40	16,450,053	100.00%	16,450,053
Riverdale Community Unit School District 100	950,000	100.00%	950,000
Stark Community Unit School District 100	13,410,000	100.00%	13,410,000
Sherard Community Unit School District 200	15,095,000	100.00%	15,095,000
Rowva Community Unit School District 208	7,610,000	100.00%	7,610,000
Orion Community Unit School District 223	5,814,000	100.00%	5,814,000
Galva Community Unit School District 224	1,020,800	100.00%	1,020,800
Alwood Community Unit School District 225	465,000	100.00%	465,000
Annawan Community Unit School District 226	1,415,000	98.18%	1,389,192
Cambridge Community Unit School District 227	765,000	100.00%	765,000
Geneseo Community Unit School District 228	22,498,327	100.00%	22,498,327
Kewanee Community Unit School District 229	179,000	100.00%	179,000
Wethersfield Community Unit School District 230	675,000	100.00%	675,000
Rockridge Community Unit School District 300	3,180,000	100.00%	3,180,000
United Community Unit School District 304	17,833,300	100.00%	17,833,300
Princeville Community Unit School District 326	7,875,000	98.18%	8,462
Mercer Community Unit School District 404	17,833,300	100.00%	17,833,300
United Township High School District 30	4,040,000	100.00%	\$4,040,000
Total Overlapping General Obligation Bonded Debt			\$381,026,234

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

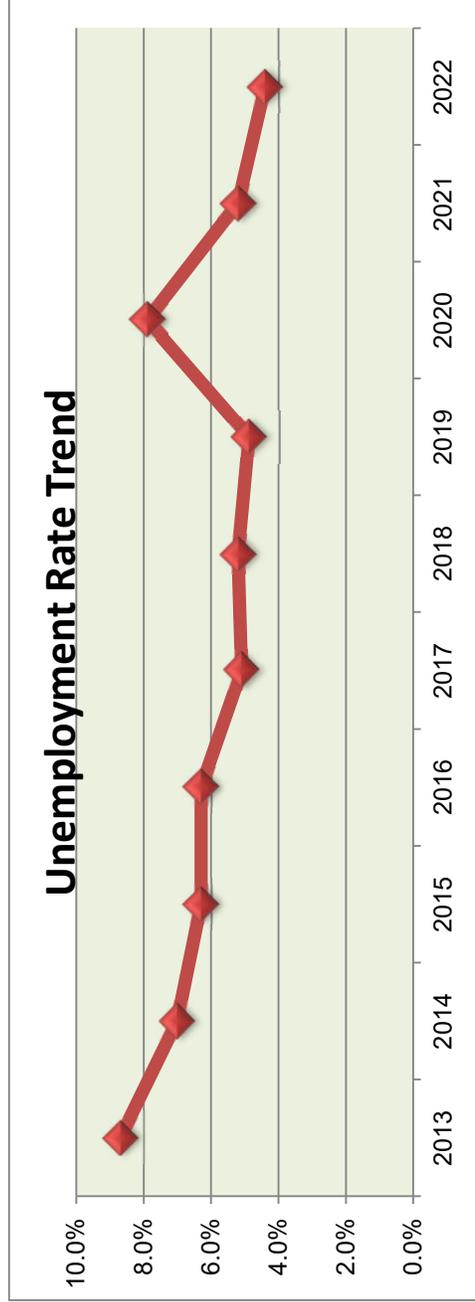
(1) Does not include alternative revenue bonds.

(2) Percentages based on 2022 EAVs, the most recent available.

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

Demographic and Economic Statistics
Calendar Years 2013 through 2022

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	15,971,486	43,100	5.1%
2018	370,569	16,264,065	43,687	5.2%
2019	367,157	16,428,906	44,368	4.9%
2020	363,661	17,685,032	49,506	7.9%
2021	368,123	19,148,313	53,445	5.2%
2022	364,480	N/A	N/A	4.4%



- 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 - 2017 was calculated by taking the sum of all 9 counties personal 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. Bureau of Economic Analysis
Average unemployment rate from Illinois Department of Employment Security
U.S. Census Bureau

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

Principal Employers
FY2013 compared to FY2022

Rock Island County				
2013		2022		
Employer	Product/Service	Approx. # of Employees	Percentage of Total Employment	
Rock Island Arsenal	Defense Manufacturing	7,900	11.67%	
Deere & Co.	Construction and Agricultural Equipment	5,800	8.57%	
Trinity Regional Health System	Health Care System	2,692	3.98%	
Tyson Fresh Meats	Food Processing	2,500	3.69%	
Group O Companies	Third Party Logistics	1,100	1.62%	
Export Packaging (XPAC)	Supply Chain Management and Logistics	1,000	1.48%	
Genesis Medical Center - Silvis	Hospital	970	1.43%	
Rock Island County	County Administration	802	1.18%	
Black Hawk College	Community College	825	1.22%	
Exelon	Utility/Energy Provider	700	1.03%	
Total Employed Labor Force - Rock Island County		67,713		
Total Unemployed - Rock Island County		6,095		
Total Employed Labor Force - Rock Island County		64,425		
Total Unemployed - Rock Island County		2,892		

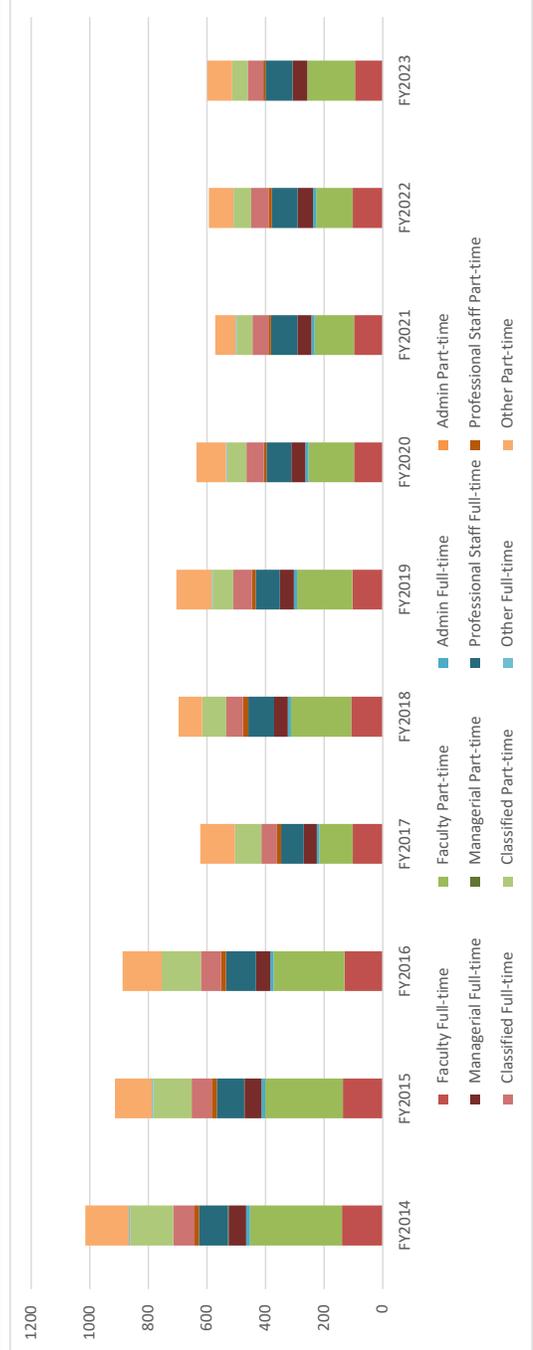
Henry County				
2013		2022		
Employer	Product/Service	Employees	Percentage of Total Employment	
Great Dane Trailers	Semi Truck Manufacturer	600	2.55%	
OSF Saint Luke Medical Center	Hospital	300	1.28%	
Wal-Mart	Retail	300	1.28%	
Peterson Health Care	Nursing Home/Assisted Living	280	1.19%	
Kewanee Community School District	Elementary/Secondary School District	250	1.06%	
Bomag Americas	Soil Compactor/Asphalt Manufacturer	200	0.85%	
Excelled Sheepskin & Leather Coat Co.	Coats Manufacturer	150	0.64%	
Henry County Health Department	County Government	150	0.64%	
Menards, Inc.	Retail	150	0.64%	
Black Hawk College East Campus	Community College	100	0.43%	
Total Employed Labor Force - Henry County		23,526		
Total Unemployed - Henry County		1,965		
Total Employed Labor Force - Henry County		22,673		
Total Unemployed - Henry County		1,000		

Sources: Bi-State Regional Commission
Illinois Department of Commerce and Economic Opportunity
US Department of Labor - Bureau of Labor Statistics

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

Faculty and Staff Headcount
FY2014 through FY2023

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Faculty										
Faculty Full-time	139	135	130	102	107	103	97	97	102	94
Faculty Part-time	314	266	243	114	206	189	156	135	125	163
Administrators										
Admin Full-time	13	13	10	9	10	11	11	11	11	10
Admin Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Managerial Full-time	60	57	49	44	47	48	48	48	52	50
Managerial Part-time	2	1	0	0	0	0	0	0	0	0
Professional Staff										
Professional Staff Full-time	99	94	102	77	88	82	84	90	88	93
Professional Staff Part-time	15	17	18	14	19	13	9	9	10	7
Classified Staff										
Classified Full-time	73	69	68	54	56	63	60	54	61	54
Classified Part-time	147	132	134	89	83	71	66	55	59	53
Other										
Other Full-time	4	4	0	1	0	3	3	3	1	0
Other Part-time	149	126	134	119	81	121	102	69	84	85
Total Employees										
Full-time	388	372	359	287	308	307	303	303	315	301
Part-time	627	542	529	336	389	378	333	268	277	308
Grand Total	1,015	914	888	623	697	685	636	571	592	609

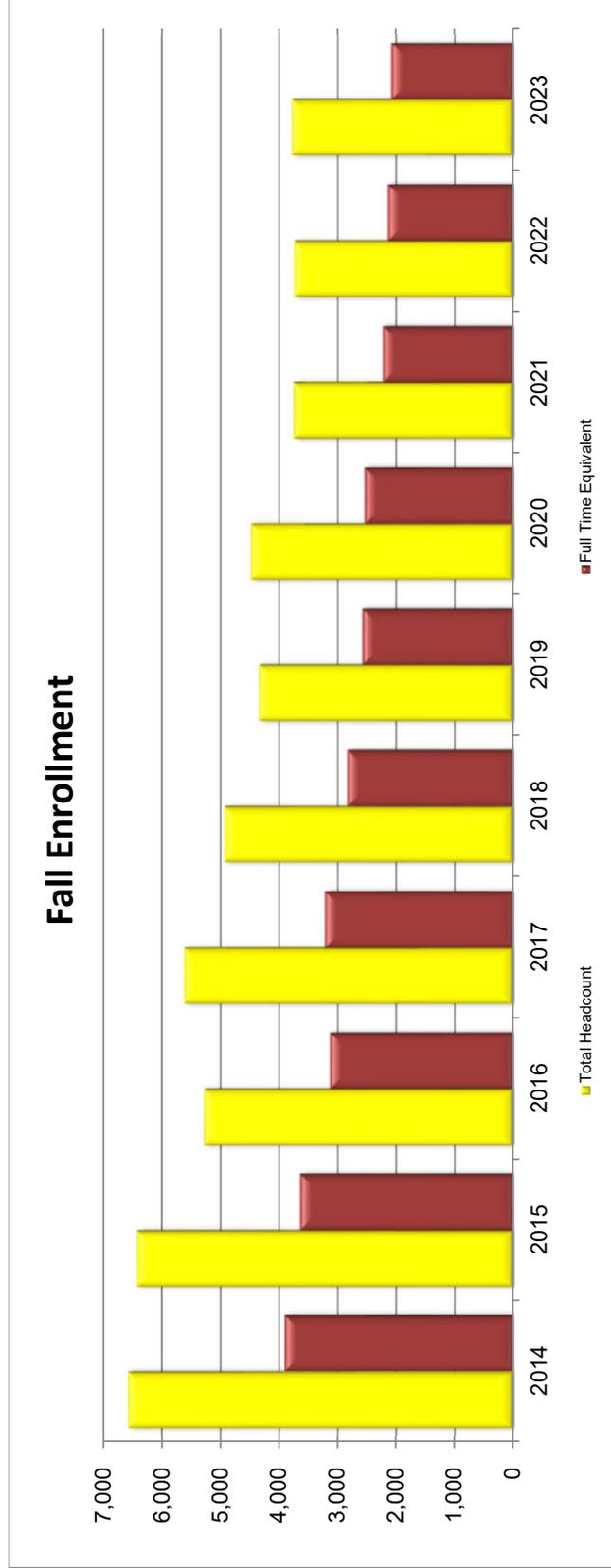


Source: BHC Budget & Accounting Manager

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

Student Enrollment Demographic Statistics
FY2014 through FY2023

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status						Age	
	Full Time Equivalent	Total Headcount	Male	Female	Full Time	Part Time	Continuing Student	New Student	Transfer Student	Readmit Student	Degreed	High School Student	Average Age	
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	
2019	2,577	4,333	1,700	2,633	1,625	2,708	1,580	917	167	425	320	924	24.5	
2020	2,533	4,472	1,746	2,726	1,562	2,910	1,567	1,037	183	395	253	1,037	24.6	
2021	2,222	3,743	1,374	2,369	1,366	2,377	1,352	758	113	184	270	1,066	23.0	
2022	2,134	3,736	1,382	2,354	1,306	2,430	1,327	841	135	298	140	995	23.3	
2023	2,079	3,773	1,424	2,349	1,186	2,587	1,199	850	153	298	140	1,098	23.3	



Source: ICCB E1 Report
NR = Not Recorded

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

Financial Aid Recipients
FY2014 through FY2023

Type of Aid	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Federal Aid										
College Work Study	103	93	73	68	71	67	67	28	41	49
PELL Grant	2,509	2,356	1,944	1,787	1,742	1,456	1,451	1,197	1,125	1,083
SEOG	796	336	298	387	319	320	314	185	124	189
Stafford Loan - subsidized	645	569	453	403	383	325	307	242	188	181
Stafford Loan - unsubsidized	592	486	428	450	420	356	308	256	212	236
PLUS (Parent) Student Loan	13	14	14	16	13	18	21	18	8	18
Chapter 33 (a GI Bill fund)	78	75	77	88	94	67	65	54	39	33
Other Federal Military/Veteran's Aid ¹	-	-	-	104	75	77	67	79	57	32
Emergency Federal Aid										
CARES HEERF Grant - Student portion	-	-	-	-	-	-	759	1,469	1,981	-
Emergency SEOG (SEOGE)	-	-	-	-	-	-	1	162	78	15
State Aid										
MAP Grant	799	740	494	694	672	654	839	811	819	827
IL Veterans Grant (IVG)	104	81	73	60	34	27	22	12	9	2
National Guard	27	17	17	21	25	23	31	18	30	28
POW/MIA Dependents	6	7	6	5	3	4	4	8	9	10
DORS	32	45	49	48	37	22	21	27	27	23
Policeman/Fireman Dependents Grant	-	-	-	-	-	1	-	-	-	-
Local Aid										
Private Grant/Scholarship	251	264	277	239	215	255	257	232	226	193
Achievement Awards	354	324	286	258	250	271	246	232	263	273
Foundation Scholarships	228	247	268	245	266	526	489	342	316	301
Donor Scholarships	107	56	17	12	9	24	30	24	8	19
TOTAL	6,644	5,710	4,774	4,885	4,628	4,493	5,299	5,396	5,560	3,512

*FY2022 totals reflect YTD payments through 07/07/2022, and does not include any further disbursements and adjustments which may occur after this date.

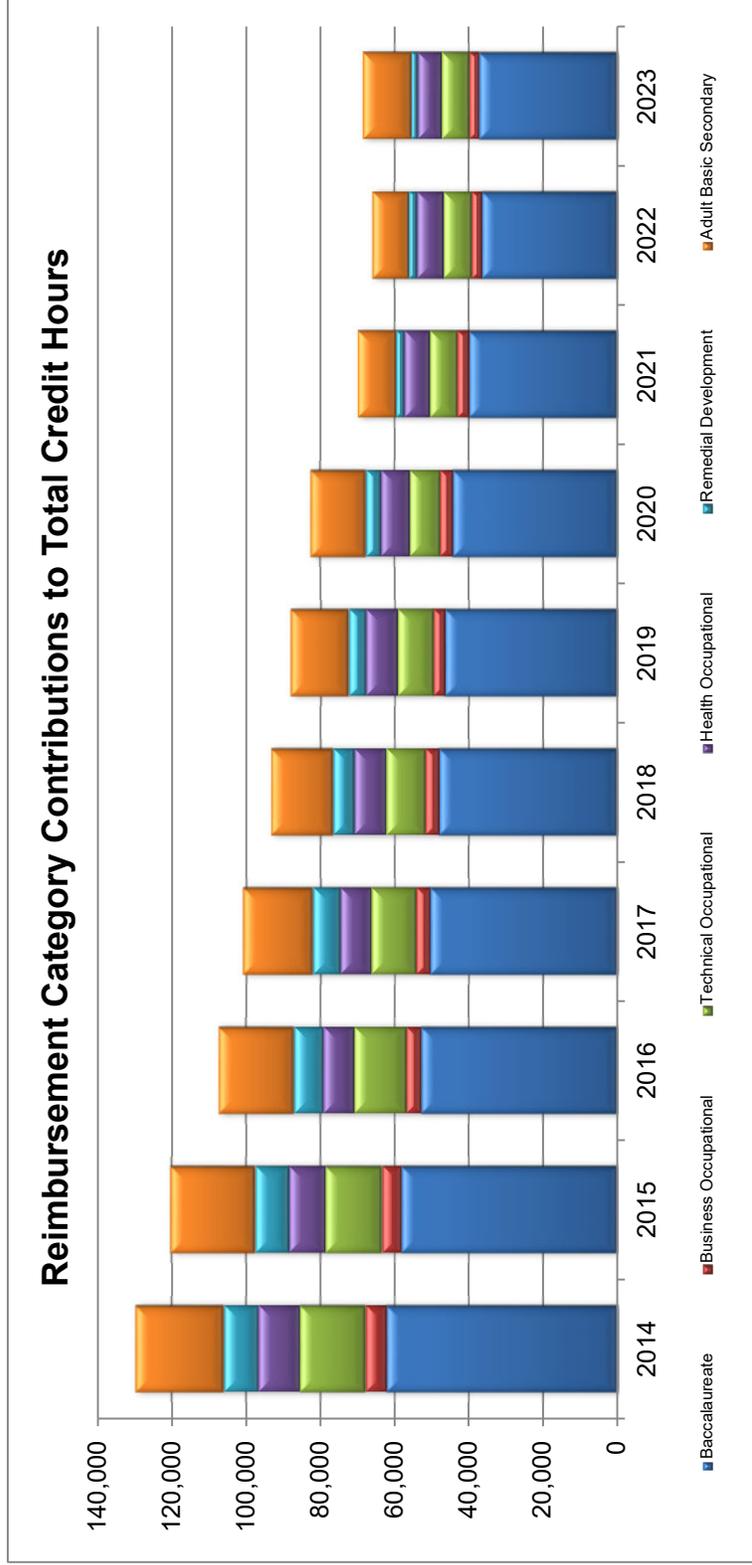
Note 1: Other Federal Military/Veteran's Aid has begun to be included in the FY2017 reporting. It includes Chapter 30 - Montgomery GI Bill Active Duty, Chapter 31 - Vocational Rehabilitation, Chapter 35 - Survivors' & Dependents' Assistance, Chapter 1606 - Montgomery GI Bill Selected Reserve, and Chapter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

Source: BHC Financial Aid Database and BHC Veterans Services.

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories
FY2014 through FY2023

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% Change 2014 vs 2023
Baccalaureate	62,224.2	58,180.8	52,849.3	50,448.9	48,077.4	46,553.2	44,301.3	39,994.4	36,519.3	37,288.4	-40.07%
Business Occupational	5,604.5	5,161.9	4,095.5	3,882.9	3,770.1	3,177.0	3,505.3	3,140.7	2,807.3	2,699.4	-51.84%
Technical Occupational	17,687.1	15,326.4	13,994.2	12,020.8	10,505.7	9,610.5	8,139.0	7,390.1	7,576.0	7,387.4	-58.23%
Health Occupational	11,236.6	9,826.1	8,322.5	8,444.7	8,623.7	8,577.0	7,731.0	6,891.1	7,095.3	6,466.5	-42.45%
Remedial Development	9,149.0	9,051.0	7,763.0	7,289.0	5,573.0	4,495.0	3,979.0	2,275.0	2,151.0	1,784.0	-80.50%
Adult Basic Secondary	23,853.8	22,751.2	20,283.9	18,771.4	16,778.1	15,674.9	14,838.6	10,305.4	9,814.4	12,931.9	-45.79%
Total	129,755.2	120,297.4	107,308.4	100,857.7	93,328.0	88,087.6	82,494.2	69,996.7	65,963.3	68,557.6	-47.16%



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
FY2014 through FY2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Buildings - Permanent	21	21	23	25	25	25	0	25	25	26
Total acres (includes parking lots)	273.0	275.2	273.0	231.6*	231.6	231.6	231.2	231.2	231.2	231.2
Net Assignable Square Feet:										
Classrooms and general use	75,935	80,797	86,218	84,681	84,611	75,906	80,209	80,209	80,209	80,209
Laboratory	140,870	138,268	154,546	149,537	152,377	153,071	162,525	162,525	162,525	162,525
Office	69,080	70,640	77,523	74,924	73,126	71,548	71,176	71,176	71,176	71,176
Study	24,873	20,095	20,043	25,776	28,784	27,170	28,191	28,191	28,191	28,191
Special use (Athletics, PE)	44,887	44,887	44,887	45,485	49,387	49,387	56,453	56,453	56,453	56,453
General use (Theater)	34,005	34,101	38,875	41,003	41,049	40,523	40,622	40,622	40,622	40,622
Support functions	35,210	36,882	39,730	40,980	38,378	45,847	48,139	48,139	48,139	59,319
Unassigned	2,719	3,363	940	-	-	2,245	-	-	-	-
Total	427,579	429,033	462,762	462,386	467,712	465,697	487,315	487,315	487,315	498,495

Parking capacity:

On campus parking spots	2,004	2,004	2,004	2,191	2,191	2,191	2,365	2,365	2,365	2,365
Acres	22	22	22	22	22	22	22	22	22	22

Source: FY14-19, Illinois Community College Board (ICCB) Data and Characteristics book, Tables V-1 and V-4. As of FY20, BHC is no longer required to report facilities and grounds square footages to ICCB. FY20 - FY23 information obtained from BHC Facilities Supervisors.

* 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, 2023

Year Founded 1946

District Data
Population (approximation) 215,370

Communities served include:

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

Accreditation
The Higher Learning Commission
(Formerly North Central Association of Colleges and Schools)
Next accreditation visit December 2022

Degree and Certificates Awarded in Fiscal Year 2022

Associate in Arts	204
Associate in Science	86
Associate in Liberal Studies	0
Associate in Applied Science	155
Associate in Fine Arts	0
Certificates*	396

* The College auto-awarded certificates earned by students enrolled in FY2020, in an effort to improve the College's Perkins Grant metrics.

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

	2022	Tax Levy Year 2021	2020
Equalized assessed valuations:			
Bureau County	\$ 36,049,199	\$ 32,931,872	\$ 31,103,239
Henderson County	3,987,086	3,757,834	3,536,161
Henry County	1,096,018,712	1,023,718,073	987,490,121
Knox County	20,175,712	18,682,999	17,457,879
Marshall County	151,515	137,139	131,953
Mercer County	346,713,181	317,418,708	296,789,793
Rock Island County	2,990,906,634	2,797,373,624	2,726,322,088
Stark County	135,604,043	128,105,619	121,379,066
Whiteside County	88,575,001	83,261,161	78,222,491
	<u>\$ 4,718,181,083</u>	<u>\$ 4,405,387,029</u>	<u>\$ 4,262,432,791</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1151	0.1185	0.1193
Operations and Maintenance Fund	0.0672	0.0692	0.0696
Bond and Interest Fund	0.1999	0.1503	0.1537
Liability, Protection, and Settlement Fund	0.0244	0.0721	0.0726
Audit Fund	-	0.0030	0.0030
Operations and Maintenance, restricted	0.0480	0.0494	0.0497
Equity	0.0895	0.0995	0.1003
	<u>0.5441</u>	<u>0.5620</u>	<u>0.5682</u>
Tax extensions:			
Education Fund	\$ 8,096,135	\$ 7,998,198	\$ 7,787,342
Operations and Maintenance Fund	4,724,550	4,667,594	4,542,824
Bond and Interest Fund	9,443,179	6,635,181	6,554,276
Liability, Protection, and Settlement Fund	1,151,071	3,178,828	3,095,151
Audit Fund	-	132,142	127,868
Operations and Maintenance, restricted	2,263,983	2,177,906	2,118,976
	<u>\$ 25,678,918</u>	<u>\$ 24,789,848</u>	<u>\$ 24,226,437</u>
Less tax collections (cumulative through June 30, 2023):			
Education Fund	\$ 3,413,937	\$ 8,013,689	\$ 7,775,092
Operations and Maintenance Fund	1,992,559	4,678,279	4,536,356
Bond and Interest Fund	3,985,019	6,648,091	6,544,346
Liability, Protection, and Settlement Fund	485,620	3,184,902	3,090,459
Audit Fund	-	132,522	127,678
Operations and Maintenance, restricted	955,360	2,182,118	2,115,756
	<u>\$ 10,832,495</u>	<u>\$ 24,839,600</u>	<u>\$ 24,189,687</u>
Taxes receivable:			
Tax receivable	\$ 14,846,423	\$ (49,752)	\$ 36,750
Written off	-	-	-
Allowance for uncollectible taxes	(77,038)	49,752	(36,750)
	<u>\$ 14,769,385</u>	<u>-</u>	<u>\$ -</u>
Taxes receivable by fund:			
Education Fund	\$ 4,657,910	\$ -	\$ -
Operations and Maintenance Fund	2,717,817	-	-
Bond and Interest Fund	5,429,830	-	-
Liability, Protection, and Settlement Fund	661,998	-	-
Audit Fund	-	-	-
Operations and Maintenance, restricted	1,301,830	-	-
	<u>\$ 14,769,385</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>42.18%</u>	<u>100.20%</u>	<u>99.85%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2023 levy	<u>\$ 4,718,181,083</u>
Debt limit, 2.875% of assessed valuation	\$ 135,647,706
Bonded indebtedness	<u>(98,477,914)</u>
Legal debt margin	<u><u>\$ 37,169,792</u></u>

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2024**

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

ALL FISCAL YEAR 2023 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	\$ 26,407,216
2. Operations and Maintenance Fund	\$ 4,116,356
3. Public Building Commission Operation and Maintenance Fund	\$ -
4. Bond and Interest Fund	\$ -
5. Public Building Commission Rental Fund	\$ -
6. Restricted Purposes Fund	\$ 10,361,197
7. Audit Fund	\$ 76,175
8. Liability, Protection, and Settlement Fund	\$ 2,957,009
9. Auxiliary Enterprises Fund (subsidy only)	\$ -
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	\$ 43,917,953
11. Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) from Sources other than State and Federal Funds	\$ 1,932,516
12. TOTAL COSTS INCLUDED (line 10 plus line 11)	\$ 45,850,469
13. Total certified semester credit hours for FY 2023	68,557.60
14. PER CAPITA COST (line 12 divided by line 13)	\$ 668.79
15. All FY 2023 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	\$ 9,178,597
16. FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)	\$ 133.88
17. District's average ICCB grant rate (excluding equalization grants) for FY 2024	\$ 50.05
18. District's student tuition and fee rate per semester credit hour for FY 2024	\$ 164.00
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	\$ 320.86

Approved: <u>Steve Fromman</u> Chief Fiscal Officer	December 20, 2023 Date
Approved: <u>Jeremy L. Thomas</u> Chief Executive Officer	December 20, 2023 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 Capital Assets and Long-Term Debt
- No. 3 – Operating Fund Revenues and Expenditures
- No. 4 – Restricted Purposes Fund Revenues and Expenditures
- No. 5 – Expenditures by Activity – Current Funds

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 1 - All Funds Summary
Year ended June 30, 2023

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning	\$ 9,151,137	\$ 5,571,302	\$ 3,338,192
Revenues:			
Local tax revenue	8,075,748	4,714,397	8,054,769
All Other Local Revenue	4,407,515	469,110	1,458,486
ICCB grants	4,573,859	466,272	-
All other state revenue	-	-	-
Federal revenue	5,440	-	-
Student tuition and fees	12,390,030	62,480	-
On-Behalf CIP	-	-	-
On-Behalf SURS	-	-	-
All other revenue	1,439,014	419,369	79,365
Total revenues	30,891,606	6,131,628	9,592,620
Expenditures:			
Instruction	10,275,017	-	-
Academic support	3,679,750	-	-
Student services	2,770,786	-	-
Public service/continuing education	406,786	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	4,143,563	-
Institutional support	6,543,137	-	8,857,708
Scholarships, student grants and waivers	3,077,286	-	-
Total expenditures	26,752,762	4,143,563	8,857,708
Net transfers	(3,900,000)	(1,500,000)	-
Fund balance, end of year	\$ 9,389,981	\$ 6,059,367	\$ 4,073,104

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 20,006,164	\$ 1,182,717	\$ 11,888,401	\$ 14,206,050	\$ 278,440	\$ 6,579,640	\$ 72,202,043
2,228,543	-	-	-	67,069	2,182,426	25,322,952
76,277,969	-	371,999	-	-	309,847	83,294,926
-	-	1,118,329	-	-	-	6,158,460
83,986	-	1,770,567	-	-	-	1,854,553
-	-	6,200,269	-	-	-	6,205,709
-	142,283	531,735	-	-	-	13,126,528
-	-	(3,206,695)	-	-	-	(3,206,695)
-	-	7,599,663	-	-	-	7,599,663
2,285,560	1,073,319	318,833	563,891	11,472	245,676	6,436,499
80,876,058	1,215,602	14,704,700	563,891	78,541	2,737,949	146,792,595
-	-	2,378,036	-	-	-	12,653,053
-	-	2,881,144	-	-	-	6,560,894
-	-	1,390,468	-	-	-	4,161,254
-	-	787,855	-	-	-	1,194,641
-	1,793,017	88,758	-	-	-	1,881,775
22,982,569	-	464,675	-	-	1,024,218	28,615,025
2,413,888	-	985,705	-	76,175	2,242,638	21,119,251
-	-	6,218,106	-	-	-	9,295,392
25,396,457	1,793,017	15,194,747	-	76,175	3,266,856	85,481,285
2,100,000	1,400,000	1,900,000	-	-	-	-
\$ 77,585,765	\$ 2,005,302	\$ 13,298,354	\$ 14,769,941	\$ 280,806	\$ 6,050,733	\$ 133,513,353

This page is intentionally left blank

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

**Uniform Financial Statement No. 2 - Summary of Capital Assets and Long-Term Debt
Year ended June 30, 2023**

	Capital Asset/ Long-Term Debt 6/30/2022	Additions	Deletions and Transfers	Capital Asset/ Long-Term Debt June 30, 2023
Capital Assets:				
Land	\$ 11,943,396	-	\$ -	\$ 11,943,396
Building and improvements	120,941,428	-	6,407,603	127,349,031
Equipment	12,315,597	512,560	(342,792)	12,485,365
Subscription Assets	-	946,645	-	946,645
Other	4,619,115	22,965,566	(6,407,603)	21,177,078
	<u>149,819,536</u>	<u>24,424,771</u>	<u>(342,792)</u>	<u>173,901,515</u>
Accumulated depreciation & amortization	(42,506,643)	(3,415,478)	195,878	(45,726,243)
Total capital assets	<u>\$ 107,312,893</u>	<u>\$ 21,009,293</u>	<u>\$ (146,914)</u>	<u>\$ 128,175,272</u>
 Long-Term Debt:				
Bonds payable	\$ 27,185,000	67,735,000	\$ (6,805,000)	\$ 88,115,000
Subscription payable	\$ -	946,645	\$ (350,603)	\$ 596,042
Other Fixed Liabilities	16,305,315	283,733	(10,072,184)	6,516,864
Total long-term debt	<u>\$ 43,490,315</u>	<u>\$ 68,965,378</u>	<u>\$ (17,227,787)</u>	<u>\$ 95,227,906</u>

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2023**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 8,075,748	\$ 4,714,397	\$ 12,790,145
Corporate personal property replacement tax	4,142,716	469,110	4,611,826
Chargeback revenue	-	-	-
Subscription proceeds	264,799	-	264,799
	12,483,263	5,183,507	17,666,770
State government:			
ICCB base operating grant	2,447,930	466,272	2,914,202
ICCB equalization grant	1,824,840	-	1,824,840
ICCB - Career and Technical Education	294,314	-	294,314
Other ICCB Grants not listed above	6,775	-	6,775
Other state revenue	-	-	-
	4,573,859	466,272	5,040,131
Federal government:			
Department of Education	5,440	-	5,440
Other	-	-	-
	5,440	-	5,440
Student tuition and fees:			
Tuition	11,007,513	-	11,007,513
Fees	1,382,517	62,480	1,444,997
	12,390,030	62,480	12,452,510
Other sources:			
Sales and service fees	413,098	8,127	421,225
Facilities revenue	1,319	153,719	155,038
Investment revenue	871,188	250,828	1,122,016
Other	153,409	6,695	160,104
	1,439,014	419,369	1,858,383
Total revenues	30,891,606	6,131,628	37,023,234
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	\$ 30,891,606	\$ 6,131,628	\$ 37,023,234

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2023**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 10,275,017	\$ -	\$ 10,275,017
Academic support	3,679,750	-	3,679,750
Student services	2,770,786	-	2,770,786
Public service	406,786	-	406,786
Operations and maintenance	-	4,143,563	4,143,563
Institutional support	6,543,137	-	6,543,137
Scholarships, student grants and waivers	3,077,286	-	3,077,286
Total expenditures	<u>26,752,762</u>	<u>4,143,563</u>	<u>30,896,325</u>
Less nonoperating item, tuition chargeback			
	-	-	-
Transfers, net	3,900,000	1,500,000	5,400,000
Adjusted expenditures	<u>\$ 30,652,762</u>	<u>\$ 5,643,563</u>	<u>\$ 36,296,325</u>
By object:			
Salaries	\$ 16,074,016	\$ 1,475,434	\$ 17,549,450
Employee benefits	4,274,162	406,923	4,681,085
Contractual services	1,086,117	708,262	1,794,379
General materials and supplies	1,509,641	298,097	1,807,738
Conference and meeting expenses	187,673	1,427	189,100
Fixed charges	104,982	10,511	115,493
Utilities	1,890	1,215,366	1,217,256
Capital outlay	345,546	27,207	372,753
Other	3,168,735	336	3,169,071
Total expenditures	<u>26,752,762</u>	<u>4,143,563</u>	<u>30,896,325</u>
Less nonoperating item, tuition chargeback			
	-	-	-
Transfers, net	3,900,000	1,500,000	5,400,000
Adjusted expenditures	<u>\$ 30,652,762</u>	<u>\$ 5,643,563</u>	<u>\$ 36,296,325</u>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2023**

Revenues by source:	
Local government	\$ 371,999
State government:	
ICCB:	
Adult Education and Family Literacy	581,726
Early School Leaver	60,000
Illinois Veterans Grant	492
Innovative Bridge & Transition Grant	-
Illinois National Guard	88,579
PATH Grant	383,552
Mental Health Early Action	3,980
Illinois State Board of Education:	
Truancy and Alternative Education	156,021
Growing Ag Science Teachers	15,404
Illinois Department of Health & Human Services	
Department of Vocational Rehab	85,501
Illinois Department of Transportation	
Highway Construction Careers Training Program	279,635
Illinois Student Assistance Center	
Monetary Assistance Program	1,171,546
Illinois Secretary of State	
Adult Volunteer Literacy	44,000
Illinois Department of Veterans' Affairs	
MIA/POW	18,460
State Universities Retirement System of Illinois (1)	
SURS On-Behalf	7,599,663
OPEB CIP On-Behalf	(3,206,695)
Total state government	<u>7,281,864</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	137,852
Pell Grant	3,980,970
Supplemental Educational Opportunity Grant (SEOG)	93,109
Carl D. Perkins Vocational and Applied Technology Program	459,600
CTE Improvement (Leadership) Grant	-
Special Student Services	403,699
Adult Education and Family Literacy, Federal Basic Program	312,334
Adult Education English Language/Civics	65,110
GEER - Governor's Emergency Education Relief	79,997
CURES At-Risk Summer Bridge	99,780
Department of Labor	
TEAM	67,385
CareerLINK	49,094
Department of Health and Human Services	
Early Childhood Access Consortium for Equity (ECACE) Scholarship Program	127,615
Child Care and Development Block Grant for ECACE	216,165
Department of Transportation	
Highway Construction Careers Training Program	26,102
Other Sources:	
Veteran's Administration	81,457
Total federal government	<u>6,200,269</u>

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$4,392,968

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2023**

Revenues by source (Continued):

Other sources:	
Student Fees	531,735
Other	318,833
Total other	<u>850,568</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 14,704,700</u></u>

Expenditures by program (1):

Instruction	\$ 2,378,036
Academic support	2,881,144
Student services	1,390,468
Public service/continuing education	787,855
Auxiliary services	88,758
Operations and maintenance	464,675
Institutional support	985,705
Scholarships, student grants and waivers	6,218,106
Total expenditures by program	<u><u>\$ 15,194,747</u></u>

Expenditures by object:

Salaries	\$ 1,645,898
Employee benefits (1)	4,913,179
Contractual services	953,512
General materials and supplies	532,862
Conference and meeting expenses	128,964
Fixed charges	152,833
Utilities	106,393
Capital outlay	440,582
Other	6,320,524
Total expenditures by object	<u><u>\$ 15,194,747</u></u>

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$4,392,968

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

**Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2023**

Instruction (1)	\$ 12,653,053
Academic support:	
Library center	531,891
Instructional materials center	141,563
Educational media services	18,545
Academic computing support	2,251,255
Academic administration and planning	2,647,200
Other (1)	970,440
Total academic support	6,560,894
Student services:	
Admissions and records	818,889
Counseling and career guidance	1,470,633
Financial aid administration	372,187
Other (1)	1,499,545
Total student services	4,161,254
Public service/continuing education:	
Community education	160,556
Customized training (instructional)	247,775
Community services	129,547
Other (1)	656,763
Total public service/continuing education	1,194,641
Auxiliary services (1)	1,881,775
Operations and maintenance of plant:	
Maintenance	822,604
Custodial services	1,117,047
Grounds	294,399
Campus security	1,065,382
Utilities	1,599,526
Administration	285,222
Other (1)	448,276
Total operations and maintenance	5,632,456
Institutional support:	
Executive office	1,039,738
Fiscal operations	949,479
Community relations	1,330,022
Administrative support services	936,064
Board of Trustees	23,934
General institution	3,161,924
Administrative data processing	688,494
Other (1)	1,718,000
Total institutional support	9,847,655
Scholarships, student grants and waivers (1)	9,295,392
Total current funds expenditures	\$ 51,227,120

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$4,392,968

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2023**

Fund Balances - Uniform Financial Statements	\$ 133,513,353
Capital assets in the Investment in Plant Fund	128,175,272
Long-term bond debt in the General Long Term Debt Fund	(32,882,166)
Unspent bond proceeds in the General Long Term Debt Fund	(55,828,876)
Long-term OPEB liability in the General Long Term Debt Fund	(18,375,374)
Agency Fund Balances	<u>408,595</u>
Fund Balances - All Fund Types	<u><u>\$ 155,010,804</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2023**

Change in Fund Balances - Uniform Financial Statements	\$ 61,311,310
Additions to buildings and equipment	24,424,771
Depreciation and loss of disposal of assets	(3,562,392)
Net Effect	<u>20,862,379</u>
Payment on long-term debt	7,155,603
Issuance of long-term debt	(68,681,645)
Net Effect	<u>(61,526,042)</u>
OPEB expense	<u>3,256,242</u>
Additions to custodial funds	1,130,137
Payments from custodial funds	(1,185,466)
Net Effect	<u>(55,329)</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 23,848,560</u></u>

This page is intentionally left blank

ICCB State Grants Financial Compliance Section

This page is intentionally left blank

**Independent Auditor's Report on State Adult Education
and Family Literacy Grants Financial Statements**

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

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Black Hawk College – Community College District 503 (the “College”), as of and for the year ended June 30, 2023, and the related notes to the financial statements.

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 – Community College District 503 as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State Adult Education and Family Literacy Grants of Black Hawk College – Community College District 503, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 – Community College District 503 as of June 30, 2023, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Sterling, Illinois
December 21, 2023

**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

Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State Adult Education and Family Literacy Grants Program of Black Hawk College District No. 503 (the "College"), which comprise of the statement of net position as of June 30, 2023, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the financial statements, and we have issued our report there on dated December 21, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants. 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 terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants.

The report is intended solely for the information and use of the boards of trustees and management of Black Hawk College District No. 503, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than those specified parties.

Wipfli LLP

Sterling, Illinois
December 21, 2023

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

**Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2023**

	State Basic	Performance	Total
Assets			
Cash	\$ 6,066	\$ 11,104	\$ 17,170
Receivable from ICCB	-	-	-
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
Total assets	<u>\$ 6,066</u>	<u>\$ 11,104</u>	<u>\$ 17,170</u>
Liabilities			
Accounts payable	\$ 300	\$ 1,383	\$ 1,683
Accrued salaries	5,695	9,434	15,129
Due to other funds	71	287	358
Total liabilities	<u>6,066</u>	<u>11,104</u>	<u>17,170</u>
Fund balance			
Reserved for encumbrances	-	-	-
Total fund balance	<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, 2023**

	State Basic	Performance	Total
Revenues, state sources	<u>\$ 320,566</u>	<u>\$ 261,160</u>	<u>\$ 581,726</u>
Expenditures:			
Current year's grant:			
Personnel Services (Salaries and Wages)	225,997	155,836	381,833
Fringe Benefits	45,853	74,994	120,847
Travel	3,945	1,023	4,968
Equipment	-	-	-
Supplies	9,067	21,042	30,109
Contractual Services	35,704	4,796	40,500
Consultant	-	-	-
Occupancy (Rent and Utilities)	-	-	-
Telecommunications	-	-	-
Training and Education	-	3,469	3,469
Miscellaneous	-	-	-
General Administration/Indirect	-	-	-
Total expenditures	<u>320,566</u>	<u>261,160</u>	<u>581,726</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Beginning, July 1, 2022			-
Ending, June 30, 2023			<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, 2023**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 249,452	77.82%
General Administration (20% Maximum Allowed)	4,332	1.35%

**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. 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, 2023. 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, 2023.

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, 2023, 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.

This page is intentionally left blank



**Independent Accountant's Report on Credit Hour 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 Credit Hour Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 during the period July 1, 2022 through June 30, 2023. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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 Credit Hour 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.

Wipfli LLP

Sterling, Illinois
December 21, 2023

BLACK HAWK COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT #503
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 2023

Total Reimbursable Semester Credit Hours			
Credit Hour Categories	Total	Total	Difference
	Reported in Audit	Certified to ICCB	
	<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>	
Baccalaureate	37,155.80	37,155.80	-
Business Occupational	2,699.40	2,699.40	-
Technical Occupational	7,138.90	7,138.90	-
Health Occupational	6,466.50	6,466.50	-
Remedial/Developmental	1,784.00	1,784.00	-
Adult Education	181.50	181.50	-
Total:	55,426.10	55,426.10	-

Credit Hour Categories	Total	Total	Difference
	Reported in Audit	Certified to ICCB	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
Baccalaureate	132.60	132.60	-
Business Occupational	-	-	-
Technical Occupational	248.50	248.50	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	12,750.40	12,750.40	-
Total:	13,131.50	13,131.50	-

	Total	Total	Difference
	Reported in Audit	Certified to ICCB	
	<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>	
In-District Credit Hours:	52,305.90	52,305.90	-
Dual Credit Hours:	9,814.50	9,814.50	-
Dual Enrollment Hours:	46.00	46.00	-

	Total	Total	Difference
	Reported in Audit	Certified to ICCB	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
In-District Credit Hours:	13,082.40	13,082.40	-
Dual Credit Hours:	-	-	-
Dual Enrollment Hours:	-	-	-

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

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

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

**Student Residency Verification
Year Ended June 30, 2023**

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
2023	4,718,181,083
2022	4,405,387,029
2021	4,262,432,791

This page is intentionally left blank

Federal Financial Compliance Section

This page is intentionally left blank

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College District No. 503 (the "College"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 21, 2023.

The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Black Hawk College Foundation and Black Hawk East College Foundation.

Report on 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") as a basis for designing 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 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 and significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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.

Wipac LLP

Sterling, Illinois
December 21, 2023



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

Opinion on Each Major Federal Program

We have audited Black Hawk College District No. 503's (the "College") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the College's major federal program for the year ended June 30, 2023. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Black Hawk College District No. 503 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weakness in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
December 21, 2023

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Grant Identifying Number	Federal Expenditures	Passed Through to Subrecipients	
U.S. Department of Labor					
WIOA Cluster					
Passed-through Illinois Department of Employment Security:					
Training Employee Academic Mastery	17.258	PY2022-BHC TEAM	67,385	-	140053
Career Link	17.258	OSY-2022-01	49,094	-	140063
Total U.S. Department of Labor			<u>116,479</u>	<u>-</u>	
U.S. Department of Education					
Passed-through Illinois Community College Board:					
Adult Education - Basic Grants to States					
Federal Adult Education - Basic	84.002A	5030122	312,334	-	124803
Federal Adult Education - IEL/CE	84.002A	5030122	65,110	-	124823
Subtotal passed-through Illinois Community College Board			<u>377,444</u>	<u>-</u>	
Direct award:					
Student Financial Aid Cluster					
Federal Pell Grant Program Admin Cost Allowance	84.063	P063Q211337	285	-	01
Federal Pell Grant Program Admin Cost Allowance	84.063	P063Q221337	5,155	-	01
Federal Pell Grant Program	84.063	P063P211337	4,383	-	122013
Federal Pell Grant Program	84.063	P063P221337	3,976,587	-	122013
Federal Supplemental Educational Opportunity Grant	84.007	P007A221107	93,109	-	123033
Federal Family Education Loans	84.268	P268K221337	9,927	-	123060
Federal Family Education Loans	84.268	P268K231337	1,413,947	-	123060
Federal Work-Study Program	84.033	P033A221107	137,852	-	123013
Subtotal Student Financial Aid Cluster			<u>5,641,245</u>	<u>-</u>	
Direct award:					
TRIO - Student Support Services					
	84.042A	P042A200804	403,699	-	127013
Passed-through Illinois Community College Board:					
Career and Technical Education - Basic Grants to States:					
Vocational Education (Perkins)	84.048	CTE50323	466,725	-	125223
Subtotal passed-through Illinois Community College Board			<u>466,725</u>	<u>-</u>	
COVID-19 - Education Stabilization Fund					
Passed-through Illinois Community College Board:					
GEER II - Governor's Emergency Education Relief	84.425C	GEERII-50322	79,997	-	128293
Subtotal passed-through Illinois Community College Board			<u>79,997</u>	<u>-</u>	
Total U.S. Department of Education:			<u>6,969,110</u>	<u>-</u>	
U.S. Department of Health and Human Services					
Child Care and Development Fund (CCDF) Cluster					
Passed through Illinois Student Assistance Commission:					
COVID19 Early Childhood Access Consortium for Equity (ECACE) Scholarship Program	93.575	CRRSA ARPA CCDBG	127,615	-	136043
Passed through Illinois Community College Board:					
COVID-19 Child Care and Development Block Grant Early Childhood Grant	93.575	ECE-50301-22	216,165	-	136053
Subtotal ALN 93.575 Cluster			<u>343,780</u>	<u>-</u>	
Total U.S. Department of Health and Human Services			<u>343,780</u>	<u>-</u>	
U.S. Department of Transportation					
Passed through Illinois Department of Transportation:					
Highway Construction Careers Training Program	20.205	HCCTP IGA FY23	26,102	-	159073
Total U.S. Department of Transportation			<u>26,102</u>	<u>-</u>	
U.S. Department of Treasury					
Passed through Illinois Community College Board:					
COVID-19 State and Local Fiscal Recovery Fund CURES At-Risk Summer Bridge Program	21.027	CB-50301-22	99,780	-	129043
Total U.S. Department of Treasury			<u>99,780</u>	<u>-</u>	
U.S. Department of Veteran's Affairs					
Direct award:					
Veteran's Educational Assistance	64.120		82,236	-	172010
VA Rehab	64.116		(1,047)	-	610063
Total U.S. Department of Veteran's Affairs			<u>81,189</u>	<u>-</u>	
Total Expenditures of Federal Awards:			<u>\$ 7,636,440</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, 2023**

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, 2023. 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.

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. Indirect Cost Rate

The College elected to use the 10% de minimis indirect cost rate during the year ended June 30, 2023.

Note 4. Loan Program

For the year ended, June 30, 2023, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,423,874.

Note 5. Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2023.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

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 No

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:

Assistance

Listing

Number

Name of Federal Program

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 Ended June 30, 2023**

No financial or federal award findings.

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

**Summary Schedule of Prior Audit Findings
June 30, 2022**

None

Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2023

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Fund	Restricted Funds	Custodial Funds
Cash and cash equivalents	\$ 13,825,280	\$ 7,403,397	\$ 84,847	\$ 10,049,235	\$ 334,766
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,657,910	2,717,817	-	-	-
Federal government claims	-	-	-	942,779	-
State government claims	694,562	72,724	-	269,220	-
Student tuition and fees	3,755,779	-	-	-	-
Other	2,818	115,374	83,299	-	95,922
Due from other funds	-	-	1,418,559	2,490,370	-
Inventory	-	-	591,304	-	-
Prepaid expenses	207,174	58,578	7,265	191,927	756
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$45,726,243 depreciation	-	-	-	-	-
Total assets	<u>\$ 23,143,523</u>	<u>\$ 10,367,890</u>	<u>\$ 2,185,274</u>	<u>\$ 13,943,531</u>	<u>\$ 431,444</u>
Deferred outflows of resources					
OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Accounts payable	246,595	161,929	-	270,268	3,089
Accrued expenses					
Payroll	893,057	73,179	12,228	53,135	678
Early retirement	154,873	-	-	-	-
Accrued vacation	715,243	77,425	20,740	29,355	-
Other	-	-	34	-	-
Due to other funds	4,484,260	1,508,171	-	-	17,575
Unearned revenues					
Student tuition and fees	3,126,319	100	45,628	167,304	-
Grants and restricted funds	-	-	-	110,812	1,507
Other liabilities	85,127	19,795	100,542	-	-
Bonds payable	-	-	-	-	-
Subscriptions payable	-	-	-	-	-
OPEB Liability	-	-	-	-	-
Total liabilities	<u>9,705,474</u>	<u>1,840,599</u>	<u>179,172</u>	<u>630,874</u>	<u>22,849</u>
Deferred inflows of resources					
Property taxes	4,048,068	2,362,275	-	-	-
Other	-	10,941	800	14,303	-
OPEB	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Lease Revenue	-	94,708	-	-	-
Total deferred inflows of resources	<u>4,048,068</u>	<u>2,467,924</u>	<u>800</u>	<u>14,303</u>	<u>-</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	1,959,591	408,595
Unrestricted	9,389,981	6,059,367	2,005,302	11,338,763	-
Total fund balance	<u>9,389,981</u>	<u>6,059,367</u>	<u>2,005,302</u>	<u>13,298,354</u>	<u>408,595</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 23,143,523</u>	<u>\$ 10,367,890</u>	<u>\$ 2,185,274</u>	<u>\$ 13,943,531</u>	<u>\$ 431,444</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
\$ 285,806	\$ 6,134,316	\$ 14,769,941	\$ 4,555,949	\$ 80,086,390	\$ -	\$ -	\$ 137,529,927
-	-	-	-	-	-	-	-
-	661,998	-	5,429,830	1,301,830	-	-	14,769,385
-	-	-	-	-	-	-	942,779
-	-	-	-	-	-	-	1,036,506
-	-	-	-	-	-	-	3,755,779
-	-	-	-	-	-	-	297,413
-	1,077	-	-	2,100,000	-	-	6,010,006
-	-	-	-	-	-	-	591,304
-	39,827	-	-	22,336	-	-	527,863
-	-	-	-	-	1,032,464	-	1,032,464
-	-	-	-	-	21,177,078	-	21,177,078
-	-	-	-	-	105,965,730	-	105,965,730
\$ 285,806	\$ 6,837,218	\$ 14,769,941	\$ 9,985,779	\$ 83,510,556	\$ 128,175,272	\$ -	\$ 293,636,234
-	-	-	-	-	-	376,400	376,400
-	-	-	-	-	-	376,400	376,400
5,000	33,075	-	-	4,792,800	-	-	5,512,756
-	78,031	-	-	-	-	-	1,110,308
-	-	-	-	-	-	-	154,873
-	99,844	-	-	-	-	-	942,607
-	-	-	1,191,085	-	-	-	1,191,119
-	-	-	-	-	-	-	6,010,006
-	-	-	-	-	-	-	3,339,351
-	-	-	-	-	-	-	112,319
-	-	-	-	-	-	-	205,464
-	-	-	-	-	-	88,115,000	88,115,000
-	-	-	-	-	-	596,042	596,042
-	-	-	-	-	-	6,516,864	6,516,864
5,000	210,950	-	1,191,085	4,792,800	-	95,227,906	113,806,709
-	575,535	-	4,721,590	1,131,991	-	-	12,839,459
-	-	-	-	-	-	-	26,044
-	-	-	-	-	-	12,234,910	12,234,910
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	94,708
-	575,535	-	4,721,590	1,131,991	-	12,234,910	25,195,121
-	-	-	-	-	128,175,272	(32,882,166)	95,293,106
280,806	6,050,733	10,194,190	4,073,104	59,488,715	-	(55,828,876)	26,626,858
-	-	4,575,751	-	18,097,050	-	(18,375,374)	33,090,840
280,806	6,050,733	14,769,941	4,073,104	77,585,765	128,175,272	(107,086,416)	155,010,804
\$ 285,806	\$ 6,837,218	\$ 14,769,941	\$ 9,985,779	\$ 83,510,556	\$ 128,175,272	\$ 376,400	\$ 294,012,634

Black Hawk College
Illinois Community College District #503

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2023

	Education Fund	Operations & Maintenance Fund	Auxiliary Fund	Restricted Funds
Revenues:				
Local governmental sources				
Property taxes	\$ 8,075,748	\$ 4,714,397	\$ -	\$ -
Personal Property Replacement Tax	4,142,716	469,110	-	-
Other	-	-	-	-
Total local government sources	12,218,464	5,183,507	-	-
State governmental sources	4,573,859	466,272	-	2,888,896
Federal governmental sources	5,440	-	-	6,200,269
Student tuition and fees	12,390,030	62,480	142,283	531,735
Sales, services and rental of facilities and equipment	414,417	161,846	1,046,949	3,018
Investment earnings	871,188	250,828	8,168	-
Other sources	153,409	6,695	18,202	315,815
Additions to buildings and equipment, current funds	-	-	-	-
Payment of long-term debt & subscriptions	-	-	-	-
SURS contribution provided by state	-	-	-	7,599,663
OPEB CIP contribution provided by state	-	-	-	(3,206,695)
Total revenues	30,626,807	6,131,628	1,215,602	14,332,701
Expenditures:				
Instruction	10,275,017	-	-	622,005
Academic support	3,679,750	-	-	2,271,580
Student services	2,770,786	-	-	882,077
Public services	406,786	-	-	656,384
Institutional support	6,543,137	-	-	180,526
Auxiliary services	-	-	1,793,017	-
Scholarships, student grants, and waivers	3,077,286	-	-	6,189,207
SURS contribution provided by state	-	-	-	7,599,663
OPEB CIP contribution provided by state	-	-	-	(3,206,695)
OPEB Expense (Income)	-	-	-	-
Depreciation	-	-	-	-
Loss on disposal of assets	-	-	-	-
Operation of physical facilities	-	4,143,563	-	-
Total expenditures	26,752,762	4,143,563	1,793,017	15,194,747
Excess (deficiency) of revenues over expenditures	3,874,045	1,988,065	(577,415)	(862,046)
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Bond premium (discount)	-	-	-	-
Subscription proceeds	264,799	-	-	371,999
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Residual equity transfer in	-	-	-	-
Residual equity transfer out	-	-	-	-
Transfer from other fund	-	-	1,400,000	1,900,000
Transfer to other fund	(3,900,000)	(1,500,000)	-	-
Total other financing sources (uses)	(3,635,201)	(1,500,000)	1,400,000	2,271,999
Net change in fund balance	238,844	488,065	822,585	1,409,953
Fund balance				
Beginning	9,151,137	5,571,302	1,182,717	11,888,401
Ending	\$ 9,389,981	\$ 6,059,367	\$ 2,005,302	\$ 13,298,354

See Note to Management Information.

Custodial Funds	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
\$ -	\$ 67,069	\$ 2,182,426	\$ -	\$ 8,054,769	\$ 2,228,543	\$ -	\$ -	\$ 25,322,952
-	-	-	-	-	-	-	-	4,611,826
-	-	-	-	-	-	-	-	-
-	67,069	2,182,426	-	8,054,769	2,228,543	-	-	29,934,778
-	-	-	-	-	83,986	-	-	8,013,013
-	-	-	-	-	-	-	-	6,205,709
-	-	-	-	-	-	-	-	13,126,528
177,706	-	-	-	-	-	-	-	1,803,936
2,343	11,472	245,676	563,891	79,365	2,285,560	-	-	4,318,491
950,088	-	-	-	-	-	-	-	1,444,209
-	-	-	-	-	-	24,424,771	-	24,424,771
-	-	-	-	-	-	-	7,155,603	7,155,603
-	-	-	-	-	-	-	-	7,599,663
-	-	-	-	-	-	-	-	(3,206,695)
1,130,137	78,541	2,428,102	563,891	8,134,134	4,598,089	24,424,771	7,155,603	100,820,006
24,567	-	-	-	-	-	-	-	10,921,589
-	-	-	-	-	-	-	-	5,951,330
2,032	-	-	-	-	-	-	-	3,654,895
3,030	-	-	-	-	-	-	-	1,066,200
286,406	76,175	2,242,638	-	8,857,708	2,413,888	-	-	20,600,478
189,497	-	-	-	-	-	-	-	1,982,514
679,934	-	-	-	-	-	-	-	9,946,427
-	-	-	-	-	-	-	-	7,599,663
-	-	-	-	-	-	-	-	(3,206,695)
-	-	-	-	-	-	-	(3,256,242)	(3,256,242)
-	-	-	-	-	-	3,415,478	-	3,415,478
-	-	-	-	-	-	146,914	-	146,914
-	-	1,024,218	-	-	22,982,569	-	-	28,150,350
1,185,466	76,175	3,266,856	-	8,857,708	25,396,457	3,562,392	(3,256,242)	86,972,901
(55,329)	2,366	(838,754)	563,891	(723,574)	(20,798,368)	20,862,379	10,411,845	13,847,105
-	-	-	-	-	67,735,000	-	(67,735,000)	-
-	-	-	-	1,458,486	8,542,969	-	-	10,001,455
-	-	309,847	-	-	-	-	(946,645)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,100,000	-	-	5,400,000
-	-	-	-	-	-	-	-	(5,400,000)
-	-	309,847	-	1,458,486	78,377,969	-	(68,681,645)	10,001,455
(55,329)	2,366	(528,907)	563,891	734,912	57,579,601	20,862,379	(58,269,800)	23,848,560
463,924	278,440	6,579,640	14,206,050	3,338,192	20,006,164	107,312,893	(48,816,616)	131,162,244
\$ 408,595	\$ 280,806	\$ 6,050,733	\$ 14,769,941	\$ 4,073,104	\$ 77,585,765	\$ 128,175,272	\$ (107,086,416)	\$ 155,010,804

This page is intentionally left blank

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	\$ 155,010,804
Pension expense related to Federal, Trust, Grant and Other Contribution	105,350
Long-term portion of early retirement liability	(956,069)
Unamortized bond premium	(9,766,872)
Net Position of Statement of Net Position	<u>\$ 144,393,213</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	\$ 23,848,560
Reduction in student tuition and fees	(6,323,471)
Reduction in financial aid	6,323,471
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	24,424,771
Expended for capital assets	(24,424,771)
Net Effect	<u>-</u>
Long-term debt retired	6,805,000
Additions to general long-term debt fund	(6,805,000)
Net Effect	<u>-</u>
Premium on bonds sold	(10,001,455)
Amortization of bond premium	662,790
Decrease in long-term early retirement liability	99,623
Increase in pension expense related to Federal, Trust, Grant and Other Contribution	14,518
Change in Net Position	<u>\$ 14,624,036</u>

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

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Education Fund and Operations & Maintenance Fund by Program
Year ended June 30, 2023

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 8,031,000	\$ 8,075,748	\$ 44,748	\$ 4,660,500	\$ 4,714,397	\$ 53,897
Personal property taxes	1,530,000	4,142,716	2,612,716	170,000	469,110	299,110
Other	-	-	-	-	-	-
Total local government sources	9,561,000	12,218,464	2,657,464	4,830,500	5,183,507	353,007
State governmental sources	4,369,000	4,573,859	204,859	463,000	466,272	3,272
Federal governmental sources	6,500	5,440	(1,060)	-	-	-
Student tuition and fees	12,569,209	12,390,030	(179,179)	58,000	62,480	4,480
Sales, services and rental of facilities	238,349	414,417	176,068	183,012	161,846	(21,166)
Investment earnings	77,000	871,188	794,188	33,000	250,828	217,828
Other sources	55,730	153,409	97,679	2,000	6,695	4,695
Contingency	-	-	-	10,000	-	(10,000)
Total revenues	26,876,788	30,626,807	3,750,019	5,579,512	6,131,628	552,116
Expenditures:						
Current						
Instruction	10,955,623	10,275,017	(680,606)	-	-	-
Academic support	3,877,256	3,679,750	(197,506)	-	-	-
Student services	3,098,015	2,770,786	(327,229)	-	-	-
Public services	500,587	406,786	(93,801)	-	-	-
Institutional support	8,714,335	6,543,137	(2,171,198)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	2,500,000	3,077,286	577,286	-	-	-
Operation of physical facilities	-	-	-	4,780,032	4,143,563	(636,469)
Contingency	-	-	-	400,000	-	(400,000)
Total expenditures	29,645,816	26,752,762	(2,893,054)	5,180,032	4,143,563	(1,036,469)
Excess (deficiency) of revenues over expenditures	(2,769,028)	3,874,045	6,643,073	399,480	1,988,065	1,588,585
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Subscription proceeds	-	264,799	264,799	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	(3,900,000)	(3,900,000)	-	(1,500,000)	(1,500,000)
Total other financing sources (uses)	-	(3,635,201)	(3,635,201)	-	(1,500,000)	(1,500,000)
Net change in fund balance	\$(2,769,028)	238,844	\$ 3,007,872	\$ 399,480	488,065	\$ 88,585
Fund balance						
Beginning		\$ 9,151,137			\$ 5,571,302	
Ending		\$ 9,389,981			\$ 6,059,367	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Education Fund and Operations & Maintenance Fund by Object
Year ended June 30, 2023

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 8,031,000	\$ 8,075,748	\$ 44,748	\$ 4,660,500	\$ 4,714,397	\$ 53,897
Personal property taxes	1,530,000	4,142,716	2,612,716	170,000	469,110	299,110
Other	-	-	-	-	-	-
Total local government sources	9,561,000	12,218,464	2,657,464	4,830,500	5,183,507	353,007
State governmental sources	4,369,000	4,573,859	204,859	463,000	466,272	3,272
Federal governmental sources	6,500	5,440	(1,060)	-	-	-
Student tuition and fees	12,569,209	12,390,030	(179,179)	58,000	62,480	4,480
Sales, services and rental of facilities	238,349	414,417	176,068	183,012	161,846	(21,166)
Investment earnings	77,000	871,188	794,188	33,000	250,828	217,828
Other sources	55,730	153,409	97,679	2,000	6,695	4,695
Contingency	-	-	-	10,000	-	(10,000)
Total revenues	26,876,788	30,626,807	3,750,019	5,579,512	6,131,628	552,116
Expenditures:						
Current						
Salaries	17,598,263	16,074,016	(1,524,247)	1,799,042	1,475,434	(323,608)
Benefits	5,810,499	4,274,162	(1,536,337)	395,676	406,923	11,247
Contractual Services	1,466,486	1,086,117	(380,369)	645,719	708,262	62,543
Supplies & Materials	1,756,279	1,509,641	(246,638)	446,385	298,097	(148,288)
Conference & Meetings	373,639	187,673	(185,966)	15,870	1,427	(14,443)
Fixed Charges	29,950	104,982	75,032	6,000	10,511	4,511
Utilities	3,000	1,890	(1,110)	1,469,840	1,215,366	(254,474)
Capital Outlay	-	345,546	345,546	-	27,207	27,207
Other	2,607,700	3,168,735	561,035	1,500	336	(1,164)
Contingency	-	-	-	400,000	-	(400,000)
Total expenditures	29,645,816	26,752,762	(2,893,054)	5,180,032	4,143,563	(1,036,469)
Excess (deficiency) of revenues over expenditures	(2,769,028)	3,874,045	6,643,073	399,480	1,988,065	1,588,585
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Subscription proceeds	-	264,799	264,799	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	(3,900,000)	(3,900,000)	-	(1,500,000)	(1,500,000)
Total other financing sources (uses)	-	(3,635,201)	(3,635,201)	-	(1,500,000)	(1,500,000)
Net change in fund balance	\$(2,769,028)	238,844	\$ 3,007,872	\$ 399,480	488,065	\$ 88,585
Fund balance						
Beginning		\$ 9,151,137			\$ 5,571,302	
Ending		\$ 9,389,981			\$ 6,059,367	

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, 2023**

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 130,040	\$ 67,069	\$ (62,971)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	130,040	67,069	(62,971)
State governmental sources	1,878,868	2,888,896	1,010,028	-	-	-
Federal governmental sources	7,759,021	6,200,269	(1,558,752)	-	-	-
Student tuition and fees	550,000	531,735	(18,265)	-	-	-
Sales, services and rental of facilities	-	3,018	3,018	-	-	-
Investment earnings	-	-	-	-	11,472	11,472
Other sources	473,622	315,815	(157,807)	-	-	-
Contingency	3,122,680	-	(3,122,680)	-	-	-
Total revenues	13,784,191	9,939,733	(3,844,458)	130,040	78,541	(51,499)
Expenditures:						
Current						
Instruction	435,344	622,005	186,661	-	-	-
Academic support	1,285,330	2,271,580	986,250	-	-	-
Student services	790,488	882,077	91,589	-	-	-
Public services	822,158	656,384	(165,774)	-	-	-
Institutional support	117,791	180,526	62,735	161,000	76,175	(84,825)
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	7,481,788	6,189,207	(1,292,581)	-	-	-
Operation of physical facilities	-	-	-	-	-	-
Contingency	3,127,000	-	(3,127,000)	-	-	-
Total expenditures	14,059,899	10,801,779	(3,258,120)	161,000	76,175	(84,825)
Excess (deficiency) of revenues over expenditures	(275,708)	(862,046)	(586,338)	(30,960)	2,366	33,326
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Subscription proceeds	-	371,999	371,999	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	1,900,000	1,900,000	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources	-	2,271,999	2,271,999	-	-	-
Net change in fund balance	<u>\$ (275,708)</u>	1,409,953	<u>\$ 1,685,661</u>	<u>\$ (30,960)</u>	2,366	<u>\$ 33,326</u>
Fund balance						
Beginning		\$ 11,888,401			\$ 278,440	
Ending		<u>\$ 13,298,354</u>			<u>\$ 280,806</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
\$ 3,173,200	\$ 2,182,426	\$ (990,774)	\$ 6,615,250	\$ 8,054,769	\$ 1,439,519	\$ 2,174,000	\$ 2,228,543	\$ 54,543
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,173,200</u>	<u>2,182,426</u>	<u>(990,774)</u>	<u>6,615,250</u>	<u>8,054,769</u>	<u>1,439,519</u>	<u>2,174,000</u>	<u>2,228,543</u>	<u>54,543</u>
-	-	-	-	-	-	-	83,986	83,986
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
33,000	245,676	212,676	-	79,365	79,365	-	2,285,560	2,285,560
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,206,200</u>	<u>2,428,102</u>	<u>(778,098)</u>	<u>6,615,250</u>	<u>8,134,134</u>	<u>1,518,884</u>	<u>2,174,000</u>	<u>4,598,089</u>	<u>2,424,089</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,623,875	2,242,638	(381,237)	6,617,940	8,857,708	2,239,768	255,816	2,413,888	2,158,072
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,067,896	1,024,218	(43,678)	-	-	-	10,576,284	22,982,569	12,406,285
-	-	-	-	-	-	-	-	-
<u>3,691,771</u>	<u>3,266,856</u>	<u>(424,915)</u>	<u>6,617,940</u>	<u>8,857,708</u>	<u>2,239,768</u>	<u>10,832,100</u>	<u>25,396,457</u>	<u>14,564,357</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(485,571)	(838,754)	(353,183)	(2,690)	(723,574)	(720,884)	(8,658,100)	(20,798,368)	(12,140,268)
-	-	-	-	-	-	-	67,735,000	67,735,000
-	-	-	-	1,458,486	1,458,486	-	8,542,969	8,542,969
-	309,847	309,847	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,100,000	2,100,000
-	-	-	-	-	-	-	-	-
-	309,847	309,847	-	1,458,486	1,458,486	-	78,377,969	78,377,969
<u>\$ (485,571)</u>	<u>(528,907)</u>	<u>\$ (43,336)</u>	<u>\$ (2,690)</u>	<u>734,912</u>	<u>\$ 737,602</u>	<u>\$ (8,658,100)</u>	<u>57,579,601</u>	<u>\$ 66,237,701</u>
	<u>\$ 6,579,640</u>			<u>\$ 3,338,192</u>			<u>\$ 20,006,164</u>	
	<u>\$ 6,050,733</u>			<u>\$ 4,073,104</u>			<u>\$ 77,585,765</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2023

	Restricted Purposes Funds Budget	Restricted Purposes Funds Actual	Actual Over (Under) Budget	Audit Fund Budget	Audit Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ -	\$ -	\$ -	\$ 130,040	\$ 67,069	\$ (62,971)
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,040</u>	<u>67,069</u>	<u>(62,971)</u>
State governmental sources	1,878,868	2,888,896	1,010,028	-	-	-
Federal governmental sources	7,759,021	6,200,269	(1,558,752)	-	-	-
Student tuition and fees	550,000	531,735	(18,265)	-	-	-
Sales, services and rental of facilities	-	3,018	3,018	-	-	-
Investment earnings	-	-	-	-	11,472	11,472
Other sources	473,622	315,815	(157,807)	-	-	-
Contingency	3,122,680	-	(3,122,680)	-	-	-
Total revenues	<u>13,784,191</u>	<u>9,939,733</u>	<u>(3,844,458)</u>	<u>130,040</u>	<u>78,541</u>	<u>(51,499)</u>
Expenditures:						
Current						
Salaries	1,502,187	1,645,898	143,711	-	-	-
Benefits	457,750	520,211	62,461	-	-	-
Contractual Services	994,459	953,512	(40,947)	161,000	76,175	(84,825)
Supplies & Materials	329,106	532,862	203,756	-	-	-
Conference & Meetings	93,244	128,964	35,720	-	-	-
Fixed Charges	32,400	152,833	120,433	-	-	-
Utilities	103,362	106,393	3,031	-	-	-
Capital Outlay	-	440,582	440,582	-	-	-
Other	7,420,391	6,320,524	(1,099,867)	-	-	-
Contingency	3,127,000	-	(3,127,000)	-	-	-
Total expenditures	<u>14,059,899</u>	<u>10,801,779</u>	<u>(3,258,120)</u>	<u>161,000</u>	<u>76,175</u>	<u>(84,825)</u>
Excess (deficiency) of revenues over expenditures	<u>(275,708)</u>	<u>(862,046)</u>	<u>(586,338)</u>	<u>(30,960)</u>	<u>2,366</u>	<u>33,326</u>
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Subscription proceeds	-	371,999	371,999	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	1,900,000	1,900,000	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>2,271,999</u>	<u>2,271,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (275,708)</u>	<u>1,409,953</u>	<u>\$ 1,685,661</u>	<u>\$ (30,960)</u>	<u>2,366</u>	<u>\$ 33,326</u>
Fund balance						
Beginning		<u>\$11,888,401</u>			<u>\$ 278,440</u>	
Ending		<u>\$13,298,354</u>			<u>\$ 280,806</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
\$ 3,173,200	\$ 2,182,426	\$ (990,774)	\$ 6,615,250	\$ 8,054,769	\$ 1,439,519	\$ 2,174,000	\$ 2,228,543	\$ 54,543
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,173,200</u>	<u>2,182,426</u>	<u>(990,774)</u>	<u>6,615,250</u>	<u>8,054,769</u>	<u>1,439,519</u>	<u>2,174,000</u>	<u>2,228,543</u>	<u>54,543</u>
-	-	-	-	-	-	-	83,986	83,986
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
33,000	245,676	212,676	-	79,365	79,365	-	2,285,560	2,285,560
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,206,200</u>	<u>2,428,102</u>	<u>(778,098)</u>	<u>6,615,250</u>	<u>8,134,134</u>	<u>1,518,884</u>	<u>2,174,000</u>	<u>4,598,089</u>	<u>2,424,089</u>
1,313,005	1,309,449	(3,556)	-	-	-	-	-	-
798,106	681,544	(116,562)	-	-	-	-	-	-
1,170,015	430,594	(739,421)	-	-	-	-	55,169	55,169
70,020	59,922	(10,098)	-	-	-	65,314	234,610	169,296
34,425	6,591	(27,834)	-	-	-	-	-	-
301,000	466,110	165,110	6,617,940	8,857,708	2,239,768	-	932,711	932,711
-	-	-	-	-	-	-	-	-
-	309,847	309,847	-	-	-	10,766,786	23,312,227	12,545,441
5,200	2,799	(2,401)	-	-	-	-	861,740	861,740
-	-	-	-	-	-	-	-	-
<u>3,691,771</u>	<u>3,266,856</u>	<u>(424,915)</u>	<u>6,617,940</u>	<u>8,857,708</u>	<u>2,239,768</u>	<u>10,832,100</u>	<u>25,396,457</u>	<u>14,564,357</u>
(485,571)	(838,754)	(353,183)	(2,690)	(723,574)	(720,884)	(8,658,100)	(20,798,368)	(12,140,268)
-	-	-	-	-	-	-	67,735,000	67,735,000
-	-	-	-	1,458,486	1,458,486	-	8,542,969	8,542,969
-	309,847	309,847	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,100,000	2,100,000
-	-	-	-	-	-	-	-	-
-	309,847	309,847	-	1,458,486	1,458,486	-	78,377,969	78,377,969
<u>\$ (485,571)</u>	<u>(528,907)</u>	<u>\$ (43,336)</u>	<u>\$ (2,690)</u>	734,912	<u>\$ 737,602</u>	<u>\$ (8,658,100)</u>	57,579,601	<u>\$ 66,237,701</u>
	<u>\$ 6,579,640</u>			<u>\$ 3,338,192</u>			<u>\$ 20,006,164</u>	
	<u>\$ 6,050,733</u>			<u>\$ 4,073,104</u>			<u>\$ 77,585,765</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2023

	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	77,000	563,891	486,891
Other sources	-	-	-
Contingency	-	-	-
Total revenues	77,000	563,891	486,891
Expenditures:			
Current			
Salaries	-	-	-
Benefits	-	-	-
Contractual Services	-	-	-
Supplies & Materials	-	-	-
Conference & Meeting	-	-	-
Fixed Charges	-	-	-
Utilities	-	-	-
Capital Outlay	-	-	-
Other	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	77,000	563,891	486,891
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	-	-
Transfer to other fund	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ 77,000	563,891	\$ 486,891
Fund balance			
Beginning		\$ 14,206,050	
Ending		<u>\$ 14,769,941</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, 2023

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	150,000	142,283	(7,717)
Sales, services and rental of facilities	809,700	1,046,949	237,249
Investment earnings	1,000	8,168	7,168
Other sources	9,150	18,202	9,052
Contingency	-	-	-
Total revenues	969,850	1,215,602	245,752
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	1,714,291	1,793,017	78,726
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	-	-	0
Total expenditures	1,714,291	1,793,017	78,726
Excess (deficiency) of revenues over expenditures	(744,441)	(577,415)	167,026
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	1,400,000	1,400,000
Transfer to other fund	-	-	-
Total other financing sources	-	1,400,000	1,400,000
Net change in fund balance	\$ (744,441)	822,585	\$ 1,567,026
Fund balance			
Beginning		\$ 1,182,717	
Ending		<u>\$ 2,005,302</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, 2023

	Auxiliary Fund Budget	Auxiliary Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	150,000	142,283	(7,717)
Sales, services and rental of facilities	809,700	1,046,949	237,249
Investment earnings	1,000	8,168	7,168
Other sources	9,150	18,202	9,052
Contingency	-	-	-
Total revenues	969,850	1,215,602	245,752
Expenditures:			
Current			
Salaries	448,584	420,881	(27,703)
Benefits	72,411	82,432	10,021
Contractual Services	155,927	101,821	(54,106)
Supplies & Materials	767,366	966,546	199,180
Conference & Meeting	259,503	205,048	(54,455)
Fixed Charges	1,000	1,937	937
Utilities	-	-	-
Capital Outlay	-	-	-
Other	9,500	14,352	4,852
Contingency	-	-	-
Total expenditures	1,714,291	1,793,017	78,726
Excess (deficiency) of revenues over expenditures	(744,441)	(577,415)	167,026
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	1,400,000	1,400,000
Transfer to other fund	-	-	-
Total other financing sources	-	1,400,000	1,400,000
Net change in fund balance	\$ (744,441)	822,585	\$ 1,567,026
Fund balance			
Beginning		\$ 1,182,717	
Ending		\$ 2,005,302	

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.

CORE VALUES

INCLUSION AND DIVERSITY

CARING AND COMPASSION

FAIRNESS | HONESTY | INTEGRITY

RESPECT | RESPONSIBILITY

CULTURAL BELIEFS

STUDENTS AND COMMUNITIES FIRST

VALUE OTHERS

LET'S TALK

EXPLORE POSSIBILITIES

ONE BLACK HAWK



www.bhc.edu