

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2019



BLACK HAWK COLLEGE

ILLINOIS COMMUNITY COLLEGE DISTRICT #503

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



2019



Illinois Community College District 503

**6600 34th Avenue
Moline, Illinois 61265
www.bhc.edu**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the
Fiscal Year Ended June 30, 2019**

**Prepared by:
Finance Division**

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

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Contents

Introductory Section

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

Financial Section

Independent Auditor's Report	13
Management's Discussion and Analysis	19

Basic Financial Statements

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

Required Supplementary Information (RSI)

Schedule of SURS Pension Liability and Contributions	61
Schedule of OPEB Liability and Contributions	63
Notes to Required Supplementary Information	64

Statistical Section

Statistical Narrative	67
Schedule of Net Position by Component	68
Schedule of Changes in Net Position	69
Schedule of Fund Balance by Fund	70
State Equalization Grant Funding History & Accumulated Deficit	71
State Credit Hour Grant Funding History & Accumulated Deficit	72
Assessed and Estimated Actual Value of Taxable Property	73
Property Tax Extensions and Collections	74
Representative Tax Rates	75
Principal Taxpayers	76
Mandatory Tuition and Fees	77
Ratio of Outstanding Debt by Type	78
Computation of Legal Debt Margin	79
Use of Bond Issuance Proceeds	80
Schedule of Bond Coverage	81
Direct and Overlapping General Obligation Bonded Debt	82
Demographic and Economic Statistics	83
Principal Employers	84
Faculty and Staff Headcount	85
Student Enrollment Demographic Statistics	86
Financial Aid Recipients	87
Credit Hours Eligible for Funding by ICCB Reimbursement Categories	88
Schedule of Capital Assets – Instructional Facilities Information	89
Miscellaneous Statistics	90

Contents (Continued)

Special Reports Section	
ICCB Supplemental Information	
Equalized Assessed Valuations and Tax Collections	93
Schedule of Legal Debt Margin	94
Certification of Chargeback Reimbursement for Fiscal Year 2020	95
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	98
Uniform Financial Statement No. 2 – Summary of Fixed Assets and Debt	101
Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures	102
Uniform Financial Statement No. 4 – Restricted Purposes Fund Revenues and Expenditures	104
Uniform Financial Statement No. 5 – Expenditures by Activity – Current Funds	106
Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements	107
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Uniform Financial Statements	107
ICCB State Grants Financial Compliance Section	
Independent Auditor's Report	
on Compliance with State Requirements for State Adult Education and Family Literacy Grants	111
State Adult Education and Family Literacy Grant Program	
Adult Education and Family Literacy Grant Program, Balance Sheet	113
Adult Education and Family Literacy Grant Program, Statement of Revenues, Expenditures, and Changes in Fund Balance	113
ICCB Compliance Statement for the State Adult Education and Family Literacy Restricted Funds	114
Note to Financial Statements – Grant Programs	115
Background Information on State Grant Activity	116
Schedule of Findings and Questioned Costs for Certain State Grants Summary	117
Summary Schedule of Prior Year Findings and Questioned Costs for Certain State Grants	118
Independent Accountant's Report	
On the Enrollment Data and Other Bases Upon Which Claims are Filed	119
Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed	121
Reconciliation of Total Semester Credit Hours	122
Student Residency Verification	123
Summary of Assessed Valuations	124
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 Government Auditing Standards	127
Independent Auditor's Report	
On Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance	129
Schedule of Expenditures of Federal Awards	131
Notes to Schedule of Expenditures of Federal Awards	132
Schedule of Findings and Questioned Costs	133
Summary Schedule of Prior Audit Findings	135

Contents (Continued)

Management Information

Combining Balance Sheet	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	140
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	143
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Revenues, Expenses, and Changes in Net Position	143
Statement of Budgetary Comparison – Education and Operations & Maintenance Fund by Program	144
Statement of Budgetary Comparison – Education and Operations & Maintenance Fund by Object	145
Statement of Budgetary Comparison – Major Special Revenue Funds by Program	146
Statement of Budgetary Comparison – Major Special Revenue Funds by Object	148
Statement of Budgetary Comparison – Proprietary Fund by Program	151
Statement of Budgetary Comparison – Proprietary Fund by Object	152
Note to Management Information	153

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Office of the President
309.796.5301

October 10, 2019

To the Citizens of Black Hawk College:

The Comprehensive Annual Financial Report of Black Hawk College, Community College District No. 503, for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes, and currently known facts.

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

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

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Improving Life Through Learning

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

College Profile

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

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

Based on U.S. Bureau of Labor Statistics, local unemployment rates are at 3.8%, which is higher than the national rate of 3.7% as of the end of June 2019. The local unemployment rate was 4.3% in June 2019.

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 Goals

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

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

- ***Improve Student Success and Completion*** - Implement actions that promote an increase in percentages and total number of students either graduating, in a timely manner, with associate degrees, certificates, licensure, and satisfaction of industry-accepted standards of career credentials or transferring to a college or university to complete a bachelor's degree.
- ***Create Exceptional Employee Experiences*** - Collaborate with employees to create experiences where employees feel valued, resolve problems through respectful dialogue and discovery, and contribute to the success of the College

- **Strengthen Organizational Effectiveness** - Encourage and nurture continuous improvement actions that evaluate and enhance College operations using data informed planning and resource allocation processes resulting in innovative services and programs that meet the needs of our students, employees, and the constituents of the communities we serve.
- **Build Community Relationships** - Cultivate and nurture ways the College engages in the life of our communities by expanding partnerships and connecting regionally with business, industry, and educational leaders to train a diverse and qualified workforce and supporting regional economic development efforts.

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 39.5% of total general fund revenue earned in fiscal year 2019. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 5.6% or 5,240 total credit hours in fiscal year 2019. Enrollment was budgeted to decrease by 7.1% in fiscal year 2020. Preliminary results for fiscal year 2020 Fall semester indicate enrollment decreased by 2.0% credit hours when compared to fiscal year 2019 Fall semester on tenth day.

State funding, which accounted for approximately 16.0% of total general fund revenue earned, continues to be a concern for the College as the level of College appropriations from state funding continues to decline. The College anticipates State funding levels will continue to level off and remain flat in future years. State operating and equalization grant continue to be an important part of the Black Hawk College operation.

Property taxes, which accounted for approximately 32.5% of total general fund revenue earned, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have steadily been increasing over the past ten years despite the uncertain national economic climate and subsequent impact on property values.

Financial Planning

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

- Cost containment and reduction of departmental budgets
- Updated facilities to attract students
- Tuition and fee increases
- Review and redesign of the organizational structure, key business processes, and utilization of technology to improve efficiency
- Development and implementation of new programs to increase enrollment
- More aggressive curriculum and outreach development

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

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

Finally, the College's capital budgeting process is designed to provide a systematic, repeatable method to identify, prioritize, approve, and fund both capital projects and non-capital fixed assets. In conjunction with this capital budgeting process, the College focuses on ensuring timely expenditure of existing bond proceeds in a manner consistent with statutory requirements and approved purposes. Furthermore, the Board remains committed to effective and efficient management of the property tax levy, which requires the College 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 fund balance falls below the target range, the College is required to replenish the ending fund balance within two (2) years. If the ending fund balance exceeds the target range, the College shall first, allow the President to expend the excess funds on capital expenses after considering recommendations from the President's Cabinet and second, review additional investment options that would allow the College to earn a greater rate of return.

As of June 30, 2019, the General Fund ending fund balance, including Auxiliary, is 40.9% of fiscal year 2019 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 2019 audit. The auditor's report on the financial statements and schedules is unqualified 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 comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 10th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

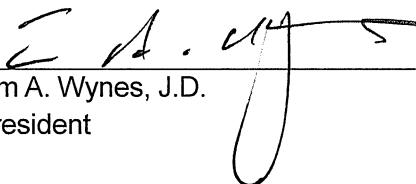
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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 in 2018 and the College is still awaiting a response to the application submitted.

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

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

Respectfully submitted,



Tim A. Wynes, J.D.
President



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



Dena M. Grunewald
Director of Accounting



Illinois Community College District No. 503 Board of Trustees



Fritz W. Larsen
Moline
Board Chair



Jon A. Looney
Kewanee
Vice Chair



Steven P. Spivey
New Windsor
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Richard P. Fiems
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Executive Administration



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Dr. Amy M. Maxeiner
Vice President for Instruction



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



Dr. LaDrina N. Wilson
Vice President of Student Services



Kathy M. Malcolm
Executive Director of Institutional
Effectiveness and Strategic Planning



Stacey L. Cary
Director of Human Resources

Black Hawk College District



Legend

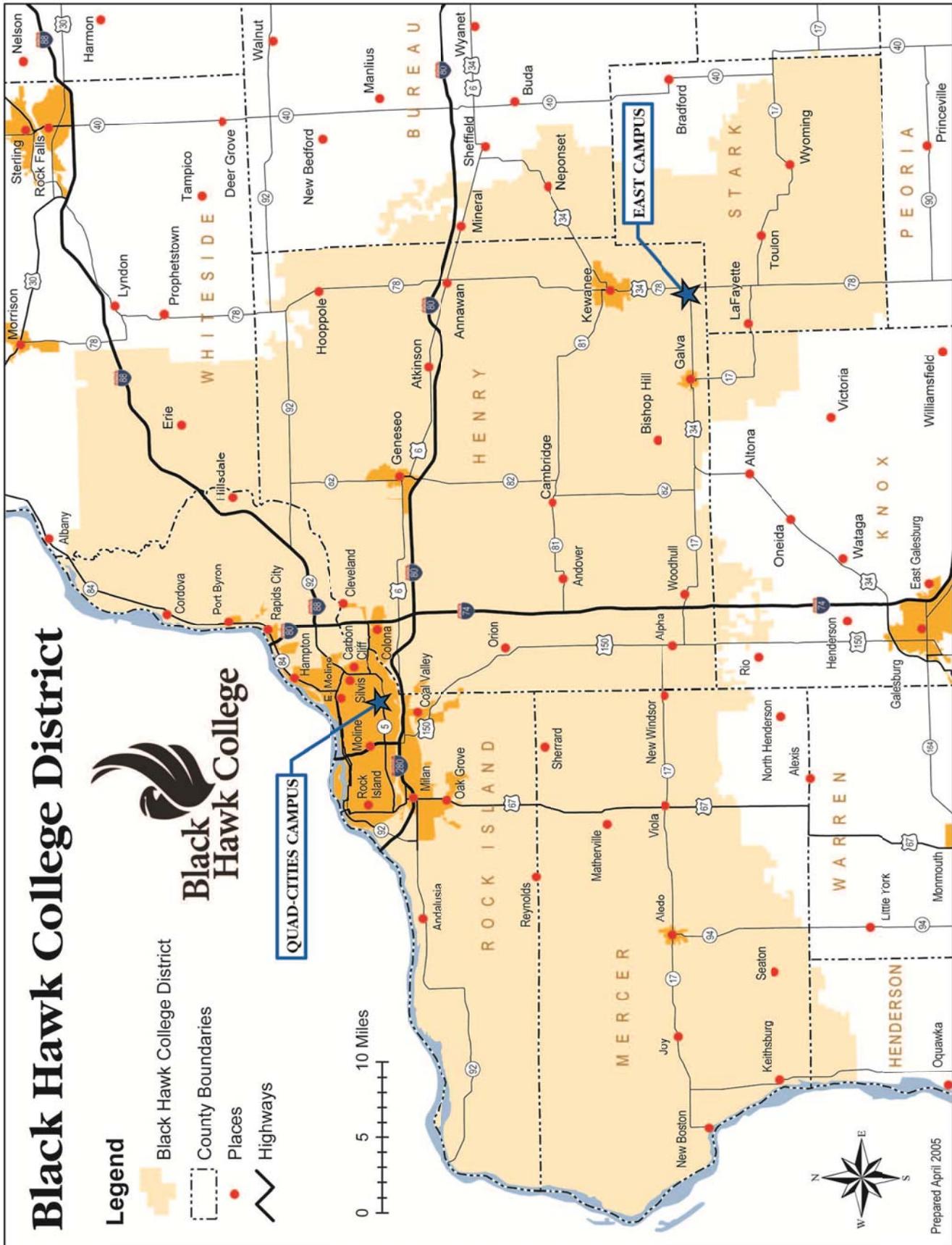
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- Black Hawk College District (Yellow cross)
- County Boundaries (Dashed line)
- Places (Red dot)
- Highways (Black line)

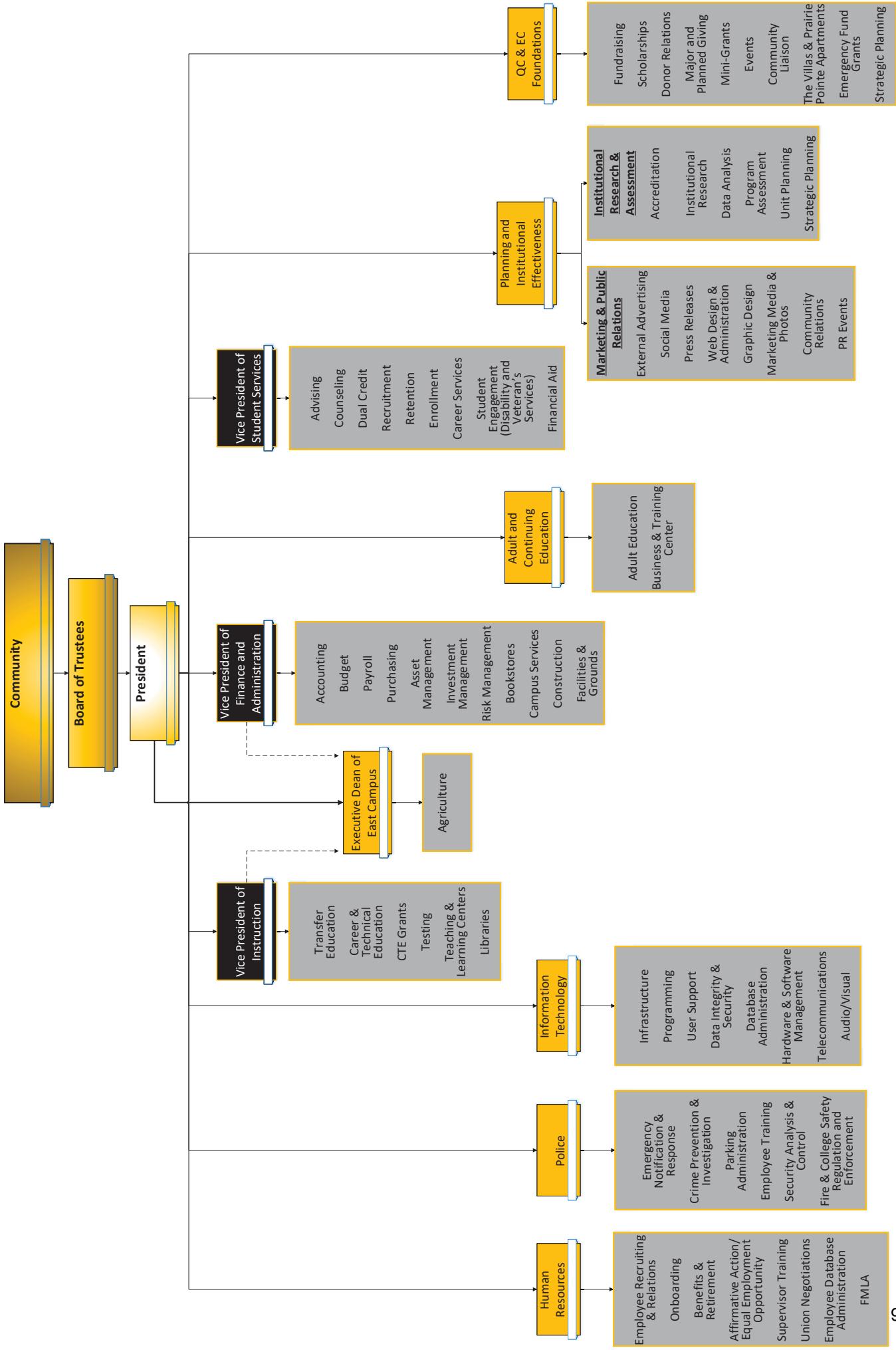
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Prepared April 2005



BLACK HAWK COLLEGE ORGANIZATION





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Monill

Executive Director/CEO

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2019 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
October 10, 2019

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Management's Discussion and Analysis

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Management's Discussion and Analysis

Introduction

This section of Black Hawk College's (College) Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2019 and June 30, 2018. 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, 2019, the College recorded total operating revenues of \$10,257,849 and total operating expenses of \$53,758,184. The difference produced an operating loss of \$43,500,335. Net non-operating revenue of \$51,903,437 offsets this loss and results in an overall increase in net position of \$8,403,102.

Non-operating revenue included local property taxes of \$23,116,343, state grants and contracts of \$20,344,690, federal grants and contracts of \$6,501,114, and other net miscellaneous revenue of \$3,224,873. 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 \$12,625,349. The comparable contribution by the state to SURS and CIP for the fiscal year ended June 30, 2018, was \$12,531,777.

Operating revenue accounted for 16.2% of the College's total revenue, while non-operating revenues accounted for the other 83.8% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$8,601,924 and sales, services, and rentals of facilities revenues totaling \$1,655,925.

Operating expenses accounted for 97.7% of the College's total expenses, while non-operating expenses accounted for the remaining 2.3%. 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 \$503,188 from fiscal year 2018. Total operating expenses, excluding SURS and CIP on-behalf expenses, increased by 1.2% in fiscal year 2019 from prior year.

Overall, the College's financial position remains strong at the end of fiscal year 2019 while operating in a climate of reduced enrollment which impacts tuition and 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 2019 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

Long-Term Debt

The College did not issue any additional long-term debt during fiscal year 2019. The unused legal debt capacity of the College is currently \$75,698,341, which represents 2.875% of the assessed valuation of the College's district less the \$43,992,054 in outstanding debt. See Note 8 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

Economic Factors

Unemployment rates, both locally and nationally, have decreased in recent years. While unemployment rates within the district vary by county, the district rate decreased from 2018 to a level that still exceeds the national average. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Property tax revenue accounts for 43.5% 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. While new state revenues have been identified, cash outflow demands still exceed sources of cash. The College remains optimistic the State of Illinois will continue to support higher education. State support is critical to maintain college operations. The state political environment has changed as the governor's office is now aligned with state legislators allowing more measures to move forward including the support of higher education.

Declining enrollment continues to be the trend with a 5.6% decrease in fiscal year 2019 compared to a 7.5% decrease during fiscal year 2018. Fall enrollment for fiscal year 2020 declined by 2.0% from fiscal year 2019 fall enrollment. As a community college, Black Hawk is well positioned to serve displaced workers seeking to enhance existing skills or develop additional skills necessary to re-enter the workforce due to the relatively short-term nature of many programs offered. Furthermore, both the College Administration and Board of Trustees are committed to ensuring student needs are effectively met and to this end, the institution prides itself on being nimble and capable of efficiently implementing programmatic changes designed to maximize student success.

Given the decreased enrollment trend in recent years, the College Administration and Board of Trustees have taken measures to identify opportunities for growth. In the last few fiscal years, completed new construction includes the Health Sciences Center at the Quad-Cities Campus, the Welding and Skilled Trades Center in Kewanee, and the Veterinary Sciences Center at the Galva (East) Campus. Completed renovation projects includes the Outreach Center in the Quad-Cities and Buildings 1 and 2 at East Campus. During fiscal year 2019, East Campus added new stables and re-established another practice arena while the Quad-Cities campus constructed an addition to Building 1 and renovation of existing classrooms to create larger, collaborative learning classroom spaces. All of these renovations and additions will increase enrollment capacity, 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. Tuition rates for fiscal year 2019 remained the same from fiscal year 2018 rates. Fiscal year 2020 tuition rates have been approved to remain the same as fiscal year 2019 rates. After three years of no increase in tuition, 2021 tuition will require an adjustment to account for auxiliary service changes and new state mandates (i.e. change in minimum wage). Additional information regarding the tuition and fee rate trend is provided in the Statistical section of this document.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2019 tax levy increased 3.4% over fiscal year 2018 primarily due to the increase in EAV throughout the district. While it will need to be revisited, the desire is to keep the tax levy steady for 2020. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Position – Fiscal Years 2019 and 2018

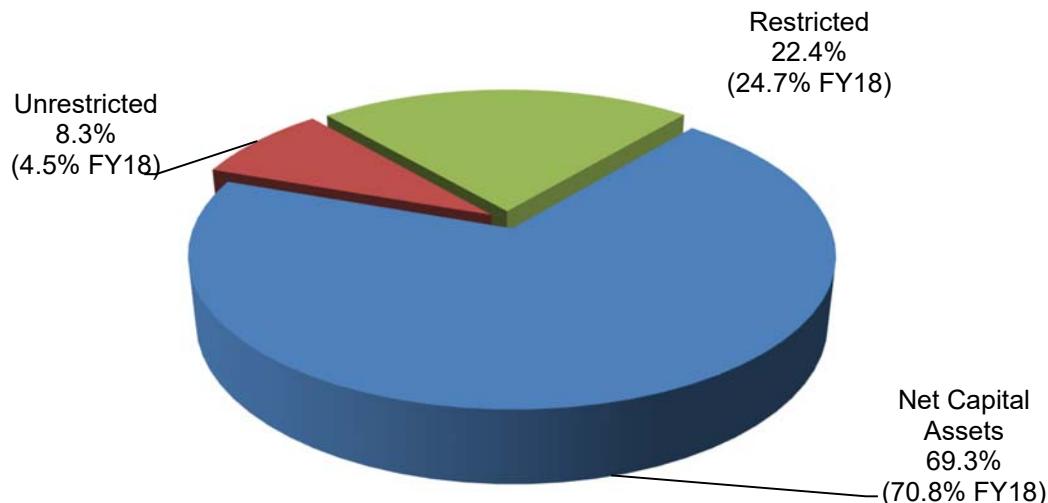
	2019	2018	Increase (Decrease)	Percent Change
Current Assets	\$ 74,978,086	\$ 84,953,277	\$ (9,975,191)	-11.7%
Non-Current Assets	104,108,571	89,756,332	14,352,239	16.0%
Total Assets	\$ 179,086,657	\$ 174,709,609	\$ 4,377,048	2.5%
Deferred Outflows of Resources	\$ 444,619	\$ 167,223	\$ 277,396	165.9%
Current Liabilities	\$ 10,489,411	\$ 10,380,508	\$ 108,903	1.0%
Non-Current Liabilities	59,166,023	64,851,440	(5,685,417)	-8.8%
Total Liabilities	\$ 69,655,434	\$ 75,231,948	\$ (5,576,514)	-7.4%
Deferred Inflows of Resources	\$ 15,451,079	\$ 13,623,223	\$ 1,827,856	13.4%
Net Position				
Net Investment in Capital Assets	\$ 65,410,549	\$ 60,892,637	\$ 4,517,912	7.4%
Restricted	21,178,705	21,223,578	(44,873)	-0.2%
Unrestricted	7,835,509	3,905,446	3,930,063	100.6%
Total Net position	\$ 94,424,763	\$ 86,021,661	\$ 8,403,102	9.8%

The College had a net position at the beginning of the fiscal year totaling \$86,021,661. The increase in net position of \$8,403,102 brought the total net position at the end of fiscal year 2019 to \$94,424,763.

The most notable changes in the balance sheet for fiscal year 2019 include the change in total assets. A majority of the change in current and non-current assets include spending restricted bond funds (current assets) to complete capital projects which are then capitalized. These capitalized assets then increase non-current assets. Also, an increase in deferred outflows of resources occurred due to the fluctuations reported in OPEB plan for the current year. The decrease in non-current liabilities relates to paying down the principal on outstanding bonds with no new bond issues in fiscal year 2019.

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 2019



Management's Discussion and Analysis

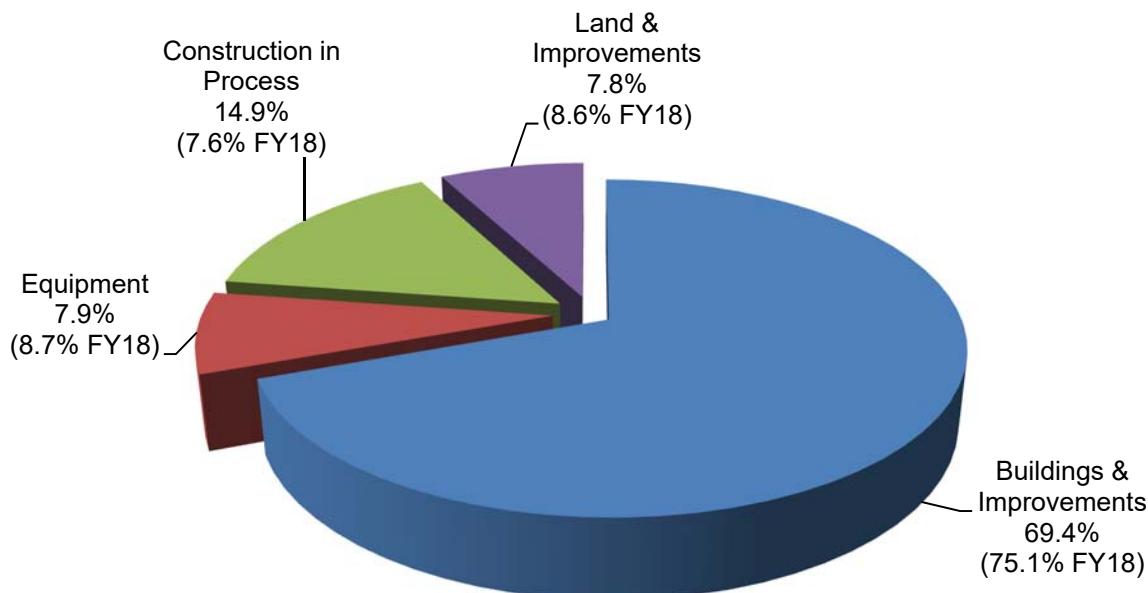
Comparison of Net Capital Assets Fiscal Years 2019 and 2018

	2019	2018	Increase (Decrease)	Percent Change
Capital Assets				
Land and Improvements	\$ 10,788,835	\$ 10,426,364	\$ 362,471	3.5%
Building and Improvements	95,850,812	91,064,481	4,786,331	5.3%
Equipment	10,840,819	10,490,629	350,190	3.3%
Construction in Progress	20,526,541	9,213,963	11,312,578	122.8%
Total Capital Assets	\$ 138,007,007	\$ 121,195,437	\$ 16,811,570	13.9%
Less Accumulated Depreciation	33,898,436	31,439,105	2,459,331	7.8%
Net Capital Assets	\$ 104,108,571	\$ 89,756,332	\$ 14,352,239	16.0%

As of June 30, 2019, the College has recorded \$138,007,007 invested in capital assets, \$33,898,436 in accumulated depreciation and \$104,108,571 in net capital assets.

Total Capital Assets increased \$16,811,570 or 13.9% and Net Capital Assets increased \$14,352,239 or 16.0%. This change is a result of the various remodeling and improvement projects district-wide during fiscal year 2019 offset by disposal of old assets no longer needed. The College's current bonding strategy continues to allow investment in facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. For further information, see Note 5 - Changes in Capital Assets and Note 8 - Long-Term Liabilities in the Notes to Financial Statements.

Capital Assets - Fiscal Year 2019



Management's Discussion and Analysis

**Revenues, Expenses & Changes in Net Position
For the Fiscal years ending June 30, 2019 and 2018**

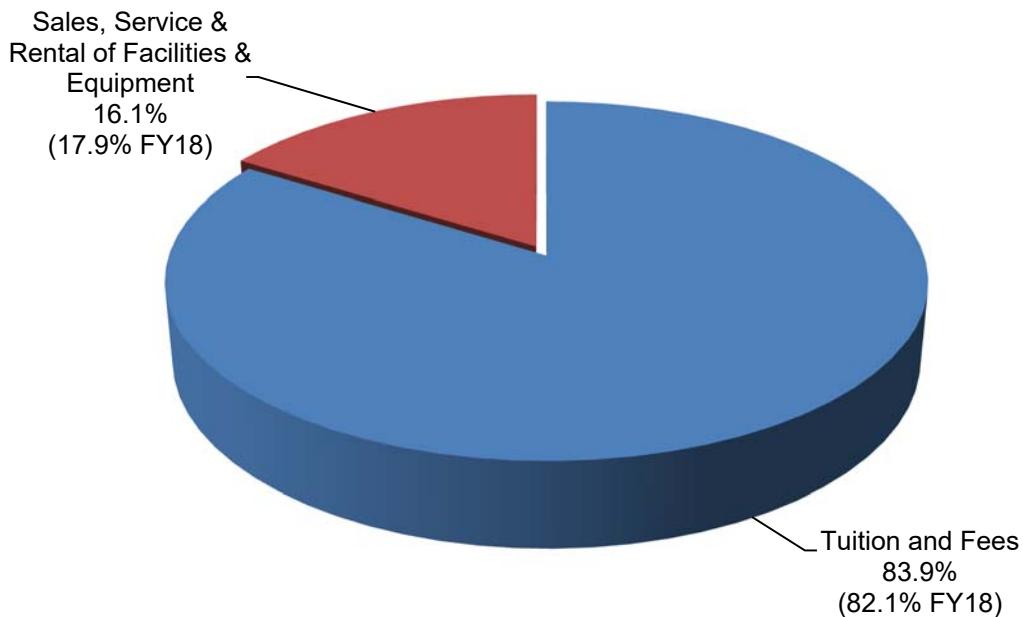
	2019	2018	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 8,601,924	\$ 9,662,882	\$ (1,060,958)	-11.0%
Sales, Services and Rentals	1,655,925	1,650,722	5,203	0.3%
Other	-	-	-	0.0%
Total Operating Revenue	\$ 10,257,849	\$ 11,313,604	\$ (1,055,755)	-9.3%
Less: Operating Expenses	53,758,184	53,680,487	77,697	0.1%
Operating Income (Loss)	\$ (43,500,335)	\$ (42,366,883)	\$ (1,133,452)	2.7%
Non-operating Revenue:				
State Grants & Contracts	\$ 20,344,690	\$ 20,838,529	\$ (493,839)	-2.4%
Federal Grants & Contracts	6,501,114	7,234,806	(733,692)	-10.1%
Property Taxes	23,116,343	22,304,048	812,295	3.6%
Other Income	1,941,290	1,198,720	742,570	61.9%
Total Non-operating Revenue:	\$ 51,903,437	\$ 51,576,103	\$ 327,334	0.6%
Change in Net Position	\$ 8,403,102	\$ 9,209,220	\$ (806,118)	-8.8%
Net Position, Beginning of Year	86,021,661	76,812,441	9,209,220	12.0%
Net Position, End of Year	\$ 94,424,763	\$ 86,021,661	\$ 8,403,102	9.8%

Total operating revenue decreased and total operating expenses stayed flat for fiscal year 2019 when compared to fiscal year 2018.

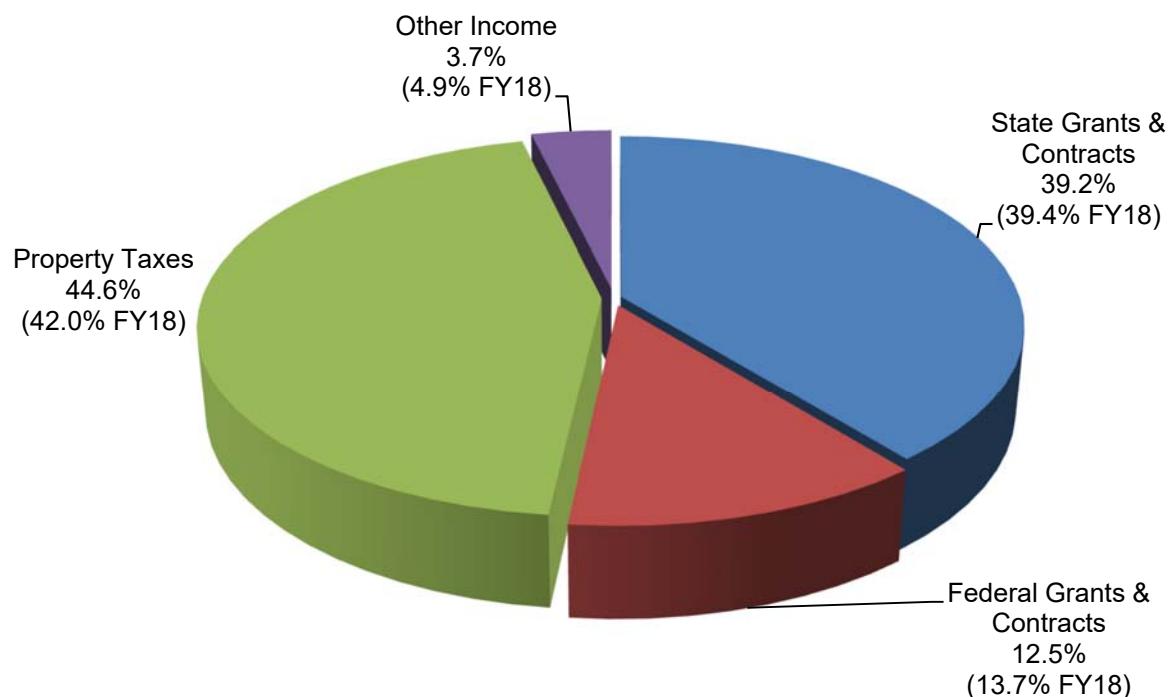
Tuition and fees decreased \$1,060,958 or 11.0% from fiscal year 2018 to fiscal year 2019. The decrease is attributable to a decline in enrollment. Sales, services, and rental revenue stayed relatively flat during fiscal year 2019 at 0.3%.

Total non-operating revenue increased by \$327,334. State grants and contracts decreased by \$493,839 due to the decline in expenses related to the SURS and CIP on-behalf payments and OPEB expense. Federal grants and contracts declined by \$733,692 from fiscal year 2018 due to a reduction in enrollment meaning less students receiving financial aid awards. Offsetting this decline was a \$812,295 increase in property taxes for fiscal year 2019 due to continued increase in EAV for the Black Hawk College District.

Operating Revenues - Fiscal Year 2019



Non-Operating Revenues - Fiscal Year 2019



Comparison of Operating Expenses
Fiscal Years 2019 and 2018

	2019	2018	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 16,774,426	\$ 17,334,662	\$ (560,236)	-3.2%
Academic Support	6,049,316	6,125,203	(75,887)	-1.2%
Student Services	4,657,028	4,578,630	78,398	1.7%
Public Service / Continuing Ed.	1,922,837	1,964,151	(41,314)	-2.1%
Institutional Support	10,501,177	9,645,521	855,656	8.9%
Auxiliary Services	2,281,350	2,517,809	(236,459)	-9.4%
Scholarships, student grants and waivers	2,387,028	2,861,182	(474,154)	-16.6%
Depreciation	2,744,079	2,584,543	159,536	6.2%
Loss on Disposal of Equipment	164,089	58,088	106,001	182.5%
Operations of Physical Facilities	6,276,854	6,010,698	266,156	4.4%
Total Operating Expenses	\$ 53,758,184	\$ 53,680,487	\$ 77,697	0.1%

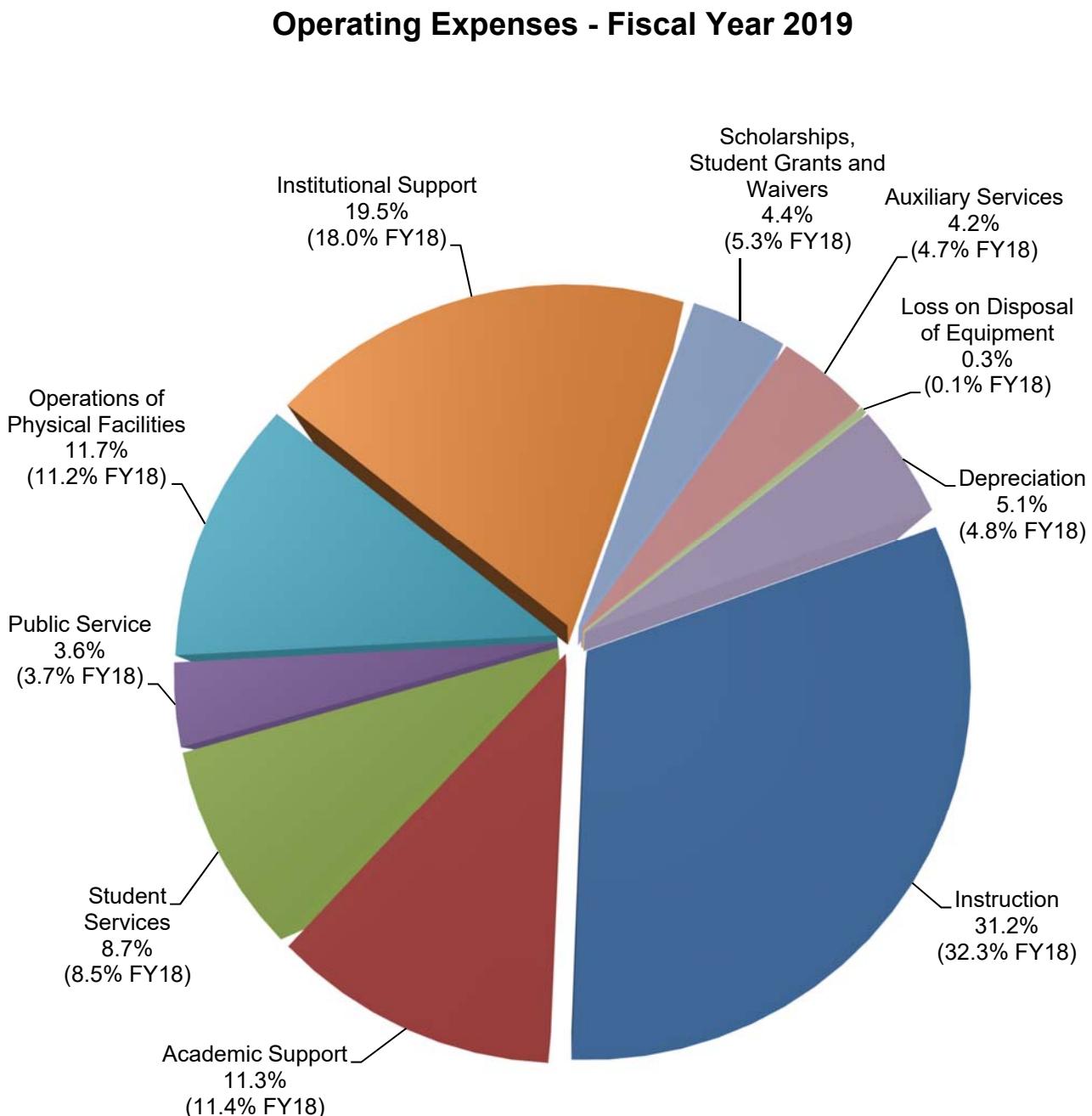
Operating expenses for fiscal year 2019 stayed flat from fiscal year 2018. The SURS and CIP on-behalf contribution provided by the state increased to \$12,625,349 in fiscal year 2019 compared to \$12,531,777 in fiscal year 2018. This \$273,572 increase of SURS and CIP on-behalf contribution expense, \$596,760 decrease in OPEB expense, plus a net \$400,885 increase in all other expenses creates a net operating expense increase of \$77,697 for the fiscal year 2019 when compared to fiscal year 2018. See Notes 6 and 7 in the Notes to Financial Statements for additional information related to OPEB and SURS and CIP Pension Plan contributions.

Institutional support increased by \$855,656 largely due to an increase in information technology refresh investments related to bond funding.

Scholarships, student grants, and waivers decreased 16.6% due to a decrease in Federal financial awards during fiscal year 2019. This decrease is directly related to the decrease in enrollment from fiscal year 2018 to fiscal year 2019.

Management's Discussion and Analysis

The following graphic illustration shows the operating expenses by program for fiscal year 2019 by percentage of the total with the comparable percentage for fiscal year 2018 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.



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

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, 2019

	Primary Government	Component Units		
		Black Hawk College Foundation	Black Hawk East College Foundation	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 58,041,580	\$ 310,270	\$ 580,019	
Investments	-	3,793,282	2,086,959	
Receivables:				
Property taxes, net of allowance \$70,327	14,213,643	-	-	
Federal government claims	277,088	-	-	
State of Illinois claims	374,121	-	-	
Student tuition and fees, net of allowance \$228,262	652,123	-	-	
Other	209,007	1,039,938	33,051	
Inventory	388,659	-	-	
Prepaid expenses	821,865	-	1,548	
Total current assets	74,978,086	5,143,490	2,701,577	
Noncurrent Assets:				
Capital assets:				
Land	1,032,464	45,000	-	
Construction and Equipment in process	20,526,541	-	-	
Building, improvements and equipment, net of accumulated depreciation \$33,898,436, \$0 and \$1,161,059, respectively	82,549,566	-	1,341,782	
Total capital assets, net of depreciation	104,108,571	45,000	1,341,782	
Total noncurrent assets	104,108,571	45,000	1,341,782	
Total assets	179,086,657	5,188,490	4,043,359	
Deferred Outflows of Resources				
Deferred Outflows of SURS Pension expense	82,690	-	-	
Deferred Outflows of OPEB expense	361,929	-	-	
Total deferred outflows of resources	444,619	-	-	
Liabilities				
Current Liabilities:				
Accounts payable	3,928,385	29,627	30,816	
Accrued liabilities:				
Payroll	661,784	-	-	
Early retirement	149,823	-	-	
Accrued vacation	194,580	-	-	
Other	153,751	-	-	
Unearned revenues:				
Grants and restricted funds	50,163	-	-	
Notes and bonds due in less than one year	5,250,002	-	-	
Other liabilities	100,923	-	-	
Total current liabilities	10,489,411	29,627	30,816	
Noncurrent Liabilities:				
Early retirement	1,223,311	-	-	
Accrued vacation	583,739	-	-	
Notes and bonds payable in more than one year	38,742,052	-	-	
OPEB	18,616,921	-	-	
Total noncurrent liabilities	59,166,023	-	-	
Total liabilities	69,655,434	29,627	30,816	
Deferred Inflows of Resources				
Property Taxes	11,721,236	-	-	
Grants and restricted funds	27,421	-	-	
OPEB	3,702,422	-	-	
Total deferred inflows of resources	15,451,079	-	-	
Net Position/Net Assets (Deficit)				
Net Investment in capital assets	65,410,549	45,000	1,341,782	
Restricted		4,563,665	2,668,906	
Audit	203,058	-	-	
Liability, Protection and Settlement	4,701,821	-	-	
Working Cash	10,194,190	-	-	
Bond & Interest	3,196,333	-	-	
Operations & Maintenance, Restricted	2,620,981	-	-	
Grants & Scholarships	262,322	-	-	
Unrestricted	7,835,509	550,198	1,855	
Total net position/net assets	\$ 94,424,763	\$ 5,158,863	\$ 4,012,543	

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, 2019**

	Primary Government	Component Units	
		Black Hawk College Foundation	Black Hawk East College Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 8,601,924	\$ -	\$ -
Sales, service and rental of facilities and equipment	1,655,925	-	-
Total operating revenues	10,257,849	-	-
Operating expenses:			
Instruction	16,774,426	-	-
Academic support	6,049,316	-	-
Student services	4,657,028	-	-
Public service	1,922,837	-	-
Auxiliary services	2,281,350	-	-
Institutional support	10,501,177	210,884	467,723
Scholarships, student grants and waivers	2,387,028	166,524	145,055
Operation of physical facilities	6,276,854	-	-
Loss on disposal of buildings and equipment	164,089	-	-
Depreciation and amortization	2,744,079	-	79,553
Total operating expenses	53,758,184	377,408	692,331
Operating (loss)	(43,500,335)	(377,408)	(692,331)
Non-operating revenues (expenses):			
Property taxes	23,116,343	-	-
Personal property replacement taxes	1,356,578	-	-
State government sources	20,344,690	-	-
Federal government sources	6,501,114	-	-
Investment earnings	1,372,995	218,082	117,197
Other sources	495,300	1,252,839	680,312
Interest expense	(1,283,583)	-	-
Total non-operating revenues (expenses)	51,903,437	1,470,921	797,509
Change in net position/net assets	8,403,102	1,093,513	105,178
Net position/net assets:			
Beginning	86,021,661	4,065,350	3,907,365
Ending	\$ 94,424,763	\$ 5,158,863	\$ 4,012,543

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2019

	<u>Primary Government</u>
	<u>Black Hawk College</u>
Cash Flows from Operating Activities:	
Tuition and fees	\$ 8,507,936
Payments to employees	(20,674,200)
Payments to suppliers	(30,166,897)
Sales, service, and rental of facilities and equipment	1,593,919
Other receipts	-
Net cash provided by (used in) operating activities	<u>(40,739,242)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	28,502,110
Personal property replacement taxes	1,356,578
Property taxes	<u>22,774,635</u>
Net cash provided by non-capital financing activities	<u>52,633,323</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(17,624,327)
Proceeds on debt	-
Debt issuance costs	-
Principal paid on debt	(5,058,000)
Interest paid on debt	<u>(1,283,583)</u>
Net cash provided by (used in) capital and related financing activities	<u>(23,965,910)</u>
Cash Flows from Investing Activities	
Sale of investments	-
Interest received	<u>1,372,995</u>
Net cash provided by (used in) investing activities	<u>1,372,995</u>
Net increase (decrease) in cash	(10,698,834)
Cash and cash equivalents:	
Beginning	68,740,414
Ending	<u>\$ 58,041,580</u>
Reconciliation of Operating Loss to Net Cash	
(Used in) Operating Activities:	
Operating loss	<u>\$ (43,500,335)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	2,744,079
Loss on disposal of equipment	164,089
Changes in assets and liabilities:	
(Increase) decrease in receivables	(155,994)
(Increase) decrease in inventory	64,421
(Increase) decrease in prepaid expenses	(213,495)
(Increase) decrease in deferred outflows	(1,703)
Increase (decrease) in accounts payable	343,091
Increase (decrease) in accrued expenditures	(192,971)
Increase (decrease) in unearned revenue	-
Increase (decrease) in other liabilities	<u>9,576</u>
Total adjustments	<u>2,761,093</u>
Net cash provided by (used in) operating activities	<u>\$ (40,739,242)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 11,678,468
OPEB CIP contribution paid by state	946,881
OPEB expense	862,530
Purchase of capital assets on account	<u>(363,920)</u>
	<u>\$ 13,123,959</u>

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position
June 30, 2019**

**Voluntary Employees'
Benefit Association (VEBA)
Health Benefit Plan**

Assets	
Cash	\$ 1,340,289
Liabilities	
Claims payable	780,000
Due to others	-
Total liabilities	780,000
Net Position, unrestricted	\$ 560,289

See Notes to Financial Statements.

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2019**

Additions:	
Employer paid premiums	\$ 4,853,679
Grant paid premiums	236,250
Employee paid premiums	906,075
Investment earnings	26,165
Total additions	\$ 6,022,169
 Deductions:	
Health and dental claims	5,897,300
Administrative	400,930
Total deductions	\$ 6,298,230
 Change in net position	 (276,061)
 Net position:	
Beginning	836,350
Ending	\$ 560,289

See Notes to Financial Statements.

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Notes to Financial Statements

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies

Organization:

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

Significant Accounting Policies:

Financial Reporting Entity: The College is governed by a seven-member Board of Trustees. Board members are elected through general elections to a six-year term. 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, 2019, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$154,764 and \$145,055, 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.

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2018 levy. Property tax revenue recorded on the financial statements relates to the 2017 and 2018 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 2018 or 2019, respectively, and are collected by the county collectors in the College District who in turn remit to the College its respective share. An allowance is provided for uncollectible taxes.

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2019.

Investments: Investments are stated at fair value.

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

Note 2. Cash and Investments

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

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

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

- 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, 2019, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 58,029,149
Petty cash	<u>12,431</u>
Total cash and cash equivalents	\$ 58,041,580
Fiduciary funds	<u>1,340,289</u>
Total cash and cash equivalents	\$ 59,381,869
Less: Petty cash	<u>(12,431)</u>
Total carrying amount of deposits	<u>\$ 59,369,438</u>

As of June 30, 2019, the carrying amount of the College's deposits totaled \$59,369,438 with a bank balance of \$59,893,370. Of the \$59,893,370 bank balance, \$59,893,370 was covered by federal depository insurance and an Irrevocable Standby Letter of Credit as collateral held by the College's agent in the College's name. The College has no foreign currency risk for deposits at year end.

As of June 30, 2019, 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, 2019, 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.

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

As of June 30, 2019, 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, 2019, 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 2019 appropriations, the college is waiting on notification from DCEO as to acceptance and payment. The College has created a 100% allowance against the \$1 million receivable on the financial statements and intends to continue conversations with state representatives in effort to collect these funds.

Note 4. Liability, Protection, & Settlement Fund Expenditures

The College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2019:

Security	\$ 759,489
Risk management & loss prevention	237,213
Insurance	641,732
Legal services	151,320
Security related salaries & benefits	<u>261,722</u>
 Total Liability, Protection & Settlement Fund expenditures	 <u>\$2,051,476</u>

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

Notes to Financial Statements

Note 5. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$1,032,464	\$ -	\$ -	\$1,032,464
Construction in process	9,213,963	15,061,490	(3,748,912)	20,526,541
Total capital assets not being depreciated	10,246,427	15,061,490	(3,748,912)	21,559,005
 Capital assets being depreciated:				
Buildings and improvements	91,064,481	4,786,331	-	95,850,812
Land improvements	9,393,900	362,471	-	9,756,371
Equipment	10,490,629	799,027	(448,837)	10,840,819
Total capital assets being depreciated	110,949,010	5,947,829	(448,837)	116,448,002
 Less accumulated depreciation for:				
Buildings and improvements	23,627,226	1,857,634	-	25,484,860
Land improvements	1,699,618	191,505	-	1,891,123
Equipment	6,112,261	694,940	(284,748)	6,522,453
Total accumulated depreciation	31,439,105	2,744,079	(284,748)	33,898,436
Total capital assets being depreciated, net	79,509,905	3,203,750	(164,089)	82,549,566
Total capital assets, net	\$89,756,332	\$18,265,240	\$(3,913,001)	\$104,108,571

Note 6. Other Post-Employment Benefits

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

Benefit Provisions: A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

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

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

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, 2018. At June 30, 2018, CIP reported a net OPEB liability of \$1,885,251,764.

Employer Proportionate Share of Net OPEB Liability:

The amount of the proportionate share of the net OPEB liability to be recognized for the College is \$18,616,921 or 0.9875%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0507%. The proportionate share of the State's net OPEB liability associated with the College is \$18,616,921. The total proportionate share of the net OPEB liability associated with the College is \$37,233,842. The net OPEB liability and total OPEB liability as of June 30, 2018, was determined based on the June 30, 2017, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2018.

OPEB Expense:

At June 30, 2018, CIP reported a collective net OPEB expense of \$125,287,478.

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 2018. As a result, the College recognized OPEB expense of \$862,530 for its proportionate share of OPEB expense for the fiscal year ended June 30, 2019. In addition, the College recognized an additional \$946,881 as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

Black Hawk College
Illinois Community College District #503

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

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	\$273,623	\$40,774
Changes in assumption	0	2,330,290
Net difference between projected and actual earnings on OPEB plan investments	0	608
Changes in proportion and differences between employer contributions and share of contributions	0	1,330,750
 Total deferred amounts to be recognized in pension expense in future periods	273,623	3,702,422
 OPEB contributions made subsequent to the measurement date	88,306	0
 Total	\$361,929	\$3,702,422

Employer Deferral of Fiscal Year 2019 OPEB Expense

The College paid \$88,306 CIP contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the OPEB liability date of June 30, 2018, and are recognized as Deferred Outflows of Resources as of June 30, 2019.

Assumptions and Other Inputs

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation for all plan years

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Healthcare cost trend rates Actual trend used for fiscal year 2018 based on premium increases. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 Whited Collar Table. Tables were adjusted for SRS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

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

Discount Rate: Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.56% to 3.62% caused the total OPEB liability to decrease by approximately \$16.5 million from 2017 to 2018.

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 Net OPEB Liability to Changes in the Single Discount Rate: The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.62%) or lower (2.62%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2019 to the Single Discount Rate Assumption			
	1% Decrease (-2.62%)	Current Single Discount (-3.62%)	1% Increase (-4.62%)
Net OPEB liability	\$21,576,527	\$18,616,921	\$16,153,648

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.5% in 2028 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2019 to the Healthcare Cost Trend Rate Assumption			
	Healthcare Cost Trend		
	1% Decrease (a)	Rates Assumption	1% Increase (b)
Net OPEB liability	\$15,433,305	\$18,616,921	\$22,807,042

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

Note 7. Defined Benefit Pension Plan

General Information about the Pension Plan

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

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

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

Notes to Financial Statements

Note 7. Pension Plan (Continued)

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2018 and 2019 respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), 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 of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability:

The net pension liability (NPL) was measured as of June 30, 2018. At June 30, 2018, SURS reported a net pension liability (NPL) of \$27,494,556,682.

Employer Proportionate Share of Net Pension Liability:

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$119,573,827 or 0.4349%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2018 was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2018.

Pension Expense:

At June 30, 2018, SURS reported a collective net pension expense of \$2,685,322,700.

Employer Proportionate Share of Pension Expense:

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018. As a result, the College recognized on-behalf revenue and pension expense of \$11,678,468 for the fiscal year ended June 30, 2019.

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

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

Black Hawk College
Illinois Community College District #503

Notes to Financial Statements

Note 7. Pension Plan (Continued)

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 65,521,614	\$181,032,053
Changes in assumption	1,286,257,095	123,218,306
Net difference between projected and actual earnings on pension plan investments	26,810,634	
Total	\$1,378,589,343	\$304,250,359

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

Year Ending June 30	Net Deferred Outflows of Resources
2019	\$763,171,084
2020	540,443,042
2021	(192,612,398)
2022	(36,662,744)
2023	-
Thereafter	-
Total	\$1,074,338,984

Employer Deferral of Fiscal Year 2019 Pension Expense:

The College paid \$82,690 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability date of June 30, 2018, and are recognized as Deferred Outflows of Resources as of June 30, 2019.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP-2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

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

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

Notes to Financial Statements

Note 7. Pension Plan (Continued)

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non-U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Treasury-Inflation Protected Securities	4%	0.75%
Emerging Market Debt	3%	3.65%
Real Estate REITS	4%	5.45%
Direct Real Estate	6%	4.75%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.55%
Inflation		2.75%
Expected Arithmetic Return		7.30%

Discount Rate: A single discount rate of 6.65% 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 6.75% and a municipal bond rate of 3.62% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.65%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.65%	Current Single Discount Rate Assumption 6.65%	1% Increase 7.65%
\$33,352,188,584	\$27,494,556,682	\$22,650,651,520

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

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

Notes to Financial Statements

Note 8. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds Payable	\$46,600,000	\$ 0	\$(4,410,000)	\$42,190,000	\$4,695,000
Unamortized premium	2,450,054	0	(648,000)	1,802,054	555,002
Accrued vacation	787,667	778,319	(787,667)	778,319	194,580
Early retirement	1,488,581	149,823	(265,270)	1,373,134	149,823
OPEB	18,932,513	273,623	(589,215)	18,616,921	0
Total	\$70,258,815	\$1,201,765	\$(6,700,152)	\$64,760,428	\$5,594,405

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2019, are as follows:

Year Ending June 30:	Principal	Interest	Total
2020	\$960,000	\$581,465	\$1,541,465
2021	1,000,000	534,916	1,534,916
2022	1,050,000	486,228	1,536,228
2023	1,100,000	435,165	1,535,165
2024	1,150,000	390,640	1,540,640
2025-2029	6,335,000	1,362,996	7,697,996
2030-2033	5,780,000	353,700	6,133,700
Total	\$17,375,000	\$4,145,110	\$21,520,110

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

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

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2019, are as follows:

Year Ending June 30:	Principal	Interest	Total
2020	\$3,735,000	\$1,147,375	\$4,882,375
2021	3,995,000	954,125	4,949,125
2022	4,265,000	747,625	5,012,625
2023	4,555,000	527,125	5,082,125
2024	4,850,000	292,000	5,142,000
2025	3,415,000	85,375	3,500,375
Total	\$24,815,000	\$3,753,625	\$28,568,625

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$4,163,144,180 less outstanding debt. As of June 30, 2019, the College had \$75,698,341 remaining legal debt margin.

Note 9. Early Retirement and Voluntary Separation Plans

Effective May 1, 1983, the College has offered a variety of Early Retirement and 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).

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, 2019.

Actuarial Cost Method

Costs are determined using Projected Unit Credit Actuarial Cost Method

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

Notes to Financial Statements

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

Asset Valuation Method

Market Value

Discount Rate

4.25%

Projected Salary Increases

Not applicable

Mortality

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

Turnover

Not applicable; this analysis valued retirees only

Retirement Rates

Not applicable; this analysis valued retirees only

Expense

None

Spousal Rate

Where no information is provided:

75% of current male retirees are married at retirement

75% of current female retirees are married

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

Health Care Trend Rate

Year	Medical/Rx	Dental	Vision
2019	6.5%	4.0%	3.0%
2020	6.0%	4.0%	3.0%
2021	5.5%	4.0%	3.0%
2022	5.0%	4.0%	3.0%
2023	4.5%	4.0%	3.0%
2024+	4.0%	4.0%	3.0%

Medical/Rx Costs

The following chart shows the monthly contribution rates for the 2018-2019 Plan Year

Coverage	Retiree	Spouse
Medical/Rx Under 65	\$697.85	\$916.03
Medical/Rx Over 65	\$302.89	\$415.12

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

Notes to Financial Statements

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

The following chart shows the percentage participants and spouses pay for 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 2018-2019 Plan Year

Coverage	Retiree	Spouse
Dental	\$38.33	\$58.68
Vision	\$7.25	\$10.92

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

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

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

Life Insurance

Not valued in this analysis

Black Hawk College
Illinois Community College District #503

Notes to Financial Statements

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

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	30	29	25	30
Number of Spouses Covered	18	17	13	28
Total Liability	\$1,245,995	\$112,139	\$14,999	\$1,373,134
Expected Payments Next Twelve Months	\$135,571	\$12,103	\$2,148	\$149,823

The recorded liability for these plans is \$1,373,134 as of June 30, 2019.

Note 10. Risk Management and Insurance

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

The College self-insures for employee medical, dental, and vision coverage through a Voluntary Employees' Beneficiary Association (VEBA). Self-insurance is in effect with a stop loss insurance arrangement that includes a \$145,000 maximum aggregate eligible claims expense per participant per year as well as a maximum aggregate benefit (in excess of the annual aggregate deductible per policy term) of \$1,000,000. Coverage from a 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, 2019, the amount of these liabilities was \$780,000. The following represents changes in those liabilities for the College during the past three years:

	<i>Beginning of Fiscal Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>Balance at Fiscal Year-End</i>
FY2017	\$ 558,000	\$4,931,021	\$4,956,726	\$ 532,295
FY2018	\$ 532,295	\$5,498,174	\$5,480,469	\$ 550,000
FY2019	\$ 550,000	\$5,897,300	\$5,667,300	\$ 780,000

Note 11. Deferred Inflows of Resources

The \$27,421 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 12. Restricted Net Position

The College restricted net position is comprised of the following at June 30, 2019:

Restricted for:	
Audit	\$ 203,058
Liability, Protection and Settlement	4,701,821
Working Cash	10,194,190
Bond & Interest	3,196,333
Operations & Maintenance, Restricted	2,620,981
Grants & Scholarships	262,322
	\$21,178,705

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

Note 13. Commitments

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

As of June 30, 2019, the College had 9 active construction contracts. The remaining commitment on these contracts as of June 30, 2019, was approximately \$2,600,000.

Note 14. Tax Abatements

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

(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 2018 tax year due to TIF agreements in place equals \$1,646,734 as of June 30, 2019.

The College is directly entered into a tax abatement agreement in relation to the Villas apartment complex located in Rock Island County. The total tax revenue lost in the 2018 tax year due to this tax abatement agreement is \$3,323 as of June 30, 2019.

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

Notes to Financial Statements

Note 15. Pending Accounting Pronouncements

GASB Statement No. 84, Fiduciary Activities establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

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

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

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

Required Supplementary Information (RSI)

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

Required Supplementary Information (RSI)

SURS Pension Information for the Year Ended June 30, 2019

SCHEDULE OF SHARE OF NET PENSION LIABILITY					
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017	FY2018
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$0	\$0	\$0	\$0	\$0
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	\$117,152,029	\$118,843,678	\$126,703,122	\$115,964,513	\$119,573,827
Total (b) + (c)	\$117,152,029	\$118,843,678	\$126,703,122	\$115,964,513	\$119,573,827
Employer DB Covered Payroll	\$19,512,271	\$18,035,229	\$17,584,276	\$16,035,416	\$15,496,618
Proportion of Collective Net Pension Liability associated with the Employer as a percentage of DB Covered Payroll	600.40%	658.95%	720.55%	723.18%	771.61%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27

Fiscal Year 2019 Total DB Covered Payroll: \$15,061,369

SCHEDULE OF CONTRIBUTIONS						
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Federal, Trust, Grant and Other contribution	\$100,055	\$90,997	\$90,687	\$71,829	\$80,987	\$82,690
Contribution in relation to required contribution	\$100,055	\$90,997	\$90,687	\$71,829	\$80,987	\$82,690
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0
Employer Covered payroll	\$17,235,771	\$22,184,485	\$21,640,911	\$20,088,183	\$19,379,989	\$19,499,632
Contributions as a percentage of covered payroll	.58%	.41%	.42%	.36%	.42%	.42%

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

Required Supplementary Information (RSI)

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 2019 Total DB Contributions: \$1,212,844
Fiscal Year 2019 Total SMP Contributions: \$355,063

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, 2018

SCHEDULE OF SHARE OF NET OPEB LIABILITY			
BLACK HAWK COLLEGE	FY2016	FY2017	FY2018
Proportion Percentage of the Collective Net OPEB Liability	1.08%	1.04%	0.99%
Proportion Amount of the Collective Net OPEB Liability	\$19,635,594	\$18,932,513	\$18,616,921
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability associated with Employer	\$20,458,618	\$18,683,160	\$18,616,921
Total collective net OPEB liability associated with the College	\$40,094,212	\$37,615,673	\$37,233,842
Employer Covered Payroll	\$21,640,911	\$20,088,183	\$19,379,989
Proportion of Collective Net OPEB Liability associated with the Employer as a percentage of Covered Payroll	185.27%	187.25%	192.13%
College Insurance Plan (CIP) Net Position as a Percentage of Total Pension Liability	-2.15%	-2.87%	-2.15%

SCHEDULE OF CONTRIBUTIONS				
BLACK HAWK COLLEGE	FY2016	FY2017	FY2018	FY2019
Statutorily required contribution	\$97,783	\$90,069	\$86,236	\$88,306
Contribution in relation to the required statutorily	97,783	90,069	86,236	\$88,306
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
College covered payroll	\$21,640,911	\$20,088,183	\$19,379,989	\$19,499,632
Contribution as a percentage of covered payroll	.45%	.45%	.44%	.45%

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

See Accompanying Notes to Required Supplementary Information

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

Notes to Required Supplementary Information (RSI)

Note 1. Changes of Pension benefit terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2018.

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, 2014 to June 30, 2017, was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2018.

Note 4. Changes of OPEB Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2010 to June 30, 2014, resulting in the adoption of new assumptions as of June 30, 2018.

- Healthcare cost trend rates. Change from actual trend used for fiscal year 2017 to actual trend used for fiscal year 2018 based on premium increases. Change the additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax for fiscal year 2017 to additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax for fiscal year 2018.

Statistical Section (Unaudited)

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

Statistical Narrative

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

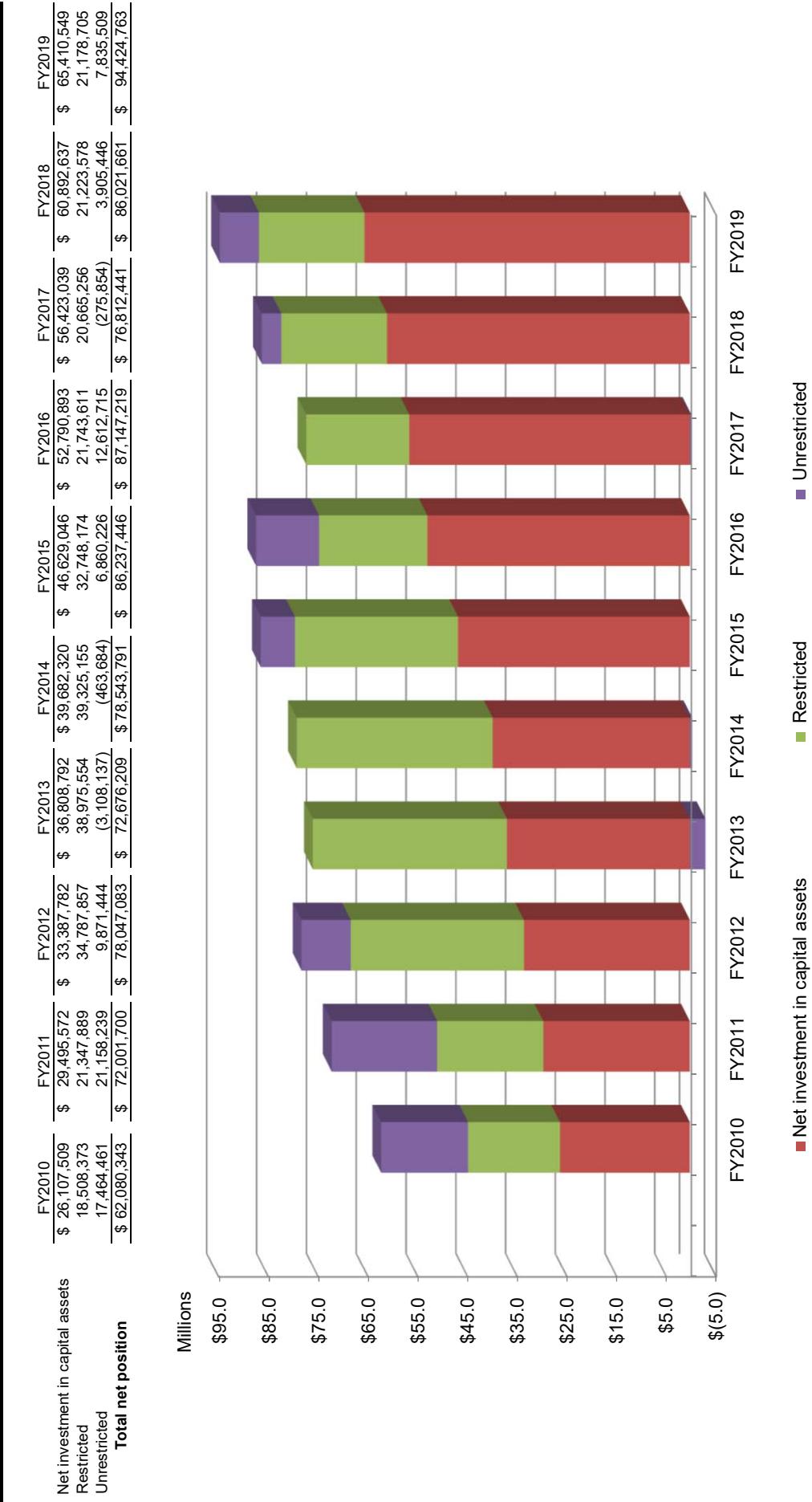
Demographic and Economic Information

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

Operating Information

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

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

Schedule of Net Position by Component
 FY2010 through FY2019


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

Black Hawk College
Illinois Community College District No. 503
Schedule of Changes in Net Position
FY2010 through FY2019

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251	\$ 7,900,764	\$ 8,229,163	\$ 7,892,417	\$ 9,662,882	\$ 8,601,924
Sales, service, and rental of facilities	3,104,115	2,992,034	2,481,502	2,236,204	2,233,506	2,430,045	3,105,311	3,057,200	1,650,722	1,655,925
Tuition chargeback	-	-	-	-	-	-	-	3,291	-	-
SURS contribution provided by state	3,881,957	4,293,814	5,373,730	7,535,508	8,068,818	-	-	-	-	-
Other operating revenue	12,576	3,680	2,486	-	-	-	-	-	-	-
Total operating revenue	13,998,551	15,206,231	14,467,620	17,384,760	17,926,575	10,330,809	11,334,474	10,952,908	11,313,604	10,257,849
Operating expenses:										
Instruction	13,177,063	13,787,062	13,973,024	19,814,071	18,609,563	15,128,229	17,724,388	26,967,368	17,334,662	16,774,426
Academic support	4,359,360	3,950,163	5,127,170	6,244,734	6,272,580	5,874,310	5,983,041	8,645,553	6,125,203	6,049,316
Student services	3,083,006	3,595,126	3,485,166	4,265,652	4,300,131	4,210,904	4,549,668	7,062,263	4,578,630	4,657,028
Public service	2,393,896	1,840,080	1,977,739	1,879,087	2,122,000	2,477,612	2,086,257	2,443,828	1,964,151	1,922,837
Auxiliary services	3,472,459	3,766,883	3,706,401	3,823,167	3,765,785	3,617,263	3,002,230	3,175,143	2,517,809	2,281,350
Institutional support	8,700,444	9,345,604	9,215,268	10,346,257	9,025,272	7,732,965	8,651,774	11,570,659	9,645,521	10,501,177
Scholarships, student grants and waivers	4,197,498	3,748,071	2,747,946	2,401,499	2,615,325	2,665,004	2,925,053	2,760,799	2,861,182	2,387,028
SURS contribution provided by state	3,881,957	4,293,814	5,373,730	-	-	-	-	-	-	-
Operation of physical facilities	4,083,672	4,792,520	4,232,592	5,346,628	8,948,305	6,308,416	9,238,103	6,010,698	6,276,854	6,276,854
Loss on disposal of equipment	1,308,112	22,464	5,451	16,664	762,732	-	2,869	138,692	58,088	164,089
Depreciation	1,200,030	1,298,115	1,419,276	1,601,385	1,740,162	1,830,003	2,065,643	2,372,917	2,584,543	2,744,079
Total operating expenses	49,857,497	50,439,902	51,951,420	54,625,108	54,560,178	52,484,595	53,299,339	74,375,325	53,680,487	53,758,184
Operating (loss)	(35,858,946)	(35,233,671)	(37,483,800)	(37,240,348)	(36,633,603)	(42,153,786)	(41,964,865)	(63,422,417)	(42,366,883)	(43,500,335)
Non-operating revenues (expenses)										
Property taxes	18,140,565	18,692,853	19,171,402	19,119,399	19,462,491	19,623,307	20,316,292	21,077,895	22,304,048	23,116,343
Personal property taxes	1,104,407	1,432,216	1,317,537	1,346,184	1,361,828	1,464,594	1,340,818	1,480,910	1,219,068	1,356,578
State government sources	11,076,974	11,697,372	10,578,684	9,562,931	10,192,344	19,205,104	13,134,693	23,427,506	20,838,529	20,344,690
Federal government sources	10,110,004	11,941,906	10,875,102	10,099,071	9,995,924	9,290,411	7,733,197	7,431,615	7,234,806	6,501,114
Investment earnings	1,079,642	1,304,926	1,118,105	848,082	286,520	259,842	232,346	394,887	908,951	1,372,995
Other sources	1,200,272	846,037	1,046,866	1,281,102	2,025,129	832,131	838,648	823,466	447,739	495,300
Interest expense	(714,580)	(760,282)	(578,513)	(778,726)	(923,106)	(827,948)	(721,356)	(1,548,640)	(1,377,038)	(1,283,583)
Total non-operating revenues (expenses)	41,997,284	45,155,028	43,529,183	41,478,043	42,401,130	49,847,441	42,874,638	53,087,639	51,576,103	51,903,437
Change in net position	\$ 6,138,338	\$ 9,921,357	\$ 6,045,383	\$ 4,237,695	\$ 5,767,527	\$ 7,693,655	\$ 909,773	\$ (10,334,778)	\$ 9,209,220	\$ 8,403,102

Note:

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

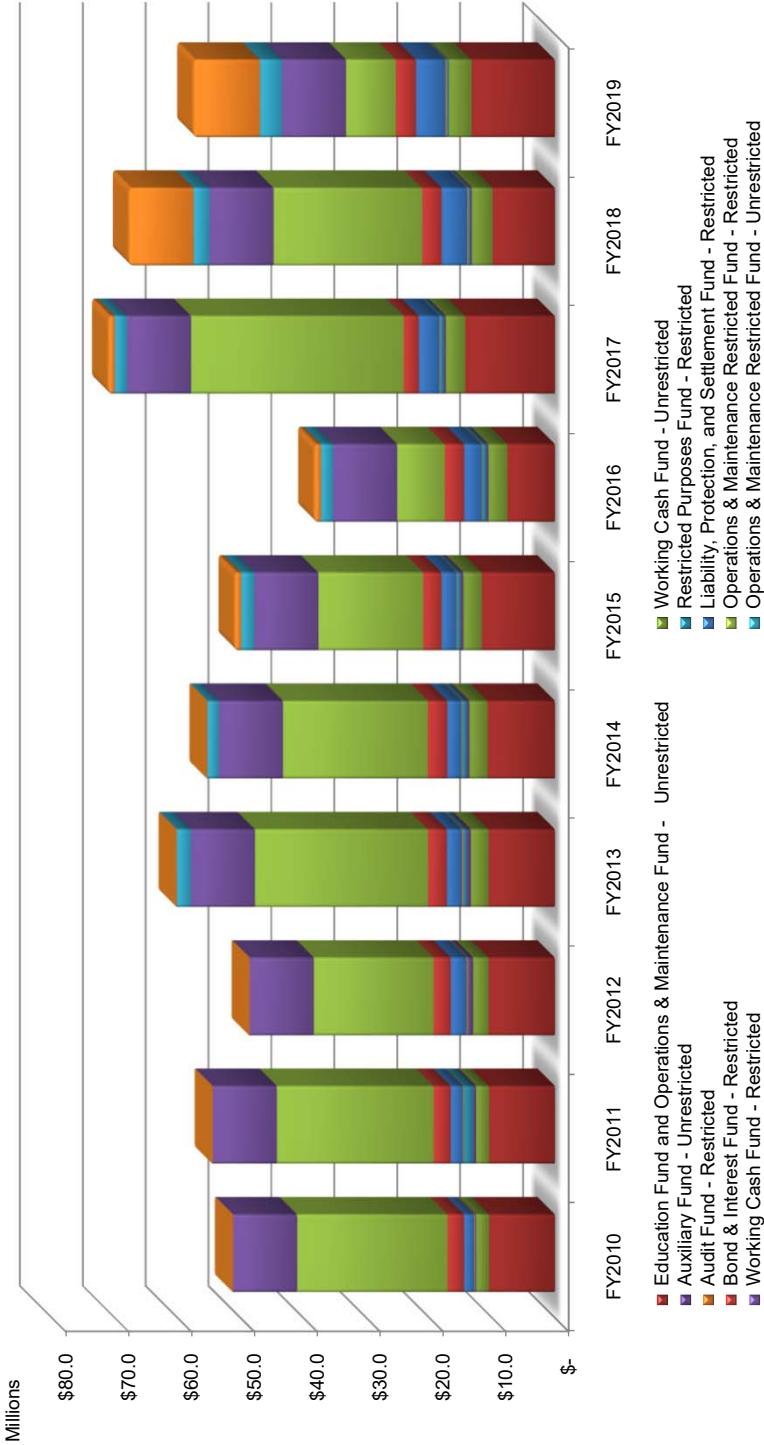
2. Beginning FY2015, SURS contribution provided by state included as a non-operating revenue under State government sources.

3. In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact.

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

**Schedule of Fund Balance by Fund
FY2010 through FY2019**

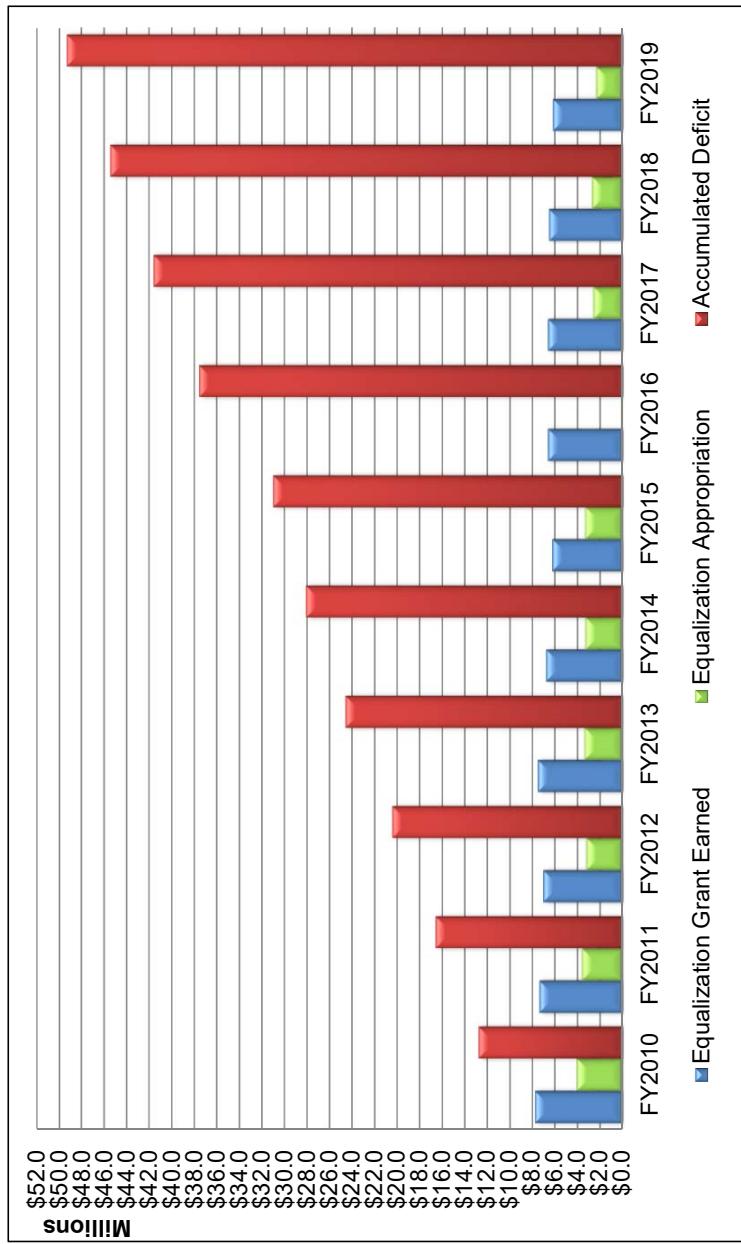
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Education Fund and Operations & Maintenance Fund - Unrestricted	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400	\$ 11,591,965	\$ 7,534,940	\$ 14,204,789	\$ 9,898,492	\$ 13,235,799
Working Cash Fund - Unrestricted	2,046,194	2,081,546	2,486,165	2,848,633	2,912,562	2,978,247	3,044,065	3,137,116	3,317,332	3,624,068
Auxiliary Fund - Unrestricted	143,703	495,505	702,675	711,344	477,896	458,386	377,799	369,513	279,543	40,420
Restricted Purposes Fund - Restricted	37,322	1,393,815	94,284	495,369	632,447	487,716	556,420	523,904	280,533	262,322
Restricted Purposes Fund - Unrestricted	-	-	-	-	-	1,000,000	1,000,000	1,020,000	10,530,635	
Audit Fund - Restricted	150,245	172,765	211,908	200,222	135,278	113,676	104,536	106,656	157,198	203,058
Liability, Protection, and Settlement Fund - Restricted	1,573,022	1,952,072	2,521,853	2,402,140	2,265,040	2,386,897	2,798,225	3,274,964	4,070,362	4,701,821
Bond & Interest Fund - Restricted	2,642,136	2,704,975	2,721,699	2,973,723	3,079,546	2,909,841	3,048,701	2,389,192	3,071,627	3,196,333
Operations & Maintenance Restricted Fund - Restricted	23,911,458	24,930,072	19,043,923	27,508,249	23,018,654	16,655,854	7,581,975	33,826,596	23,636,027	7,915,013
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	2,254,612	1,808,396	2,065,594	1,933,844	1,912,616	2,520,099	3,502,622
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	\$ 51,156,729	\$ 54,383,399	\$ 48,499,018	\$ 60,100,803	\$ 55,206,409	\$ 50,842,366	\$ 38,174,655	\$ 70,939,536	\$ 67,665,403	\$ 57,406,281



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

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

**State Equalization Grant Funding History & Accumulated Deficit
FY2010 through FY2019**

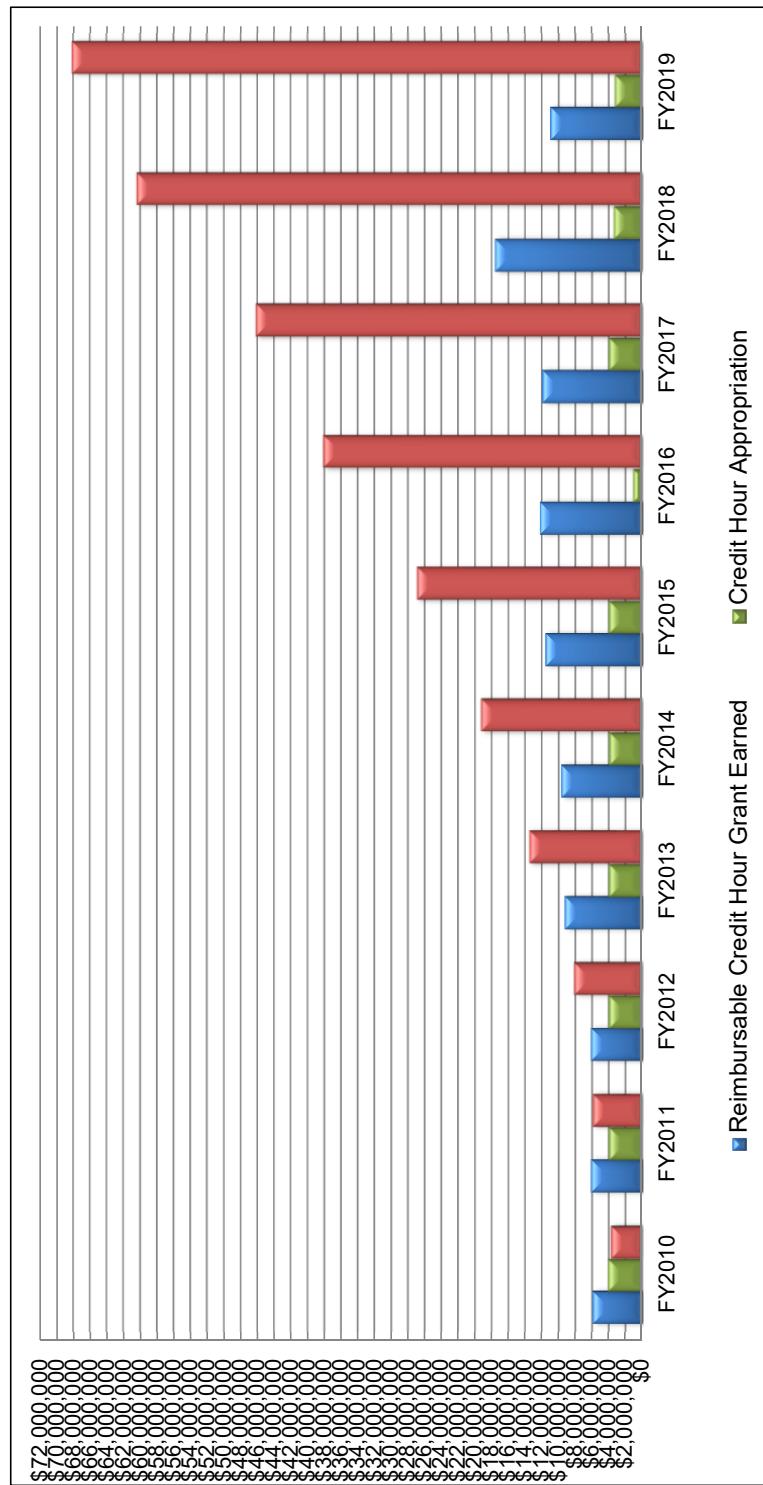


	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Equalization Grant Earned	\$ 7,753,564	\$ 7,372,057	\$ 7,028,293	\$ 7,500,478	\$ 6,768,524	\$ 6,238,384	\$ 6,614,329	\$ 6,614,579	\$ 6,509,795	\$ 6,183,772
Equalization Appropriation	4,038,587	3,576,700	3,187,173	3,348,294	3,264,676	3,310,886	50,000	2,566,390	\$ 2,684,210	\$ 2,304,020
Annual Deficit	(3,719,977)	(3,795,357)	(4,152,120)	(3,841,184)	(3,503,848)	(2,927,528)	(6,564,329)	(4,048,189)	\$ (3,825,585)	\$ (3,879,752)
Accumulated Deficit	\$ 12,790,254	\$ 16,585,611	\$ 20,426,731	\$ 24,578,915	\$ 28,082,763	\$ 31,010,291	\$ 37,574,620	\$ 41,622,809	\$ 45,448,394	\$ 49,328,146
Percentage Received	52.05%	48.52%	45.35%	44.64%	48.23%	53.07%	0.76%	38.80%	41.23%	37.26%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2010 through FY2019**



Source: ICCB System's Operating Budgets

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Reimbursable Credit Hour Grant Earned	\$ 5,936,036	\$ 6,125,709	\$ 6,125,709	\$ 9,276,633	\$ 9,701,085	\$ 11,564,377	\$ 12,262,006	\$ 11,950,503	\$ 17,568,916	\$ 11,001,848
Credit Hour Appropriation	4,027,875	3,923,273	3,923,273	3,917,264	3,897,853	3,919,294	1,051,469	3,919,661	3,365,310	3,249,820
Annual Deficit	\$ (1,908,161)	\$ (2,202,436)	\$ (2,202,436)	\$ (5,359,369)	\$ (5,359,369)	\$ (7,645,083)	\$ (11,210,537)	\$ (8,030,842)	\$ (14,203,606)	\$ (7,752,028)
Accumulated Deficit	\$ 3,734,134	\$ 5,936,570	\$ 8,139,006	\$ 13,498,375	\$ 19,301,607	\$ 26,946,690	\$ 38,157,227	\$ 46,188,069	\$ 60,391,675	\$ 68,143,703
Percentage Received	67.85%	64.05%	64.05%	42.23%	40.18%	33.89%	8.58%	32.80%	19.15%	29.54%

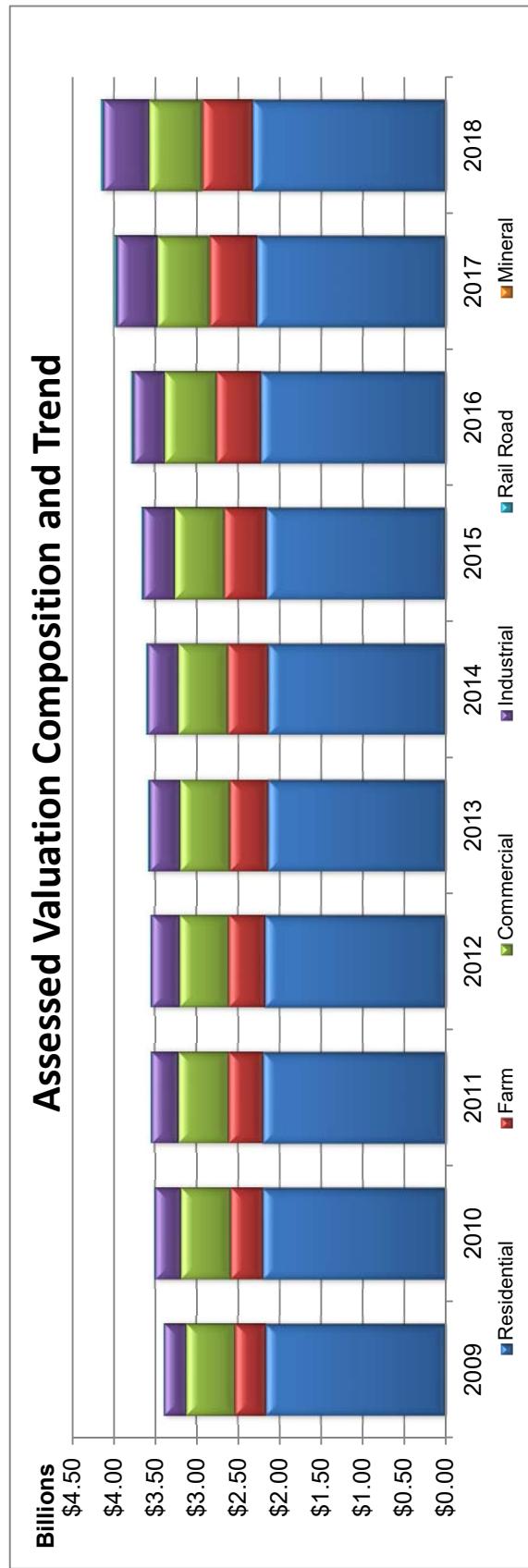
Black Hawk College Illinois Community College District No. 503

Assessed and Estimated Actual Value of Taxable Property
Tax Levy Years 2009 through 2018

Assessed Valuation by Property Type

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

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 2018 is the most current information available
3. The total direct rate applied to tax year 2018 is \$0.5632.

Sources: Bureau, Henderson, Henry, Knox, Marshall, 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 2009 through 2018

Levy Year	Fiscal Year	Assessed Valuation	Tax Rate	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Percent of Extension	Total Collections to Date
				Taxes Extended (Levy)	Amount			
2009	2010	3,397,682,821	0.5337	18,133,434	6,037,571	33%	12,046,820	18,084,391
2010	2011	3,513,002,466	0.5324	18,703,225	6,123,362	33%	12,547,662	18,671,024
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	12,462,381	19,035,803
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	12,755,585	19,134,516
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	12,469,656	19,347,653
2014	2015	3,619,964,713	0.5485	19,855,507	6,971,526	35%	12,833,852	19,805,378
2015	2016	3,668,741,551	0.5598	20,537,616	8,164,466	40%	12,245,978	20,410,444
2016	2017	3,786,687,074	0.5718	21,666,808	8,518,863	39%	13,170,108	21,688,971
2017	2018	3,994,498,184	0.5676	22,662,281	9,105,488	40%	13,460,606	22,566,094
2018	2019	4,163,144,180	0.5632	23,442,470	9,158,500	39%	-	9,158,500
								39%

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 2018 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 2009 through 2018

Taxing Districts	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018
Black Hawk College District No. 503	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403	\$ 0.5427	\$ 0.5485	\$ 0.5598	\$ 0.5718	\$ 0.5676	\$ 0.5632
Rock Island County	0.8542	0.8574	0.8684	0.8872	1.0184	1.0596	1.2480	1.2466	1.2436	1.2400
South Moline Township	0.1432	0.1420	0.1318	0.1358	0.1304	0.1244	0.1232	0.1192	0.1162	0.1154
Road & Bridge - South Moline Township	0.0070	0.0085	0.0093	0.0152	0.0160	0.0116	0.0118	0.0116	0.0116	0.0117
Road & Bridge - City of Moline	0.0042	0.0042	0.0043	0.0047	0.0047	0.0048	0.0052	0.0054	0.0054	0.0057
South Moline Township Cemetery	0.0030	0.0038	0.0038	0.0038	0.0040	0.0040	0.0040	0.0040	0.0032	0.0028
City of Moline	1.9288	1.9324	1.9744	2.0268	2.0500	2.0638	2.0782	2.0854	2.0742	2.0602
School District No. 40	5.0266	5.0584	5.0600	5.0590	5.1090	5.1120	5.1594	5.1498	5.1094	5.0318
Forest Preserve	0.0938	0.0942	0.0944	0.0974	0.1148	0.1190	0.1230	0.1246	0.1236	0.1274
Metropolitan Airport Authority	0.0742	0.0734	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0756	0.0748
Metropolitan Transit Authority	0.1812	0.1822	0.1872	0.1948	0.2054	0.2082	0.2086	0.2056	0.2120	0.1952
Total	\$ 8,8499	\$ 8,8874	\$ 8,9447	\$ 9,0341	\$ 9,2696	\$ 9,3353	\$ 9,5960	\$ 9,5984	\$ 9,5424	\$ 9,4282

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

Taxing Districts	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018
Black Hawk College District No. 503	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406	\$ 0.5344	\$ 0.5485	\$ 0.5492	\$ 0.5723	\$ 0.5676	\$ 0.5627
Henry County	0.9173	0.9498	0.9270	0.9316	0.9004	0.9198	0.9567	0.9423	0.9425	0.8792
Kewanee Township	0.1735	0.1742	0.1774	0.1789	0.1832	0.1835	0.1855	0.1813	0.1804	0.1778
Kewanee Township Road District	0.2180	0.2163	0.2167	0.2168	0.2173	0.2173	0.2174	0.2170	0.2175	0.2177
City of Kewanee	2.2611	2.3865	2.4857	2.6888	2.8057	2.8519	2.8652	2.8526	2.8265	2.9276
Kewanee Park District	1.0573	1.0518	1.0692	1.0891	1.1188	1.1229	1.3777	1.3869	1.4099	1.3973
Kewanee Library District	0.7524	0.7627	0.7680	0.8065	0.7493	0.7286	0.7140	0.7039	0.7083	0.7168
Kewanee Airport	0.0116	0.0121	0.0123	0.0131	0.0133	0.0133	0.0134	0.0131	0.0129	0.0127
Kewanee School District No. 229	4.5267	4.5174	4.3535	4.0950	4.0929	4.2893	4.5990	4.5703	4.5863	4.5924
Total	\$ 10,4533	\$ 10,6049	\$ 10,5470	\$ 10,5604	\$ 10,6153	\$ 10,8751	\$ 11,4781	\$ 11,4397	\$ 11,4519	\$ 11,4842

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

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

Principal Taxpayers
 Most recent Year and Ten Years Ago

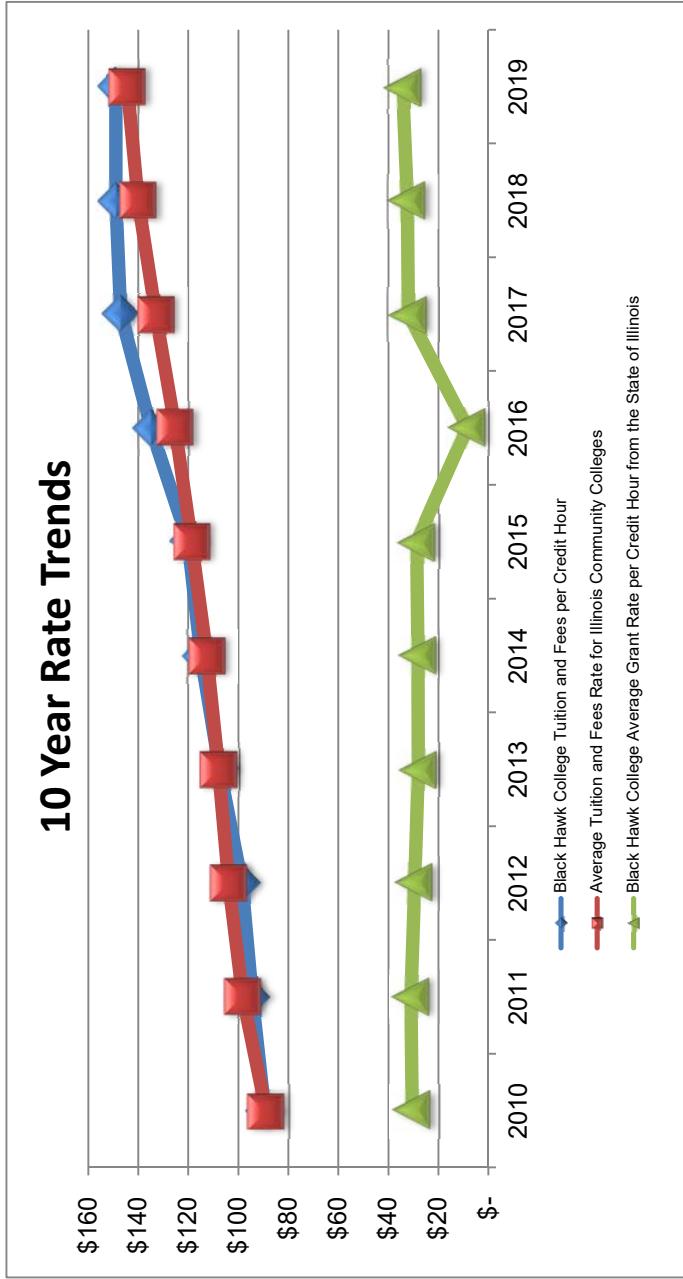
Taxpayer	2009			2018			
	Equalized Assessed Valuation	County	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	County	
Common Wealth Edison	\$ 100,000,000	Rock Island	2.94%	Exelon Generation Co., LLC	\$ 263,924,344	Rock Island	6.34%
Deere & Company	\$ 36,693,831	Rock Island	1.08%	Bishop Hill Energy, LLC.	\$ 32,047,874	Henry	0.77%
Patriot Renewable Fuels, LLC.	\$ 26,919,287	Henry	0.79%	Deere & Company	\$ 30,912,796	Rock Island	0.74%
Rock Island Boatworks/ Jumer's Casino	\$ 22,077,890	Rock Island	0.65%	Big River Resources, LLC.	\$ 24,995,109	Henry	0.60%
SDG Macerich/Southpark Mall	\$ 17,998,200	Rock Island	0.53%	Patriot Renewal Fuels, LLC.	\$ 23,557,489	Henry	0.57%
Big River Resources Galva LLC	\$ 17,098,952	Henry	0.50%	DNC Gaming & Entertainment	\$ 22,499,479	Rock Island	0.54%
Modern Woodmen of America	\$ 9,543,326	Rock Island	0.28%	Macerich Southpark Mall	\$ 11,426,521	Rock Island	0.27%
Kewanee Hospital	\$ 7,033,391	Henry	0.21%	MidAmerican Renewables	\$ 9,181,661	Henry	0.22%
Pioneer Hi Bred International Inc.	\$ 5,683,219	Bureau	0.17%	Minnesota Mining & MFG Co.	\$ 8,859,613	Rock Island	0.21%
Thoms-Proestler Co.	\$ 5,532,763	Rock Island	0.16%	Modern Woodmen of America	\$ 8,498,752	Rock Island	0.20%
	<u>\$ 248,580,859</u>		<u>7.32%</u>		<u>\$ 435,903,638</u>		<u>10.47%</u>

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

Black Hawk College Illinois Community College District No. 503

Mandatory Tuition and Fees
FY2010 through FY2019

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
2010	89.50	88.87	30.59	135,521
2011	94.50	98.26	31.08	139,479
2012	98.50	103.89	29.49	137,989
2013	107.50	107.89	28.09	135,791
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297
2016	135.00	125.27	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



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type
FY2010 through FY2019

Fiscal Year	General Obligation Bonds	Installment Contracts	Total Outstanding Debt	Estimated Taxable Property Value	Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2010	27,145,000	-	27,145,000	10,194,067,870	0.266%	102.89	
2011	22,600,000	-	22,600,000	10,540,061,404	0.214%	90.40	
2012	17,740,000	-	17,740,000	10,653,599,049	0.167%	79.49	
2013	33,557,258	-	33,557,258	10,671,324,521	0.314%	149.75	
2014	28,299,231	-	28,299,231	10,775,086,022	0.263%	119.88	
2015	32,649,100	-	32,649,100	10,860,980,237	0.301%	127.64	
2016	27,277,322	-	27,277,322	11,007,325,386	0.248%	106.73	
2017	53,357,758	-	53,357,758	11,361,197,342	0.470%	210.47	
2018	49,050,054	-	49,050,054	11,984,693,021	0.409%	193.93	
2019	43,992,054	-	43,992,054	12,490,681,608	0.352%	174.46	

Notes:

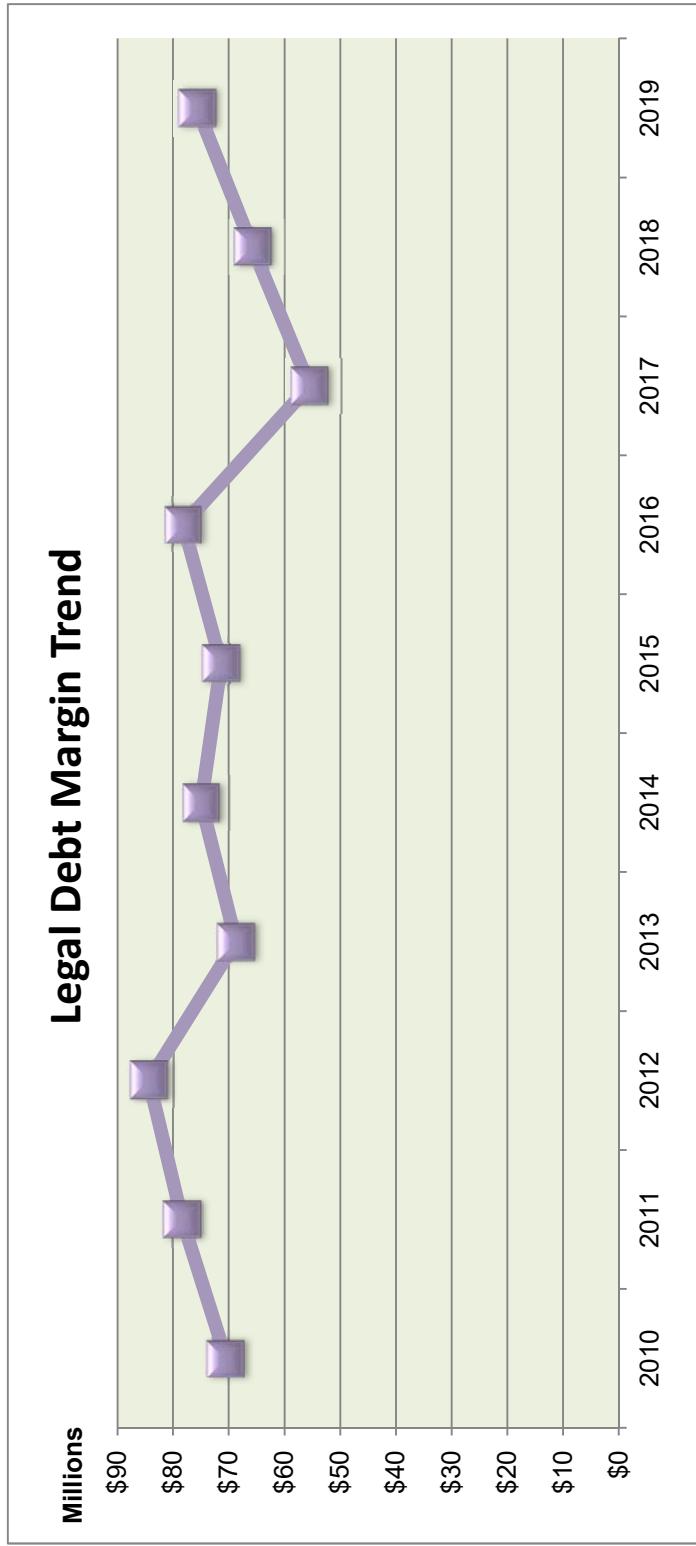
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census or the most recent American Community Survey population for each of the nine counties, included either in part or whole,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

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

Black Hawk College Illinois Community College District No. 503

Computation of Legal Debt Margin
FY2010 through FY2019

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
2010	3,397,682,821	97,683,381	27,145,000	70,538,381
2011	3,513,002,466	100,998,821	22,600,000	78,398,821
2012	3,550,844,563	102,086,781	17,740,000	84,346,781
2013	3,556,752,463	102,256,633	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	28,299,231	74,951,684
2015	3,619,964,713	104,073,985	32,649,100	71,424,885
2016	3,668,741,551	105,476,320	27,277,322	78,198,998
2017	3,786,687,074	108,867,253	53,357,758	55,509,495
2018	3,994,498,184	114,841,823	49,050,054	65,791,769
2019	4,163,144,180	119,690,395	43,992,054	75,698,341



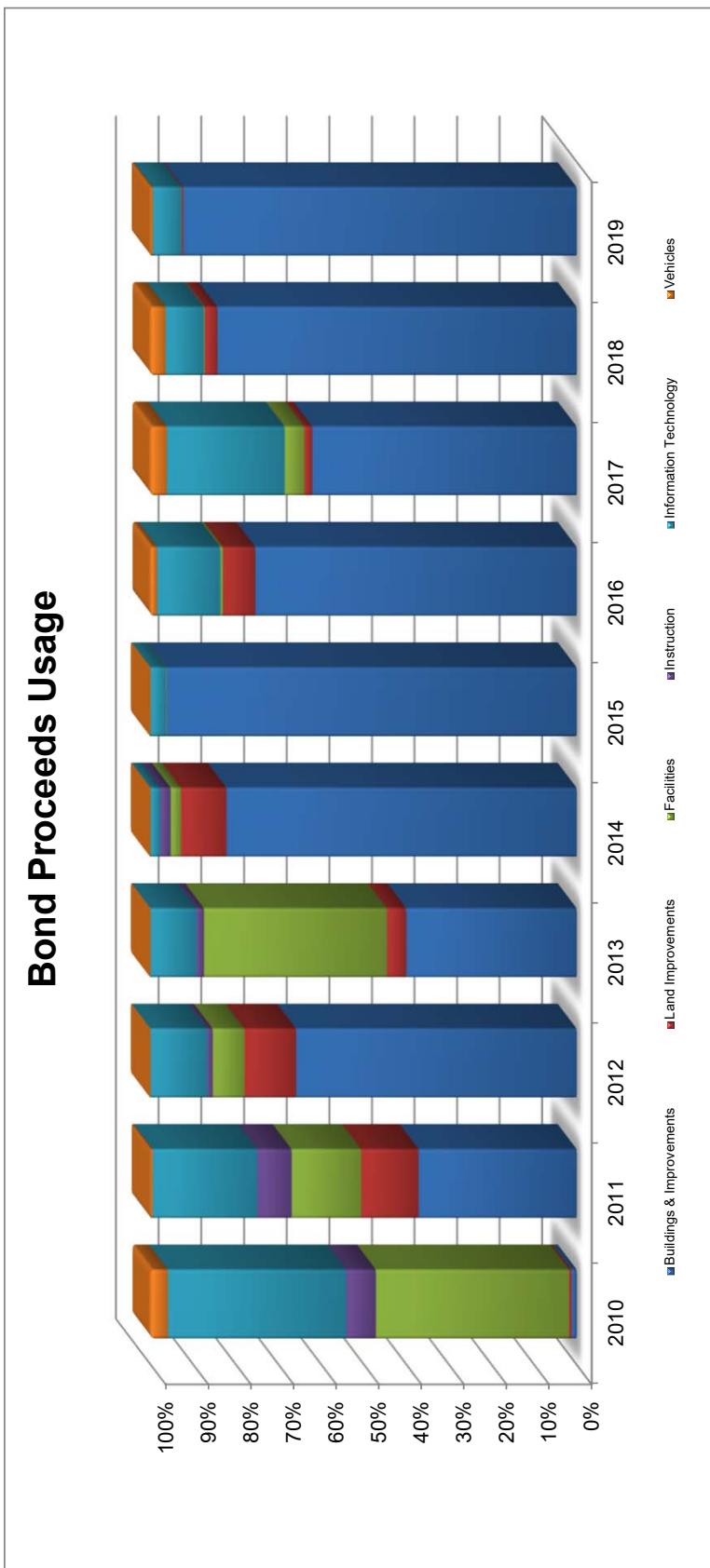
Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

Black Hawk College
Illinois Community College District No. 503

Use of Bond Issuance Proceeds
 FY2010 through FY2019

Purpose	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Buildings & Improvements	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615	\$ 14,027,532	\$ 7,047,573	\$ 2,923,612	\$ 8,284,703	\$ 14,436,690
Land Improvements	11,726	359,872	803,531	404,588	538,514	7,117	706,336	85,630	292,003	54,501
Facilities	972,659	434,725	494,661	3,821,944	122,738	15,566	57,498	216,835	16,927	3,267
Instruction	148,970	215,168	83,700	151,212	122,476	-	-	-	-	-
Information Technology	894,804	652,498	883,528	962,605	116,314	531,481	1,383,178	1,298,852	879,140	1,053,149
Vehicles	86,851	13,479	-	-	-	143,487	181,040	350,379	85,558	
Total	\$ 2,141,614	\$ 2,666,324	\$ 6,645,086	\$ 8,908,312	\$ 5,059,657	\$ 14,581,696	\$ 9,338,072	\$ 4,705,969	\$ 9,823,152	\$ 15,933,165

Bond Proceeds Usage



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

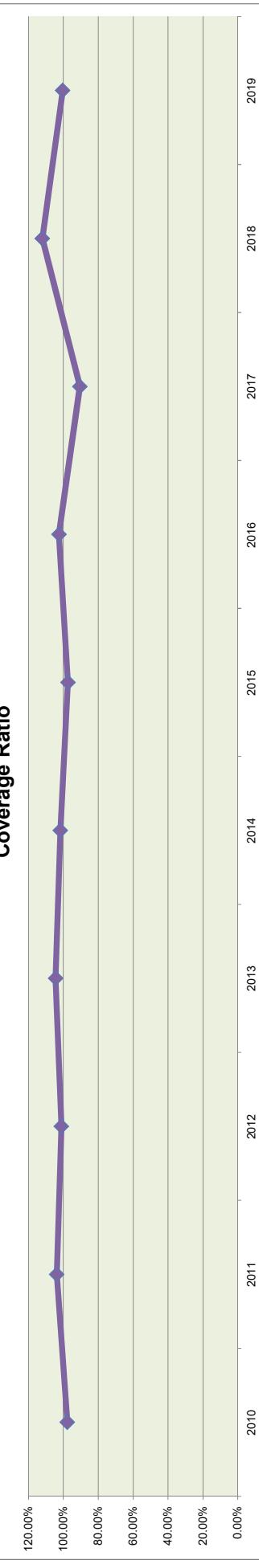
Source: College records

Black Hawk College
Illinois Community College District No. 503

Schedule of Bond Coverage
 FY2010 through FY2019

General Obligation Bonds									
Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service		2004 Bonds		2006 Bonds		2008 Bonds
			Principal	Interest	Principal	Interest	Principal	Interest	
2010	5,466,013	62,113	5,529,126	5,499,507	1,315,000	20,547	2,500,000	74,479	1,260,000
2011	5,444,629	54,878	5,500,677	5,482,397	-	-	-	-	4,145,000
2012	5,452,397	48,280	5,912,910	135	5,913,045	-	-	-	3,000,000
2013	5,912,910	-	6,287,922	9,034	6,287,956	-	-	-	-
2014	6,287,922	-	6,16,083	9,150	6,16,083	-	-	-	-
2015	6,16,083	-	6,246,887	9,256	6,246,843	-	-	-	-
2016	6,237,631	-	12,414	12,414	-	-	-	-	-
2017	6,272,429	-	23,678	6,367,977	-	-	-	-	-
2018	6,344,299	-	47,066	6,383,560	-	-	-	-	-
2019	6,336,494	-	-	-	-	-	-	-	-

Coverage Ratio



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

Source: College records

Black Hawk College
Illinois Community College District No. 503

Direct and Overlapping General Obligation Bonded Debt

Issuing Taxing Districts	Amount of Outstanding Bonds	Applicable to District	
		Estimated Percentage	Amount
Rock Island County (Public Building Commission)	\$28,900,000	100.00%	\$28,900,000
Knox County	765,000	1.70%	14,306
The City	291,920	100.00%	291,920
City of Kewanee	39,245,000	100.00%	39,245,000
City of Rock Island	57,919,000	100.00%	57,919,000
City of Silvis	585,000	100.00%	585,000
Kewanee Park District	1,614,000	100.00%	1,614,000
Cambridge Fire Protection District	1,225,000	100.00%	1,225,000
Coal Valley Fire Protection District	285,000	13.65%	38,903
Hampton School District Number 29	570,000	100.00%	570,000
Silvis School District Number 34	3,010,000	100.00%	3,010,000
Carbon Cliff School District Number 36	3,195,000	100.00%	3,195,000
East Moline School District Number 37	12,760,000	100.00%	12,760,000
Colona School District Number 190	180,000	100.00%	180,000
Moline School District Number 40	13,845,000	100.00%	13,845,000
Rock Island School District Number 41	52,995,000	100.00%	52,995,000
Riverdale School District Number 100	930,000	100.00%	930,000
Stark Community Unit School District Number 100	4,515,000	100.00%	4,515,000
Sherrard Community Unit School District Number 200	5,375,000	99.95%	5,372,313
Aledo Community Unit School District Number 201	160,000	100.00%	160,000
Community Unit School District Number 208	6,860,000	0.17%	11,662
Orion Community Unit School District Number 223	1,935,000	100.00%	1,935,000
Galva Community Unit School District Number 224	490,000	100.00%	490,000
Alwood Community Unit School District Number 225	2,315,000	100.00%	2,315,000
Annawan Community Unit School District Number 226	1,330,000	96.45%	1,282,785
Cambridge Community Unit School District Number 227	925,000	99.84%	923,520
Geneseo Community Unit School District Number 228	20,413,327	99.05%	20,219,400
Kewanee Community Unit School District Number 229	965,000	94.60%	912,890
Wethersfield Community Unit School Dist. Number 230	315,000	98.67%	310,811
RKR Community Unit School District Number 300	10,015,000	100.00%	10,015,000
Mercer Community Unit School District Number 404	3,613,900	100.00%	3,613,900
Total Overlapping Bonded Debt			\$269,395,410

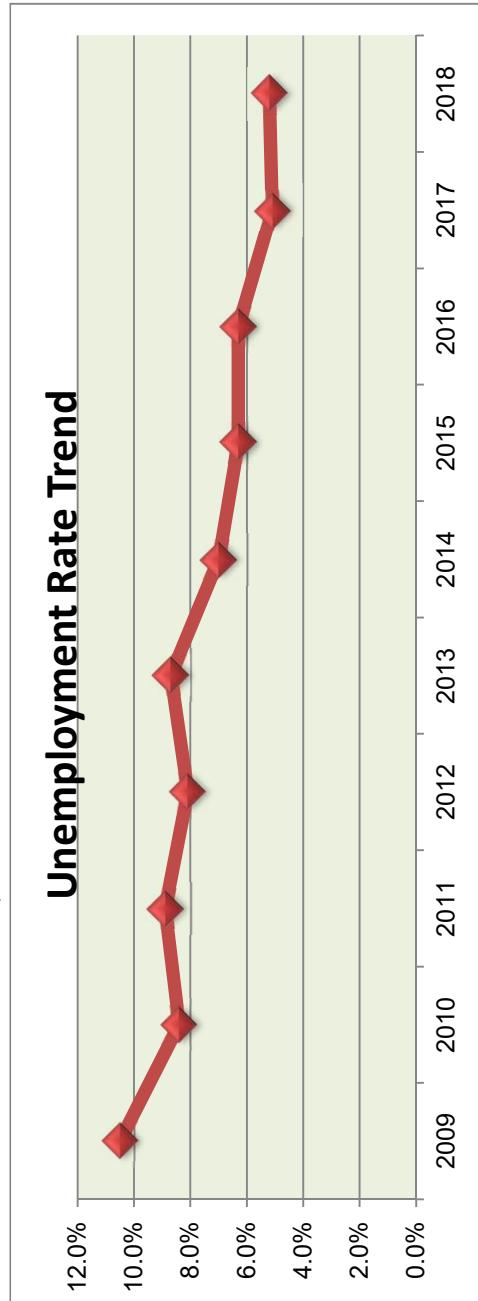
Source: Rock Island; Henry; Mercer; Whiteside; Henderson; Knox; Bureau; Stark; and Marshall County Clerks' Offices.

(1) Does not include alternate revenue bonds.

Black Hawk College Illinois Community College District No. 503

Demographic and Economic Statistics
Calendar Years 2009 through 2018

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	387,122	13,615,712	35,172	10.5%
2010	386,767	13,840,622	35,785	8.4%
2011	385,206	14,770,835	38,345	8.9%
2012	383,740	14,883,036	38,784	8.1%
2013	382,236	15,252,968	39,905	8.7%
2014	380,352	14,914,277	39,212	7.0%
2015	378,352	15,045,886	39,767	6.3%
2016	375,211	15,301,930	40,782	6.3%
2017	373,712	15,971,486	43,100	5.1%
2018	370,569	N/A	N/A	5.2%



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 - Quick Facts

Rock Island County					
2009			2018		
Employer	Product/Service	Approx # of Employees	Percentage of Total Employment	Employer	Product/Service
Rock Island Arsenal	Defense Manufacturing	7,270	10.29%	Deere & Company	Construction and Agricultural Equipment
Deere & Company	Construction and agricultural equipment	6,300	8.91%	Rock Island Arsenal	Defense Manufacturing
Trinity Regional Health System	Healthcare System	4,300	6.08%	Trinity-Unity Point (all regional locations)	Healthcare System
Genesis Health Systems	Healthcare System	4,000	5.66%	Tyson Fresh Meats	Food Processing
John Deere Harvester Works	Construction and agricultural equipment	2,400	3.40%	Moline Community School District #40	Elementary/Secondary School District
John Deere Seeding Group	Planting Equipment	1,918	2.71%	XPAC	Supply-Chain Solutions Provider
Export Packaging (XPAC)	Supply chain management and logistics	1,065	1.51%	Hy-Vee (all Rock Island County locations)	Grocery Store
MidAmerican Energy Co.	Utility/Energy Delivery	1,050	1.50%	Black Hawk College	Community College
Community Unit School District #40	Moline School District	990	1.40%	Walmart (all Rock Island County locations)	Retail
US Army Corps of Engineers	National Security	900	1.27%	Augustana College	Private Liberal Arts & Science College
Total Employed Labor Force		70,688		Total Employed Labor Force	68,090
Total Unemployed		7,172		Total Unemployed	3,757

Henry County					
2009			2018		
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service
Kewanee Hospital	Hospital	305	1.25%	Great Dane Trailers	Manufacturer Semi-truck Trailers
Wal-Mart	Retail	300	1.23%	Henry County School District Teachers	Education
Henry County Health Department	Health Department	150	0.62%	Kewanee City Government, Park District, Health Department, and Prison	City Government
Menards, Inc.	Retail	150	0.62%	Hammon-Henry Hospital	Healthcare
Excelled Sheepskin & Leather Co.	Retail	130	0.53%	Walmart Supercenter	Retail
				OSF St. Luke Medical Family Health	Healthcare
				Henry County Courthouse	Government
				Kone, Inc.	Manufacturing
				Excelled Sheepskin & Leather	Retail
				Springfield Armory, Inc.	Firearms Manufacturer
Total Employed Labor Force		24,315		Total Employed Labor Force	23,824
Total Unemployed		2,457		Total Unemployed	1,259

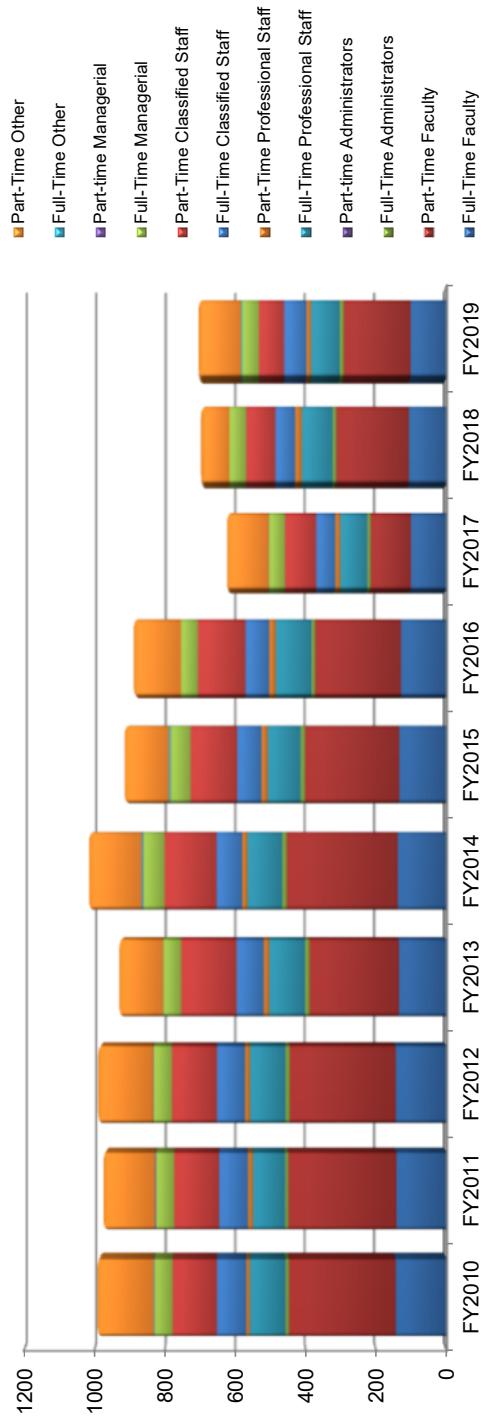
Notes: For 2009, only the top 5 employers from Henry County were available from the FY2010 BHC audit document.

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

Black Hawk College
Illinois Community College District No. 503

Faculty and Staff Headcount
 FY2010 through FY2019

Faculty	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Administrators										
Full-time	10	9	12	12	13	13	10	9	10	11
Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Full-time	52	51	52	51	60	57	49	44	47	48
Part-time	2	2	2	1	2	1	0	0	0	0
Professional Staff										
Full-time	101	92	101	102	99	94	102	77	88	82
Part-time	10	13	14	16	15	17	18	14	19	13
Classified Staff										
Full-time	84	82	80	77	73	69	68	54	56	63
Part-time	125	128	127	157	147	132	134	89	83	71
Other										
Full-time	1	1	0	0	4	4	0	1	0	3
Part-time	159	147	156	124	149	126	134	119	81	121
Total Employees										
Full-time	393	378	390	378	388	372	359	287	308	307
Part-time	598	596	599	551	627	542	529	336	389	378
Grand Total	991	974	989	929	1,015	914	888	623	697	685

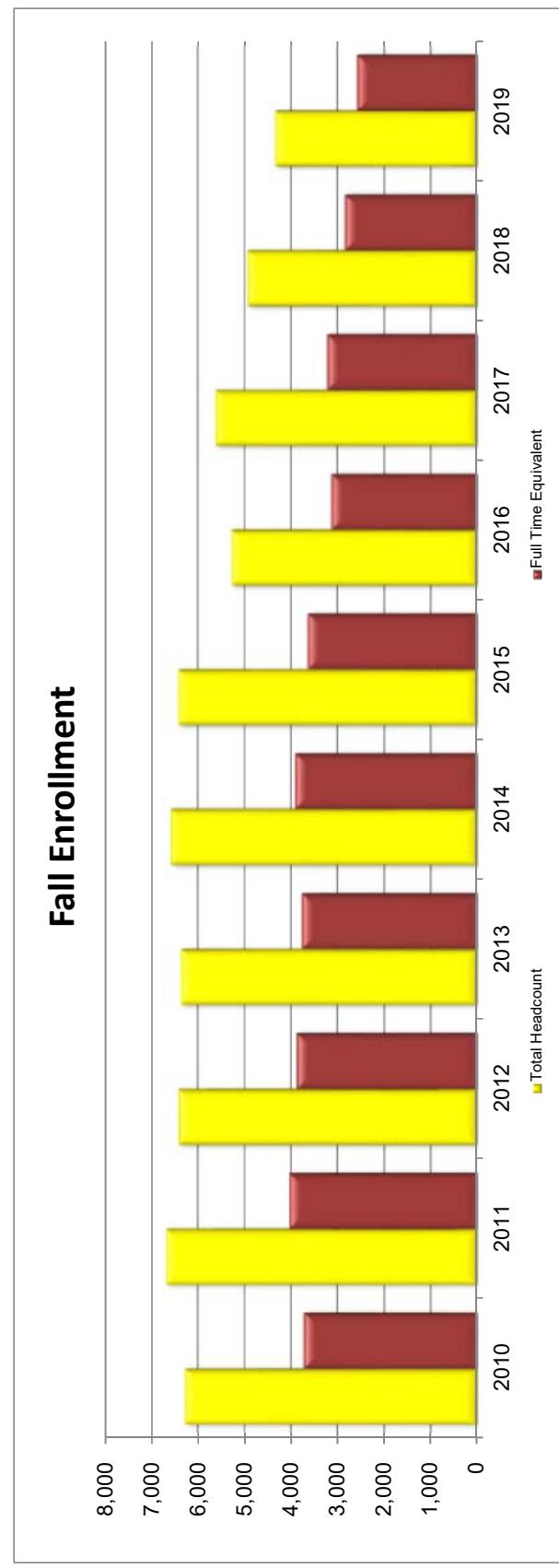


Source: ICCB Salary Survey C1 Report

Black Hawk College
Illinois Community College District No. 503

Student Enrollment Demographic Statistics
 FY2010 through FY2019

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	
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	27.4
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	27.3
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	27.2
2014	3,902	6,574	2,666	3,908	2,581	3,993	1,857	974	297	2,369	308	27.2
2015	3,635	6,416	2,629	3,678	2,346	3,961	1,510	912	365	2,269	271	26.2
2016	3,126	5,271	2,172	3,099	2,019	3,252	1,697	928	232	1,260	216	25.2
2017	3,215	5,613	2,369	3,244	2,009	3,604	1,952	1,587	237	510	242	25.5
2018	2,835	4,926	2,004	2,922	1,753	3,173	1,738	1,293	213	470	365	25.5
2019	2,577	4,333	1,700	2,633	1,625	2,708	1,580	917	167	425	320	24.5



Source: ICCB E1 Report
 NR = Not Recorded

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

Financial Aid Recipients
FY2010 through FY2019

Type of Aid		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Federal Aid											
College Work Study	117	88	97	93	103	93	73	68	71	67	
PELL Grant	2,545	3,068	3,015	2,679	2,509	2,356	1,944	1,787	1,742	1,456	
SEOG	366	635	248	405	796	336	298	387	319	320	
Stafford Loan - subsidized	456	508	722	775	645	569	453	403	383	325	
Stafford Loan - unsubsidized	266	283	334	668	592	486	428	450	420	356	
PLUS (Parent) Student Loan	10	15	15	12	13	14	14	16	13	18	
Chapter 33 (a GI Bill fund)	40	70	79	69	78	75	77	88	94	67	
Other Federal Military/Veteran's Aid ¹	-	-	-	-	-	-	-	104	75	77	
State Aid											
MAP Grant	993	1,030	1,136	914	799	740	494	694	672	654	
IL Veterans Grant (IVG)	178	151	134	131	104	81	73	60	34	27	
National Guard	37	31	43	36	27	17	17	21	25	23	
POW/MIA Dependents	8	6	5	5	6	7	6	5	3	4	
DORS	14	23	29	28	32	45	49	48	37	22	
Policeman/Fireman Dependents Grant	1	1	1	-	-	-	-	-	-	1	
Local Aid											
Private Grant/Scholarship	241	238	293	263	251	264	277	239	215	255	
Achievement Awards	403	370	320	321	354	324	286	258	250	271	
Foundation Scholarships	218	223	205	221	228	247	268	245	266	526	
Donor Scholarships	112	31	25	26	107	56	17	12	9	24	
TOTAL	6,005	6,771	6,701	6,646	6,644	5,710	4,774	4,885	4,628	4,493	

*FY2019 totals reflect YTD payments through 07/10/2019, and do not include any further Summer 2019 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

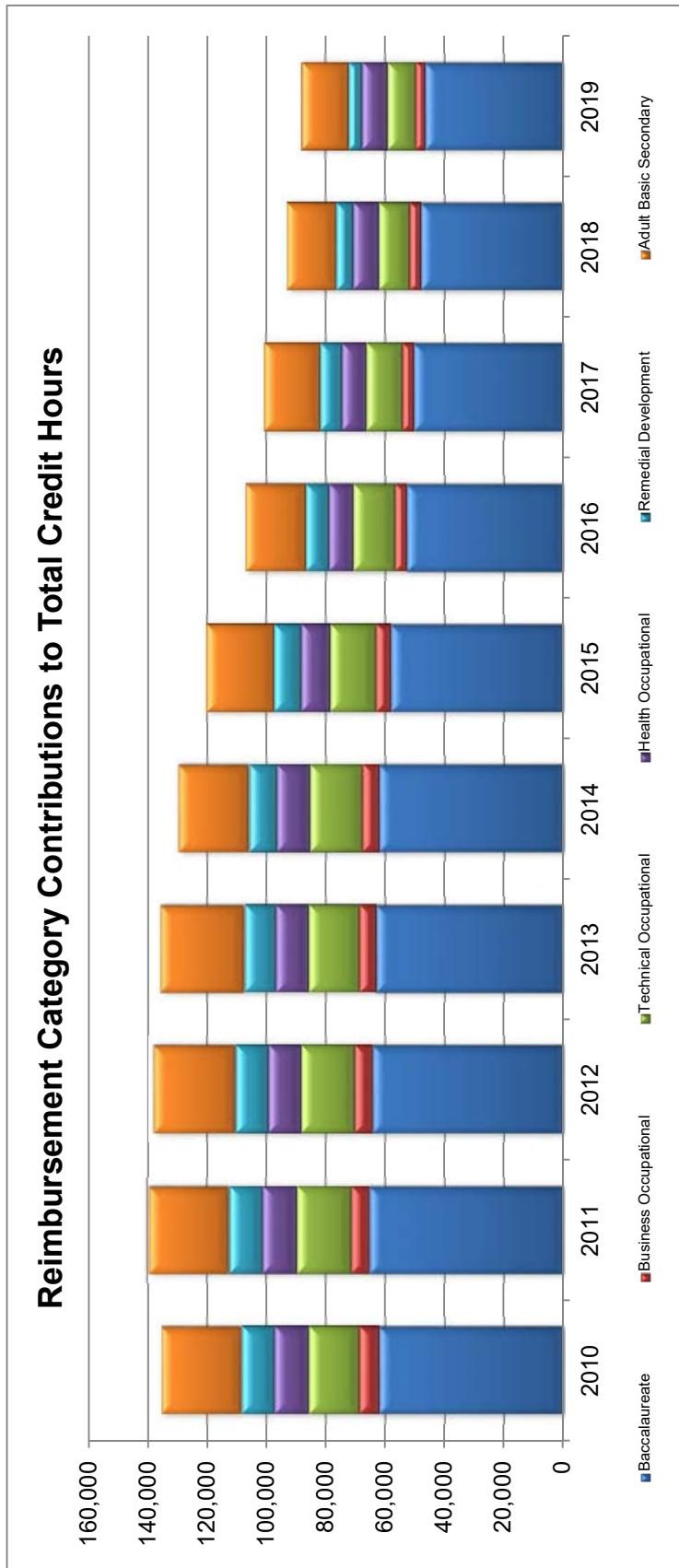
Source: BHC Financial Aid Database and BHC Veterans Services.

Black Hawk College Illinois Community College District No. 503

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories
FY2010 through FY2019

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	% Change 2010 vs 2019
Baccalaureate	62,219.0	65,304.7	64,300.2	63,117.0	62,224.2	58,180.8	52,849.3	50,448.9	48,077.4	46,553.2	-25.18%
Business Occupational	6,633.1	6,284.3	6,177.5	5,660.4	5,604.5	5,161.9	4,095.5	3,882.9	3,770.1	3,177.0	-52.10%
Technical Occupational	16,956.0	18,238.5	17,967.3	17,165.0	17,687.1	15,326.4	13,994.2	12,020.8	10,505.7	9,610.5	-43.32%
Health Occupational	11,690.7	11,510.2	11,028.1	11,012.9	11,236.6	9,826.1	8,322.5	8,444.7	8,623.7	8,577.0	-26.63%
Remedial Development	10,957.0	11,172.0	10,915.0	10,521.0	9,149.0	9,051.0	7,763.0	7,289.0	5,573.0	4,495.0	-58.98%
Adult Basic Secondary	27,065.3	26,969.0	27,600.5	28,314.9	23,853.8	22,751.2	20,283.9	18,771.4	16,778.1	15,674.9	-42.08%
Total	135,521.1	139,478.7	137,988.6	135,791.2	129,755.2	120,297.4	107,308.4	100,857.7	93,328.0	88,087.6	-35.00%

Reimbursement Category Contributions to Total Credit Hours



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
 FY2010 through FY2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Buildings - Permanent	19	19	19	21	21	21	23	25	25	25
Total acres	271.9	271.9	271.9	272.8	273.0	275.2	273.0	231.6*	231.6*	231.6*
Net Assignable Square Feet:										
Classrooms and general use	71,968	71,831	74,429	78,033	75,935	80,797	86,218	84,681	84,611	75,906
Laboratory	128,713	129,373	131,001	137,122	140,870	138,268	154,546	149,537	152,377	153,071
Office	59,225	59,601	61,536	62,340	69,080	70,640	77,523	74,924	73,126	71,548
Study	24,307	24,307	24,873	24,873	24,873	20,095	20,043	25,776	28,784	27,170
Special use (Athletics, PE)	45,448	45,448	45,448	45,569	44,887	44,887	45,485	49,387	49,387	49,387
General use (Theater)	34,882	33,181	34,437	35,193	34,005	34,101	38,875	41,003	41,049	40,523
Support functions	29,216	29,154	32,401	33,357	35,210	36,882	39,730	40,980	38,378	45,847
Unassigned	-	-	-	-	2,719	3,363	940	-	-	2,245
Total	393,759	392,895	404,125	416,487	427,579	429,033	462,762	462,386	467,712	465,697
Parking capacity:										
On campus parking spots	1,920	1,920	1,935	2,004	2,004	2,004	2,004	2,191	2,191	2,191
Acres	21	21	21	22	22	22	22	22	22	22

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

Black Hawk College
Community College District No. 503

Miscellaneous Statistics Year ended June 30, 2019

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

ICCB Supplemental Information

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

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2018	2017	2016
Equalized assessed valuations:			
Bureau County	\$ 27,325,344	\$ 26,370,174	\$ 24,913,036
Henderson County	3,138,676	2,971,989	2,703,560
Henry County	1,003,037,367	884,259,417	857,434,514
Knox County	15,733,195	15,024,813	14,387,481
Marshall County	123,605	121,135	119,928
Mercer County	272,725,669	262,433,820	245,476,741
Rock Island County	2,659,684,614	2,627,934,839	2,474,147,974
Stark County	109,568,133	106,701,369	102,757,626
Whiteside County	71,807,577	68,680,628	64,746,214
	\$ 4,163,144,180	\$ 3,994,498,184	\$ 3,786,687,074
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1190	0.1188	0.1172
Operations and Maintenance Fund	0.0694	0.0694	0.0684
Bond and Interest Fund	0.1572	0.1594	0.1664
Liability, Protection, and Settlement Fund	0.0650	0.0626	0.0610
Audit Fund	0.0026	0.0026	0.0026
Operations and Maintenance, restricted	0.0496	0.0496	0.0490
Equity	0.1004	0.1052	0.1072
	0.5632	0.5676	0.5718
Tax extensions:			
Education Fund	\$ 7,580,381	\$ 7,392,489	\$ 6,995,255
Operations and Maintenance Fund	4,438,452	4,322,202	4,098,348
Bond and Interest Fund	6,544,437	6,365,228	6,306,475
Liability, Protection, and Settlement Fund	2,705,901	2,498,652	2,056,781
Audit Fund	108,232	103,430	98,061
Operations and Maintenance, restricted	2,065,067	1,980,280	2,111,888
	\$ 23,442,470	\$ 22,662,281	\$ 21,666,808
Less tax collections (cumulative through June 30, 2019):			
Education Fund	\$ 2,961,437	\$ 7,360,513	\$ 7,004,679
Operations and Maintenance Fund	1,733,722	4,304,265	4,103,291
Bond and Interest Fund	2,556,931	6,337,884	6,311,252
Liability, Protection, and Settlement Fund	1,057,224	2,488,272	2,314,100
Audit Fund	42,194	103,285	97,473
Operations and Maintenance, restricted	806,991	1,971,875	1,858,176
	\$ 9,158,500	\$ 22,566,094	\$ 21,688,971
Taxes receivable:			
Tax receivable	\$ 14,283,970	\$ 73,681	\$ (41,679)
Written off	-	(5,694)	-
Allowance for uncollectible taxes	(70,327)	(67,987)	41,679
	\$ 14,213,643	\$ -	\$ -
Taxes receivable by fund:			
Education Fund	\$ 4,596,203	\$ -	\$ -
Operations and Maintenance Fund	2,691,414	-	-
Bond and Interest Fund	3,967,873	-	-
Liability, Protection, and Settlement Fund	1,640,559	-	-
Audit Fund	65,713	-	-
Operations and Maintenance, restricted	1,251,881	-	-
	\$ 14,213,643	\$ -	\$ -
Percentage of extensions collected	39.07%	99.58%	100.10%

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2018 levy	\$ 4,163,144,180
Debt limit, 2.875% of assessed valuation	\$ 119,690,395
Bonded indebtedness	(43,992,054)
Legal debt margin	\$ 75,698,341

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2020**

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

ALL FISCAL YEAR 2019 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	\$ 26,500,641
2. Operations and Maintenance Fund	\$ 3,791,139
3. Public Building Commission Operation and Maintenance Fund	\$ -
4. Bond and Interest Fund	\$ -
5. Public Building Commission Rental Fund	\$ -
6. Restricted Purposes Fund	\$ 9,306,785
7. Audit Fund	\$ 63,500
8. Liability, Protection, and Settlement Fund	\$ 2,051,476
9. Auxiliary Enterprises Fund (subsidy only)	\$ -
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u>\$ 41,713,541</u>

11. Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) from Sources other than State and Federal Funds	\$ 1,595,760
--	--------------

12. TOTAL COSTS INCLUDED (line 10 plus line 11)	<u>\$ 43,309,301</u>
--	-----------------------------

13. Total certified semester credit hours for FY 2019	88,087.60
---	-----------

14. PER CAPITA COST (line 12 divided by line 13)	<u>\$ 491.66</u>
---	-------------------------

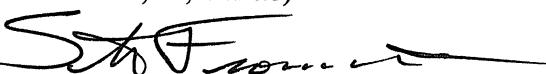
15. All FY 2019 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	<u>\$ 8,422,382</u>
--	---------------------

16. FY 2019 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$ 95.61</u>
---	-----------------

17. District's average ICCB grant rate (excluding equalization grants) for FY 2020	\$ 36.90
--	----------

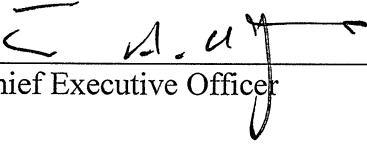
18. District's student tuition and fee rate per semester credit hour for FY 2020	\$ 149.00
--	-----------

19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 210.15</u>
--	------------------

Approved: 
 Chief Fiscal Officer

2019 OCT 03

Date

Approved: 
 Chief Executive Officer

10-3-19

Date

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ICCB Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 1 - All Funds Summary
Year ended June 30, 2019

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning	\$ 6,181,670	\$ 3,716,822	\$ 3,071,627
Revenues:			
Local tax revenue	7,584,658	4,385,650	6,431,686
All Other Local Revenue	1,221,168	135,410	-
ICCB grants	5,355,829	519,971	-
All other state revenue	18,256	-	-
Federal revenue	44,444	-	-
Student tuition and fees	14,458,028	103,185	-
All other revenue	915,242	307,945	47,068
Total revenues	29,597,625	5,452,161	6,478,754
Expenditures:			
Instruction	10,489,243	-	-
Academic support	3,220,271	-	-
Student services	2,504,753	-	-
Public service/continuing education	628,411	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,791,139	-
Institutional support	6,490,087	-	6,342,383
Scholarships, student grants and waivers	3,288,575	-	-
Total expenditures	26,621,340	3,791,139	6,342,383
Net transfers	(600,000)	(700,000)	(11,665)
Fund balance, end of year	\$ 8,557,955	\$ 4,677,844	\$ 3,196,333

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 26,156,126	\$ 279,543	\$ 10,520,533	\$ 13,511,522	\$ 157,198	\$ 4,070,362	\$ 67,665,403
2,015,484	-	-	-	105,748	2,593,117	23,116,343
-	-	-	-	-	-	1,356,578
-	-	601,944	-	-	-	6,477,744
-	-	13,848,690	-	-	-	13,866,946
-	-	6,456,670	-	-	-	6,501,114
-	169,401	621,214	-	-	-	15,351,828
444,126	1,617,378	372,900	306,736	3,612	89,818	4,104,825
2,459,610	1,786,779	21,901,418	306,736	109,360	2,682,935	70,775,378
16,961,800	2,025,902	5,914,068	-	-	-	16,403,311
1,238,326	-	2,718,315	-	-	-	5,938,586
-	-	2,056,666	-	-	-	4,561,419
-	-	1,259,462	-	-	-	1,887,873
-	2,025,902	245,197	-	-	-	2,271,099
18,200,126	2,025,902	1,270,293	-	-	759,489	22,782,721
1,002,025	-	309,640	-	-	-	-
\$ 11,417,635	\$ 40,420	\$ 10,792,957	\$ 13,818,258	\$ 203,058	\$ 4,701,821	\$ 57,406,281

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

**Uniform Financial Statement No. 2 - Summary of Fixed Assets and Debt
Year ended June 30, 2019**

	Capital Asset/Debt June 30, 2018	Additions	Deletions	Capital Asset/Debt June 30, 2019
Capital Assets:				
Land	\$ 10,426,364	\$ 362,471	\$ -	\$ 10,788,835
Building and improvements	91,064,481	4,786,331	-	95,850,812
Equipment	10,490,629	799,027	(448,837)	10,840,819
Other	9,213,963	15,061,490	(3,748,912)	20,526,541
	<u>121,195,437</u>	<u>21,009,319</u>	<u>(4,197,749)</u>	<u>138,007,007</u>
Accumulated depreciation	(31,439,105)	(2,744,079)	284,748	(33,898,436)
Total capital assets	\$ 89,756,332	\$ 18,265,240	\$ (3,913,001)	\$ 104,108,571
 Capital Debt:				
Bonds payable	\$ 46,600,000	-	\$ (4,410,000)	\$ 42,190,000
Other Fixed Liabilities	18,932,513	273,623	(589,215)	18,616,921
Total capital debt	\$ 65,532,513	\$ 273,623	\$ (4,999,215)	\$ 60,806,921

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 7,584,658	\$ 4,385,650	\$ 11,970,308
Corporate personal property replacement tax	1,221,168	135,410	1,356,578
Chargeback revenue	-	-	-
	8,805,826	4,521,060	13,326,886
State government:			
ICCB base operating grant	2,729,849	519,971	3,249,820
ICCB equalization grant	2,304,020	-	2,304,020
ICCB - Career and Technical Education	314,680	-	314,680
Other ICCB Grants not listed above	7,280	-	7,280
Other state revenue	18,256	-	18,256
	5,374,085	519,971	5,894,056
Federal government:			
Department of Education	31,355	-	31,355
Other	13,089	-	13,089
	44,444	-	44,444
Student tuition and fees:			
Tuition	12,912,704	-	12,912,704
Fees	1,545,324	103,185	1,648,509
	14,458,028	103,185	14,561,213
Other sources:			
Sales and service fees	453,942	5,560	459,502
Facilities revenue	15,718	167,429	183,147
Investment revenue	384,540	96,333	480,873
Other	61,042	38,623	99,665
	915,242	307,945	1,223,187
Total revenues	29,597,625	5,452,161	35,049,786
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	\$ 29,597,625	\$ 5,452,161	\$ 35,049,786

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

Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 10,489,243	\$ -	\$ 10,489,243
Academic support	3,220,271	-	3,220,271
Student services	2,504,753	-	2,504,753
Public service	628,411	-	628,411
Operations and maintenance	-	3,791,139	3,791,139
Institutional support	6,490,087	-	6,490,087
Scholarships, student grants and waivers	3,288,575	-	3,288,575
Total expenditures	26,621,340	3,791,139	30,412,479
Less nonoperating item, tuition chargeback	-	-	-
Transfers, net	600,000	700,000	1,300,000
Adjusted expenditures	\$ 27,221,340	\$ 4,491,139	\$ 31,712,479
By object:			
Salaries	\$ 16,224,852	\$ 1,485,262	\$ 17,710,114
Employee benefits	4,573,700	360,870	4,934,570
Contractual services	914,723	471,641	1,386,364
General materials and supplies	1,253,389	224,066	1,477,455
Conference and meeting expenses	201,664	1,308	202,972
Fixed charges	32,642	6,764	39,406
Utilities	510	1,232,691	1,233,201
Capital outlay	120,699	7,399	128,098
Other	3,299,161	1,138	3,300,299
Total expenditures	26,621,340	3,791,139	30,412,479
Less nonoperating item, tuition chargeback	-	-	-
Transfers, net	600,000	700,000	1,300,000
Adjusted expenditures	\$ 27,221,340	\$ 4,491,139	\$ 31,712,479

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2019**

Revenues by source:

Local government	\$ -
State government:	
ICCB:	
Adult Education and Family Literacy	503,200
Early School Leaver	46,769
Illinois Veterans Grant	51,975
Illinois State Board of Education:	
Truancy and Alternative Education	174,418
Growing Agricultural Science Teachers	8,697
Illinois Department of Health & Human Services	
Department of Vocational Rehab	60,857
Illinois Department of Transportation	
Highway Construction Careers Training Program	314,392
Illinois Student Assistance Center	
Monetary Assistance Program	616,505
Illinois Secretary of State	
Adult Volunteer Literacy	48,472
State Universities Retirement System of Illinois (1)	
SURS On-Behalf	11,678,468
OPEB CIP On-Behalf	946,881
Total state government	14,450,634
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	154,919
Pell Grant	4,977,647
Supplemental Educational Opportunity Grant (SEOG)	100,500
Carl D. Perkins Vocational and Applied Technology Program	332,053
CTE Improvement (Leadership) Grant	43,483
CTE Pathways to Results	170
Special Student Services	357,369
Adult Education and Family Literacy, Federal Basic Program	203,735
Adult Education English Language/Civics	32,340
Department of Labor	
TEAM	57,131
CareerLINK	61,623
Other Sources:	
Veteran's Administration	135,700
Total federal government	6,456,670

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$12,625,349.

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2019**

Revenues by source (Continued):

Other sources:

Student Fees	621,214
Other	372,900
Total other	994,114
Total Restricted Purposes Fund Revenues	\$ 21,901,418

Expenditures by program (1):

Instruction	\$ 5,914,068
Academic support	2,718,315
Student services	2,056,666
Public service/continuing education	1,259,462
Auxiliary services	245,197
Operations and maintenance	1,270,293
Institutional support	2,052,190
Scholarships, student grants and waivers	6,422,443
Total expenditures by program	\$ 21,938,634

Expenditures by object:

Salaries	\$ 1,468,858
Employee benefits (1)	12,971,888
Contractual services	759,929
General materials and supplies	226,535
Conference and meeting expenses	91,129
Fixed charges	33,311
Utilities	110,074
Capital outlay	-
Other	6,276,910
Total expenditures by object	\$ 21,938,634

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$12,625,349.

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

**Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2019**

Instruction (1)	\$ 16,403,311
Academic support:	
Library center	448,341
Instructional materials center	246,823
Educational media services	27,153
Academic computing support	1,517,151
Academic administration and planning	1,845,971
Other (1)	1,853,147
Total academic support	5,938,586
Student services:	
Admissions and records	690,257
Counseling and career guidance	1,337,845
Financial aid administration	444,713
Other (1)	2,088,604
Total student services	4,561,419
Public service/continuing education:	
Community education	202,304
Customized training (instructional)	273,080
Community services	243,571
Other (1)	1,168,918
Total public service/continuing education	1,887,873
Auxiliary services (1)	2,271,099
Operations and maintenance of plant:	
Maintenance	790,949
Custodial services	956,957
Grounds	349,151
Campus security	841,386
Utilities	1,419,020
Administration	191,901
Other (1)	1,271,557
Total operations and maintenance	5,820,921
Institutional support:	
Executive office	903,470
Fiscal operations	868,833
Community relations	1,067,520
Administrative support services	760,711
Board of Trustees	29,654
General institution	3,271,167
Administrative data processing	511,842
Other (1)	2,484,567
Total institutional support	9,897,764
Scholarships, student grants and waivers (1)	9,711,018
Total current funds expenditures	\$ 56,491,991

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$12,625,349.

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2019**

Fund Balances - Uniform Financial Statements	\$ 57,406,281
Capital assets in the Investment in Plant Fund	104,108,571
Long-term bond debt in the General Long Term Debt Fund	(36,895,968)
Unspent bond proceeds in the General Long Term Debt Fund	(5,294,032)
Long-term OPEB liability in the General Long Term Debt Fund	<u>(21,957,414)</u>
Fund Balances - All Fund Types	<u>\$ 97,367,438</u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2019**

Change in Fund Balances - Uniform Financial Statements	\$ (10,259,122)
Additions to buildings and equipment	17,260,407
Depreciation and loss of disposal of assets	<u>(2,908,168)</u>
Net Effect	<u>14,352,239</u>
Payment on long-term debt	4,410,000
Issuance of long-term debt	-
Net Effect	<u>4,410,000</u>
OPEB expense	<u>(862,530)</u>
Change in Fund Balances - All Fund Types	<u>\$ 7,640,587</u>

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ICCB State Grants Financial Compliance Section

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2019, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

Compliance

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

Emphasis of Matter

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

Wipfli LLP

Sterling, Illinois
October 10, 2019

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

**Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2019**

	State Basic	Performance	Total
Assets			
Cash	\$ -	\$ -	\$ -
Receivable from ICCB	57,841	42,799	100,640
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
Total assets	<u>\$ 57,841</u>	<u>\$ 42,799</u>	<u>\$ 100,640</u>
Liabilities			
Accounts payable	\$ 2,589	\$ 1,233	\$ 3,822
Accrued salaries	-	1,963	1,963
Due to other funds	55,252	39,603	94,855
Total liabilities	<u>57,841</u>	<u>42,799</u>	<u>100,640</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, 2019**

	State Basic	Performance	Total
Revenues, state sources	\$ 289,205	\$ 213,995	\$ 503,200
Expenditures:			
Current year's grant:			
Instruction	211,791	13,917	225,708
Social work services	-	-	-
Guidance services	19,165	15,496	34,661
Assessment and testing	19,533	16,301	35,834
Transportation	-	-	-
Literacy services	-	-	-
Child care services	-	-	-
Improvement of Instructional Services	-	11,921	11,921
General administration	9,935	13,560	23,495
Workforce coordination	-	3,764	3,764
Data and information services	28,781	139,037	167,817
Operation of plant services	-	-	-
Total expenditures	<u>289,205</u>	<u>213,995</u>	<u>503,200</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Beginning, July 1, 2018			
Ending, June 30, 2019			<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, 2019**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 211,791	73.23%
General Administration (15% Maximum Allowed)	9,935	3.44%

**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, 2019. 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, 2019.

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, 2019, are reflected as expenditures during the current fiscal year.

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

Background Information on State Grant Activity

Unrestricted Grants

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

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

Restricted Grants/Special Initiatives

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

Statewide Initiatives

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

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

Restricted Adult Education Grants/State

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

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

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

**Schedule of Findings and Questioned Costs for Certain State Grants Summary
Year Ended June 30, 2019**

None

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

**Summary Schedule of Prior Year Findings and Questioned Costs for Certain State Grants
Year Ended June 30, 2018**

None



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

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

We have examined management of Black Hawk College, Illinois Community College District #503 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 during the period July 1, 2018 through June 30, 2019. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

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

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

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

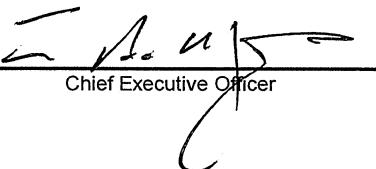
Wipfli LLP

Sterling, Illinois
October 10, 2019

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BLACK HAWK COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT #503
SCHEDULE OF CREDIT HOUR DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2019

Total Reimbursable Semester Credit Hours by Term					
Credit Hour Categories	Summer Term		Fall Term		
	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	4,057.40	25.50	22,143.20	67.80	
Business Occupational	247.80	-	1,298.30	-	
Technical Occupational	775.90	23.40	4,339.60	82.80	
Health Occupational	805.30	-	4,300.60	-	
Remedial/Developmental	375.00	-	2,505.00	-	
Adult Education	157.40	550.00	1,628.20	5,702.10	
Total	6,418.80	598.90	36,214.90	5,852.70	
Spring Term					
Credit Hour Categories	Unrestricted	Restricted	Unrestricted	Restricted	
	Hours	Hours	Hours	Hours	
Baccalaureate	20,179.20	80.10	46,379.80	173.40	
Business Occupational	1,630.90	-	3,177.00	-	
Technical Occupational	4,295.60	93.20	9,411.10	199.40	
Health Occupational	3,471.10	-	8,577.00	-	
Remedial/Developmental	1,615.00	-	4,495.00	-	
Adult Education	1,646.90	5,990.30	3,432.50	12,242.40	
Total	32,838.70	6,163.60	75,472.40	12,615.20	
In-District (All terms)					
Credit Hour Categories	Unrestricted	Restricted			
	Hours	Hours			
Reimbursable Credit Hours:	71,990.40	12,190.80			
Credit Hours on Chargeback or Contractual Agreement:					
Dual Credit (All Terms)					
Credit Hour Categories	Unrestricted	Restricted	Unrestricted	Restricted	
	Hours	Hours	Hours	Hours	
Reimbursable Credit Hours:	9,665.00	-	199.00	-	
District Equalized Assessed Valuation:	\$ 4,163,144,180				
Correctional Semester Credit Hours					
Credit Hour Categories	Summer	Fall	Spring	Total	
	Correctional	Correctional	Correctional	Correctional	
Baccalaureate	-	-	-	-	
Business Occupational	-	-	-	-	
Technical Occupational	-	-	-	-	
Health Occupational	-	-	-	-	
Remedial/Developmental	-	-	-	-	
Adult Education	-	-	-	-	
Total	-	-	-	-	

Signature: 
 Chief Executive Officer

Signature: 
 Chief Financial Officer

BLACK HAWK COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT #503
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 2019

<u>Credit Hour Categories</u>	Total Reimbursable Semester Credit Hours		
	Total		Difference
	Reported in Audit	Certified to ICCB	
<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>		
Baccalaureate	46,379.80	46,379.80	-
Business Occupational	3,177.00	3,177.00	-
Technical Occupational	9,411.10	9,411.10	-
Health Occupational	8,577.00	8,577.00	-
Remedial/Developmental	4,495.00	4,495.00	-
Adult Education	3,432.50	3,432.50	-
Total:	75,472.40	75,472.40	-

<u>Credit Hour Categories</u>	Total		
	Total		Difference
	Reported in Audit	Certified to ICCB	
<u>Restricted Hours</u>	<u>Restricted Hours</u>		
Baccalaureate	173.40	173.40	-
Business Occupational	-	-	-
Technical Occupational	199.40	199.40	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	12,242.40	12,242.40	-
Total:	12,615.20	12,615.20	-

<u>Credit Hour Categories</u>	Total		
	Total		Difference
	Reported in Audit	Certified to ICCB	
<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>		
In-District Credit Hours:	71,990.40	71,990.40	-
Dual Credit Hours:	9,665.00	9,665.00	-
Dual Enrollment Hours:	199.00	199.00	-

<u>Credit Hour Categories</u>	Total		
	Total		Difference
	Reported in Audit	Certified to ICCB	
<u>Restricted Hours</u>	<u>Restricted Hours</u>		
In-District Credit Hours:	12,190.80	12,190.80	-
Dual Credit Hours:	-	-	-
Dual Enrollment Hours:	-	-	-

<u>Credit Hour Categories</u>	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:	-	-	-

<u>Credit Hour Categories</u>	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, 2019**

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**

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2018	\$ 4,163,144,180
2017	3,994,498,184
2016	3,786,687,074

Federal Financial Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 (the College), as of and for the years ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 10, 2019. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
October 10, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited Black Hawk College, Illinois Community College District #503's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Black Hawk College, Illinois Community College District #503 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Sterling, Illinois
October 10, 2019

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education				
Direct Programs:				
Student Financial Aid - cluster				
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q171337	\$ 430	\$ -
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q181337	7,045	-
Federal PELL Grant Program	84.063	P063P171337	699	-
Federal PELL Grant Program	84.063	P063P181337	4,976,948	-
Federal Supplemental Educational Opportunity Grant	84.007	P007A181107	100,500	-
Federal Family Education Loans	84.268	P268K181337	51,076	-
Federal Family Education Loans	84.268	P268K191337	1,930,042	-
Federal Work-Study Program (FY2017)	84.033	P033A161107	(1,914)	-
Federal Work-Study Program	84.033	P033A181107	154,919	-
Total student financial aid			<u>7,219,745</u>	<u>-</u>
TRIO - Student Support Services	84.042A	P042A150187	<u>357,369</u>	<u>-</u>
Total direct programs			<u>357,369</u>	<u>-</u>
Passed through Illinois Community College Board:				
Adult Education State Grant Program (Fed Basic)	84.002A	5030119	203,769	-
Adult Education State Grant Program (EL Civics)	84.002A	5030119	32,340	-
			<u>236,109</u>	<u>-</u>
Vocational Education (Perkins)	84.048	CTE50319	332,053	-
Pathways to Results: Implementation Communities (Year 2)	84.048	PTR2-50319	170	-
CTE Leadership Improvement (FY2018)	84.048	CTE-IG-50318	6,125	-
CTE Leadership Improvement	84.048	CTE-IG-50318	43,483	-
			<u>381,831</u>	<u>-</u>
Total pass through programs from Illinois Community College Board			<u>617,940</u>	<u>-</u>
Total U.S. Department of Education:			<u>8,195,055</u>	<u>-</u>
U.S. Department of Veteran's Affairs				
Veteran's Educational Assistance	64.120		114,700	-
VA Rehab	64.116		19,200	-
Total U.S. Department of Veteran's Affairs			<u>133,900</u>	<u>-</u>
U.S. Department of Labor				
Passed through Illinois Department of Employment:				
WIA - Training Employee Academic Mastery	17.259	PY2018-BHC TEAM	57,131	-
WIA – Career Link	17.259	OSY-2018-01	61,623	-
Total U.S. Department of Labor:			<u>118,754</u>	<u>-</u>
Total Expenditures of Federal Awards:			<u>\$ 8,447,708</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, 2019**

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, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Black Hawk College, it is not intended to and does not present the financial position, changes in net position or cash flows of Black Hawk College. The College elected to use the 10% de minimis indirect cost rate during the year ended June 30, 2019.

Note 2. Summary of Significant Accounting

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

Note 3. Loan Program

For the year ended, June 30, 2019, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,981,118.

Note 4. Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2019.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

* Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
* Significant deficiency identified that is not considered to be a material weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

• Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency identified that is not considered to be a material weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

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

• Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
------------------------	--------------------------------

84.007	Federal Supplemental Educational Opportunity Grant
84.268	Federal Direct Student Loans
84.033	Federal Work-Study Program
84.063	Federal PELL Grant Program

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

Auditee qualified as low risk auditee? Yes No

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

**Schedule of Findings and Questioned Costs
Year Ending June 30, 2019**

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

A. Significant Deficiencies in Internal Control

None

B. Compliance Findings

None

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Administering Federal Awards

None

B. Compliance Findings

None

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

**Summary Schedule of Prior Audit Findings
June 30, 2019**

None

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Management Information

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

**Combining Balance Sheet
June 30, 2019**

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Agency Funds
Cash and cash equivalents	\$ 8,023,834	\$ 5,112,317	\$ 8,463	\$ 10,591,546	\$ 425,390
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,596,203	2,691,414	-	-	-
Federal government claims	-	-	-	277,088	-
State government claims	195,381	21,664	-	157,076	-
Student tuition and fees	4,417,958	-	-	-	-
Other	43,075	11,616	127,966	-	24,727
Due from other funds	34,767	-	-	-	90
Inventory	-	-	388,659	-	-
Prepaid expenses	154,468	66,897	11,631	170,141	2,331
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment					
net of \$33,898,436 depreciation	-	-	-	-	-
Total assets	<u>\$ 17,465,686</u>	<u>\$ 7,903,908</u>	<u>\$ 536,719</u>	<u>\$ 11,195,851</u>	<u>\$ 452,538</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	179,990	148,423	1,124	89,926	397,758
Accrued expenses					
Payroll	595,102	30,562	1,986	6,960	-
Early retirement	149,823	-	-	-	-
Accrued vacation	583,929	96,129	13,275	21,160	-
Other	-	-	-	-	-
Due to other funds	-	699,952	428,230	76,606	10,832
Unearned revenues					
Student tuition and fees	3,529,778	-	50,584	185,473	-
Grants and restricted funds	-	-	-	6,215	43,948
Other liabilities	78,918	22,005	-	-	-
Bonds payable	-	-	-	-	-
OPEB Liability	-	-	-	-	-
Total liabilities	<u>5,117,540</u>	<u>997,071</u>	<u>495,199</u>	<u>386,340</u>	<u>452,538</u>
Deferred inflows of resources					
Property taxes	3,790,191	2,219,226	-	-	-
Other	-	9,767	1,100	16,554	-
OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>3,790,191</u>	<u>2,228,993</u>	<u>1,100</u>	<u>16,554</u>	<u>-</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	262,322	-
Unrestricted	8,557,955	4,677,844	40,420	10,530,635	-
Total fund balance	<u>8,557,955</u>	<u>4,677,844</u>	<u>40,420</u>	<u>10,792,957</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 17,465,686</u>	<u>\$ 7,903,908</u>	<u>\$ 536,719</u>	<u>\$ 11,195,851</u>	<u>\$ 452,538</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
\$ 191,461	\$ 4,250,229	\$ 13,818,258	\$ 2,654,429	\$ 12,965,653	\$ -	\$ -	\$ 58,041,580
-	-	-	-	-	-	-	-
65,713	1,640,559	-	3,967,873	1,251,881	-	-	14,213,643
-	-	-	-	-	-	-	277,088
-	-	-	-	-	-	-	374,121
-	-	-	-	-	-	-	4,417,958
-	1,623	-	-	-	-	-	209,007
-	-	-	-	1,189,335	-	-	1,224,192
-	-	-	-	-	-	-	388,659
-	300,621	-	-	115,776	-	-	821,865
-	-	-	-	-	1,032,464	-	1,032,464
-	-	-	-	-	20,526,541	-	20,526,541
-	-	-	-	-	82,549,566	-	82,549,566
\$ 257,174	\$ 6,193,032	\$ 13,818,258	\$ 6,622,302	\$ 15,522,645	\$ 104,108,571	\$ -	\$ 184,076,684
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,929	\$ 361,929
-	-	-	-	-	-	361,929	361,929
-	38,688	-	-	3,072,476	-	-	3,928,385
-	27,174	-	-	-	-	-	661,784
-	-	-	-	-	-	-	149,823
-	63,826	-	-	-	-	-	778,319
-	-	-	153,751	-	-	-	153,751
-	8,572	-	-	-	-	-	1,224,192
-	-	-	-	-	-	-	3,765,835
-	-	-	-	-	-	-	50,163
-	-	-	-	-	-	-	100,923
-	-	-	-	-	-	42,190,000	42,190,000
-	-	-	-	-	-	18,616,921	18,616,921
-	138,260	-	153,751	3,072,476	-	60,806,921	71,620,096
54,116	1,352,951	-	3,272,218	1,032,534	-	-	11,721,236
-	-	-	-	-	-	-	27,421
-	-	-	-	-	-	3,702,422	3,702,422
54,116	1,352,951	-	3,272,218	1,032,534	-	3,702,422	15,451,079
-	-	-	-	-	104,108,571	(36,895,968)	67,212,603
203,058	4,701,821	10,194,190	3,196,333	7,915,013	-	(5,294,032)	21,178,705
-	-	3,624,068	-	3,502,622	-	(21,957,414)	8,976,130
203,058	4,701,821	13,818,258	3,196,333	11,417,635	104,108,571	(64,147,414)	97,367,438
\$ 257,174	\$ 6,193,032	\$ 13,818,258	\$ 6,622,302	\$ 15,522,645	\$ 104,108,571	\$ 361,929	\$ 184,438,613

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2019**

	Education Fund	Maintenance Fund	Auxiliary Fund	Restricted Funds	Agency Funds
Revenues:					
Local governmental sources					
Property taxes	\$ 7,584,658	\$ 4,385,650	\$ -	\$ -	\$ -
Personal Property Replacement Tax	1,221,168	135,410	-	-	-
Other	-	-	-	-	-
Total local government sources	8,805,826	4,521,060	-	-	-
State governmental sources	5,374,085	519,971	-	1,825,285	-
Federal governmental sources	44,444	-	-	6,456,670	-
Student tuition and fees	14,458,028	103,185	169,401	621,214	-
Sales, services and rental of facilities and equipment	469,660	172,989	1,589,314	4,567	-
Investment earnings	384,540	96,333	1,022	-	-
Other sources	61,042	38,623	27,042	368,333	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	11,678,468	-
OPEB CIP contribution provided by state	-	-	-	946,881	-
Total revenues	29,597,625	5,452,161	1,786,779	21,901,418	-
Expenditures:					
Instruction	10,489,243	-	-	456,908	-
Academic support	3,220,271	-	-	1,097,497	-
Student services	2,504,753	-	-	657,183	-
Public services	628,411	-	-	747,671	-
Institutional support	6,490,087	-	-	26,987	-
Auxiliary services	-	-	2,025,902	-	-
Scholarships, student grants, and waivers	3,288,575	-	-	6,327,039	-
SURS contribution provided by state	-	-	-	11,678,468	-
OPEB CIP contribution provided by state	-	-	-	946,881	-
OPEB Expense	-	-	-	-	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,791,139	-	-	-
Total expenditures	26,621,340	3,791,139	2,025,902	21,938,634	-
Excess (deficiency) of revenues over expenditures	2,976,285	1,661,022	(239,123)	(37,216)	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	100,000	-
Operating transfers out	(600,000)	(700,000)	-	-	-
Residual equity transfer in	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-
Transfer from other fund	-	-	-	209,640	-
Transfer to other fund	-	-	-	-	-
Total other financing sources (uses)	(600,000)	(700,000)	-	309,640	-
Net change in fund balance	2,376,285	961,022	(239,123)	272,424	-
Fund balance					
Beginning	6,181,670	3,716,822	279,543	10,520,533	-
Ending	\$ 8,557,955	\$ 4,677,844	\$ 40,420	\$ 10,792,957	\$ -

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
\$ 105,748	\$ 2,593,117	\$ -	\$ 6,431,686	\$ 2,015,484	\$ -	\$ -	\$ 23,116,343
-	-	-	-	-	-	-	1,356,578
-	-	-	-	-	-	-	-
105,748	2,593,117	-	6,431,686	2,015,484	-	-	24,472,921
-	-	-	-	-	-	-	7,719,341
-	-	-	-	-	-	-	6,501,114
-	-	-	-	-	-	-	15,351,828
-	-	-	-	-	-	-	2,236,530
3,612	89,558	306,736	47,068	444,126	-	-	1,372,995
-	260	-	-	-	-	-	495,300
-	-	-	-	-	17,260,407	-	17,260,407
-	-	-	-	-	-	4,410,000	4,410,000
-	-	-	-	-	-	-	11,678,468
-	-	-	-	-	-	-	946,881
109,360	2,682,935	306,736	6,478,754	2,459,610	17,260,407	4,410,000	92,445,785
-	-	-	-	-	-	-	10,946,151
-	-	-	-	-	-	-	4,317,768
-	-	-	-	-	-	-	3,161,936
-	-	-	-	-	-	-	1,376,082
63,500	1,291,987	-	6,342,383	1,238,326	-	-	15,453,270
-	-	-	-	-	-	-	2,025,902
-	-	-	-	-	-	-	9,615,614
-	-	-	-	-	-	-	11,678,468
-	-	-	-	-	-	-	946,881
-	-	-	-	-	-	862,530	862,530
-	-	-	-	-	2,744,079	-	2,744,079
-	-	-	-	-	164,089	-	164,089
-	759,489	-	-	16,961,800	-	-	21,512,428
63,500	2,051,476	-	6,342,383	18,200,126	2,908,168	862,530	84,805,198
45,860	631,459	306,736	136,371	(15,740,516)	14,352,239	3,547,470	7,640,587
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,200,000	-	-	1,300,000
-	-	-	-	-	-	-	(1,300,000)
-	-	-	-	11,665	-	-	11,665
-	-	-	(11,665)	-	-	-	(11,665)
-	-	-	-	-	-	-	209,640
-	-	-	-	(209,640)	-	-	(209,640)
-	-	-	(11,665)	1,002,025	-	-	-
45,860	631,459	306,736	124,706	(14,738,491)	14,352,239	3,547,470	7,640,587
157,198	4,070,362	13,511,522	3,071,627	26,156,126	89,756,332	(67,694,884)	89,726,851
\$ 203,058	\$ 4,701,821	\$ 13,818,258	\$ 3,196,333	\$ 11,417,635	\$ 104,108,571	\$ (64,147,414)	\$ 97,367,438

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**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	\$ 97,367,438
Pension expense related to Federal, Trust, Grant and Other Contribution	<u>82,690</u>
Long-term portion of early retirement liability	<u>(1,223,311)</u>
Unamortized bond premium	<u>(1,802,054)</u>
Net Position of Statement of Net Position	<u>\$ 94,424,763</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	\$ 7,640,587
Reduction in student tuition and fees	(7,330,509)
Reduction in financial aid	<u>7,330,509</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	17,260,407
Expended for capital assets	<u>(17,260,407)</u>
Net Effect	<u>-</u>
Long-term debt retired	4,410,000
Additions to general long-term debt fund	<u>(4,410,000)</u>
Net Effect	<u>-</u>
Amortization of bond premium	<u>648,000</u>
Decrease in long-term early retirement liability	<u>112,812</u>
Increase in pension expense related to Federal, Trust, Grant and Other Contribution	<u>1,703</u>
Change in Net Position	<u>\$ 8,403,102</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, 2019

	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	\$ 7,407,900	\$ 7,584,658	\$ 176,758	\$ 4,315,100	\$ 4,385,650	\$ 70,550
Personal property taxes	1,019,100	1,221,168	202,068	113,000	135,410	22,410
Other	-	-	-	-	-	-
Total local government sources	8,427,000	8,805,826	378,826	4,428,100	4,521,060	92,960
State governmental sources	3,593,000	5,374,085	1,781,085	272,000	519,971	247,971
Federal governmental sources	31,000	44,444	13,444	-	-	-
Student tuition and fees	16,361,853	14,458,028	(1,903,825)	110,000	103,185	(6,815)
Sales, services and rental of facilities	449,666	469,660	19,994	149,308	172,989	23,681
Investment earnings	175,000	384,540	209,540	52,500	96,333	43,833
Other sources	4,620	61,042	56,422	15,000	38,623	23,623
Contingency	100,000	-	(100,000)	50,000	-	(50,000)
Total revenues	29,142,139	29,597,625	455,486	5,076,908	5,452,161	375,253
Expenditures:						
Current						
Instruction	10,980,387	10,489,243	(491,144)	-	-	-
Academic support	3,520,423	3,220,271	(300,152)	-	-	-
Student services	2,662,218	2,504,753	(157,465)	-	-	-
Public services	641,708	628,411	(13,297)	-	-	-
Institutional support	7,233,379	6,490,087	(743,292)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	3,600,000	3,288,575	(311,425)	-	-	-
Operation of physical facilities	-	-	-	4,213,118	3,791,139	(421,979)
Contingency	196,909	-	(196,909)	400,000	-	(400,000)
Total expenditures	28,835,024	26,621,340	(2,213,684)	4,613,118	3,791,139	(821,979)
Excess (deficiency) of revenues over expenditures	307,115	2,976,285	2,669,170	463,790	1,661,022	1,197,232
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(300,000)	(600,000)	(300,000)	(300,000)	(700,000)	(400,000)
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources (uses)	(300,000)	(600,000)	(300,000)	(300,000)	(700,000)	(400,000)
Net change in fund balance	\$ 7,115	2,376,285	\$ 2,369,170	\$ 163,790	961,022	\$ 797,232
Fund balance						
Beginning			\$ 6,181,670			\$ 3,716,822
Ending			<u>\$ 8,557,955</u>			<u>\$ 4,677,844</u>

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, 2019

	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	\$ 7,407,900	\$ 7,584,658	\$ 176,758	\$ 4,315,100	\$ 4,385,650	\$ 70,550
Personal property taxes	1,019,100	1,221,168	202,068	113,000	135,410	22,410
Other	-	-	-	-	-	-
Total local government sources	8,427,000	8,805,826	378,826	4,428,100	4,521,060	92,960
State governmental sources	3,593,000	5,374,085	1,781,085	272,000	519,971	247,971
Federal governmental sources	31,000	44,444	13,444	-	-	-
Student tuition and fees	16,361,853	14,458,028	(1,903,825)	110,000	103,185	(6,815)
Sales, services and rental of facilities	449,666	469,660	19,994	149,308	172,989	23,681
Investment earnings	175,000	384,540	209,540	52,500	96,333	43,833
Other sources	4,620	61,042	56,422	15,000	38,623	23,623
Contingency	100,000	-	(100,000)	50,000	-	(50,000)
Total revenues	29,142,139	29,597,625	455,486	5,076,908	5,452,161	375,253
Expenditures:						
Current						
Salaries	17,290,623	16,224,852	(1,065,771)	1,719,240	1,485,262	(233,978)
Benefits	4,517,619	4,573,700	56,081	386,636	360,870	(25,766)
Contractual Services	1,280,624	914,723	(365,901)	523,156	471,641	(51,515)
Supplies & Materials	1,558,397	1,253,389	(305,008)	302,917	224,066	(78,851)
Conference & Meetings	308,192	201,664	(106,528)	9,870	1,308	(8,562)
Fixed Charges	34,900	32,642	(2,258)	5,400	6,764	1,364
Utilities	3,000	510	(2,490)	1,264,899	1,232,691	(32,208)
Capital Outlay	-	120,699	120,699	-	7,399	7,399
Other	3,644,760	3,299,161	(345,599)	1,000	1,138	138
Contingency	196,909	-	(196,909)	400,000	-	(400,000)
Total expenditures	28,835,024	26,621,340	(2,213,684)	4,613,118	3,791,139	(821,979)
Excess (deficiency) of revenues over expenditures	307,115	2,976,285	2,669,170	463,790	1,661,022	1,197,232
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(300,000)	(600,000)	(300,000)	(300,000)	(700,000)	(400,000)
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources (uses)	(300,000)	(600,000)	(300,000)	(300,000)	(700,000)	(400,000)
Net change in fund balance	\$ 7,115	2,376,285	\$ 2,369,170	\$ 163,790	961,022	\$ 797,232
Fund balance						
Beginning			\$ 6,181,670			\$ 3,716,822
Ending			\$ 8,557,955			\$ 4,677,844

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, 2019

	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	\$ -	\$ -	\$ -	\$ 99,030	\$ 105,748	\$ 6,718
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	99,030	105,748	6,718
State governmental sources	2,231,584	1,825,285	(406,299)	-	-	-
Federal governmental sources	7,955,482	6,456,670	(1,498,812)	-	-	-
Student tuition and fees	706,000	621,214	(84,786)	-	-	-
Sales, services and rental of facilities	-	4,567	4,567	-	-	-
Investment earnings	-	-	-	600	3,612	3,012
Other sources	1,540,607	368,333	(1,172,274)	-	-	-
Contingency	130,671	-	(130,671)	-	-	-
Total revenues	12,564,344	9,276,069	(3,288,275)	99,630	109,360	9,730
Expenditures:						
Current						
Instruction	563,909	456,908	(107,001)	-	-	-
Academic support	1,139,912	1,097,497	(42,415)	-	-	-
Student services	642,951	657,183	14,232	-	-	-
Public services	927,899	747,671	(180,228)	-	-	-
Institutional support	998,701	26,987	(971,714)	103,350	63,500	(39,850)
Auxiliary services	257,171	-	(257,171)	-	-	-
Scholarships, student grants, and waivers	7,830,082	6,327,039	(1,503,043)	-	-	-
Operation of physical facilities	-	-	-	-	-	-
Contingency	130,671	-	(130,671)	-	-	-
Total expenditures	12,491,296	9,313,285	(3,178,011)	103,350	63,500	(39,850)
Excess (deficiency) of revenues over expenditures	73,048	(37,216)	(110,264)	(3,720)	45,860	49,580
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	100,000	100,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	209,640	209,640	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources	-	309,640	309,640	-	-	-
Net change in fund balance	\$ 73,048	272,424	\$ 199,376	\$ (3,720)	45,860	\$ 49,580
Fund balance						
Beginning						
	\$ 10,520,533					\$ 157,198
Ending						
	\$ 10,792,957					\$ 203,058

See Note to Management Information.

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,486,700	\$ 2,593,117	\$ 106,417	\$ 6,360,945	\$ 6,431,686	\$ 70,741	\$ 1,973,000	\$ 2,015,484	\$ 42,484
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,486,700	2,593,117	106,417	6,360,945	6,431,686	70,741	1,973,000	2,015,484	42,484
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	89,558	69,558	-	47,068	47,068	91,000	444,126	353,126
-	260	260	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,506,700	2,682,935	176,235	6,360,945	6,478,754	117,809	2,064,000	2,459,610	395,610
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,290,655	1,291,987	1,332	6,358,895	6,342,383	(16,512)	211,940	1,238,326	1,026,386
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
735,451	759,489	24,038	-	-	-	15,508,550	16,961,800	1,453,250
-	-	-	-	-	-	-	-	-
2,026,106	2,051,476	25,370	6,358,895	6,342,383	(16,512)	15,720,490	18,200,126	2,479,636
480,594	631,459	150,865	2,050	136,371	134,321	(13,656,490)	(15,740,516)	(2,084,026)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	810,000	1,200,000	390,000
-	-	-	-	-	-	-	-	-
-	-	-	(11,665)	(11,665)	-	-	11,665	11,665
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(209,640)	(209,640)	
-	-	-	(11,665)	(11,665)	-	810,000	1,002,025	192,025
<u>\$ 480,594</u>	<u>631,459</u>	<u>\$ 150,865</u>	<u>\$ 2,050</u>	<u>124,706</u>	<u>\$ 122,656</u>	<u>\$ (12,846,490)</u>	<u>(14,738,491)</u>	<u>\$ (1,892,001)</u>
			<u>\$ 4,070,362</u>		<u>\$ 3,071,627</u>		<u>\$ 26,156,126</u>	
			<u>\$ 4,701,821</u>		<u>\$ 3,196,333</u>		<u>\$ 11,417,635</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2019

	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	\$ -	\$ -	\$ -	\$ 99,030	\$ 105,748	\$ 6,718
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	99,030	105,748	6,718
State governmental sources	2,231,584	1,825,285	(406,299)	-	-	-
Federal governmental sources	7,955,482	6,456,670	(1,498,812)	-	-	-
Student tuition and fees	706,000	621,214	(84,786)	-	-	-
Sales, services and rental of facilities	-	4,567	4,567	-	-	-
Investment earnings	-	-	-	600	3,612	3,012
Other sources	1,540,607	368,333	(1,172,274)	-	-	-
Contingency	130,671	-	(130,671)	-	-	-
Total revenues	12,564,344	9,276,069	(3,288,275)	99,630	109,360	9,730
Expenditures:						
Current						
Salaries	1,795,873	1,468,858	(327,015)	-	-	-
Benefits	408,731	346,539	(62,192)	-	-	-
Contractual Services	1,023,492	759,929	(263,563)	103,350	63,500	(39,850)
Supplies & Materials	500,591	226,535	(274,056)	-	-	-
Conference & Meetings	270,624	91,129	(179,495)	-	-	-
Fixed Charges	32,621	33,311	690	-	-	-
Utilities	132,584	110,074	(22,510)	-	-	-
Capital Outlay	45,000	-	(45,000)	-	-	-
Other	8,151,109	6,276,910	(1,874,199)	-	-	-
Contingency	130,671	-	(130,671)	-	-	-
Total expenditures	12,491,296	9,313,285	(3,178,011)	103,350	63,500	(39,850)
Excess (deficiency) of revenues over expenditures	73,048	(37,216)	(110,264)	(3,720)	45,860	49,580
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	100,000	100,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	209,640	209,640	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources	-	309,640	309,640	-	-	-
Net change in fund balance	\$ 73,048	272,424	\$ 199,376	\$ (3,720)	45,860	\$ 49,580
Fund balance						
Beginning			\$ 10,520,533			\$ 157,198
Ending			\$ 10,792,957			\$ 203,058

See Note to Management Information.

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,486,700	\$ 2,593,117	\$ 106,417	\$ 6,360,945	\$ 6,431,686	\$ 70,741	\$ 1,973,000	\$ 2,015,484	\$ 42,484
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,486,700	2,593,117	106,417	6,360,945	6,431,686	70,741	1,973,000	2,015,484	42,484
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	89,558	69,558	-	47,068	47,068	91,000	444,126	353,126
-	260	260	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,506,700	2,682,935	176,235	6,360,945	6,478,754	117,809	2,064,000	2,459,610	395,610
797,765	921,415	123,650	-	-	-	-	-	-
752,345	647,729	(104,616)	-	-	-	-	-	-
250,035	236,961	(13,074)	-	-	-	-	48,919	48,919
3,760	2,548	(1,212)	-	-	-	136,718	1,021,646	884,928
32,301	12,492	(19,809)	-	-	-	-	-	-
189,900	183,779	(6,121)	6,358,895	6,342,383	(16,512)	-	3,750	3,750
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,583,772	17,125,811	1,542,039
-	46,552	46,552	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,026,106	2,051,476	25,370	6,358,895	6,342,383	(16,512)	15,720,490	18,200,126	2,479,636
480,594	631,459	150,865	2,050	136,371	134,321	(13,656,490)	(15,740,516)	(2,084,026)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(209,640)	(209,640)
-	-	-	-	-	-	810,000	1,200,000	390,000
-	-	-	-	-	-	-	-	-
-	-	-	(11,665)	(11,665)	-	-	11,665	11,665
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(209,640)	(209,640)
-	-	-	(11,665)	(11,665)	-	810,000	1,002,025	192,025
<u>\$ 480,594</u>	<u>631,459</u>	<u>\$ 150,865</u>	<u>\$ 2,050</u>	<u>124,706</u>	<u>\$ 122,656</u>	<u>\$ (12,846,490)</u>	<u>(14,738,491)</u>	<u>\$ (1,892,001)</u>
<u><u>\$ 4,070,362</u></u>				<u><u>\$ 3,071,627</u></u>			<u><u>\$ 26,156,126</u></u>	
<u><u>\$ 4,701,821</u></u>				<u><u>\$ 3,196,333</u></u>			<u><u>\$ 11,417,635</u></u>	

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

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2019

	Working Cash Fund Budget	Working Cash Fund Actual	Over (Under) Actual 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	266,000	306,736	40,736
Other sources	-	-	-
Contingency	-	-	-
Total revenues	266,000	306,736	40,736
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	266,000	306,736	40,736
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	\$ 266,000	306,736	\$ 40,736
Fund balance			
Beginning		\$ 13,511,522	
Ending		\$ 13,818,258	

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, 2019

	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	193,000	169,401	(23,599)
Sales, services and rental of facilities	1,738,581	1,589,314	(149,267)
Investment earnings	500	1,022	522
Other sources	31,600	27,042	(4,558)
Contingency	25,000	-	(25,000)
Total revenues	1,988,681	1,786,779	(201,902)
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	2,094,166	2,025,902	(68,264)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	25,000	-	(25,000)
Total expenditures	2,119,166	2,025,902	(93,264)
Excess (deficiency) of revenues over expenditures	(130,485)	(239,123)	(108,638)
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	-	-	-
Net change in fund balance	\$ (130,485)	(239,123)	\$ (108,638)
Fund balance			
Beginning		\$ 279,543	
Ending		\$ 40,420	

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, 2019**

	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	193,000	169,401	(23,599)
Sales, services and rental of facilities	1,738,581	1,589,314	(149,267)
Investment earnings	500	1,022	522
Other sources	31,600	27,042	(4,558)
Contingency	25,000	-	(25,000)
Total revenues	1,988,681	1,786,779	(201,902)
Expenditures:			
Current			
Salaries	398,522	398,156	(366)
Benefits	62,950	59,208	(3,742)
Contractual Services	112,570	91,706	(20,864)
Supplies & Materials	1,336,719	1,313,818	(22,901)
Conference & Meeting	158,140	145,845	(12,295)
Fixed Charges	50	-	(50)
Utilities	-	-	-
Capital Outlay	-	-	-
Other	25,215	17,169	(8,046)
Contingency	25,000	-	(25,000)
Total expenditures	2,119,166	2,025,902	(93,264)
Excess (deficiency) of revenues over expenditures	(130,485)	(239,123)	(108,638)
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	-	-	-
Net change in fund balance	\$ (130,485)	(239,123)	\$ (108,638)
Fund balance			
Beginning	\$ 279,543		
Ending	\$ 40,420		

See Note to Management Information.

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

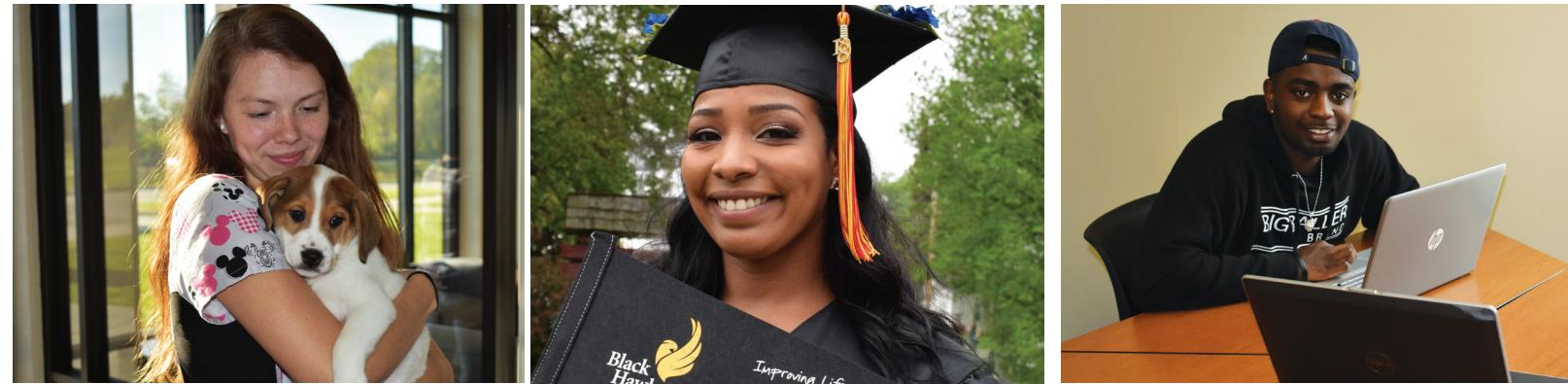
Note to Management Information

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



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