



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017



ILLINOIS COMMUNITY COLLEGE DISTRICT 503

Quad-Cities Campus
Moline, Illinois

East Campus
Galva, Illinois

Black Hawk College



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, 2017**

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

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Office of the President
309.796.5301

October 11, 2017

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, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes and currently known facts.

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

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

District 503
6600 34th Avenue
Moline, IL 61265-5899
309.796.5000
800.334.1311
www.bhc.edu

Improving Life Through Learning

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

College Profile

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

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

Based on U.S. Bureau of Labor Statistics, local unemployment rates are at 4.6% which is higher than the national rate of 4.4% as of the end of June 2017. The local unemployment rate is down from 5.4% just a year earlier.

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. After two years of no state budget, the State of Illinois passed a budget for fiscal year 2018 which included additional funding for fiscal year 2017. State funding continues to be a concern as budgeted state expenditures still exceed the incoming revenue despite increased state level tax rates.

Mission, Vision, and Goals

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

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

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

- **Resource Optimization** – Black Hawk College will optimize financial, physical, and technological assets.
- **Valuing People** – Black Hawk College will enhance its competitive advantage by recruiting, developing and retaining diverse and talented employees.

Major Initiatives

The College's current strategic planning process focuses on developing new strategic priorities, along with their supporting goals and objectives, for 2015-2017. During the spring of 2014, the planning process engaged faculty, staff and community members in focus groups culminating with the Strategic Planning Committee meetings in June and July 2014 that resulted in a following strategic plan. Feedback was sought from the community and the final plan went before the Board of Trustees and accepted in November 2014. In preparation for the 2018-2020 planning cycle, the Board of Trustees strengthened its support of the strategic planning process by establishing a Board of Trustees strategic planning committee that will participate in the college wide efforts to develop and monitor the 2018-2020 strategic plan.

Local Economy

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

Tuition and fee revenues accounted for approximately 42.4% of total general fund revenue earned in fiscal year 2017. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 6.0% or 6,451 total credit hours in fiscal year 2017. Enrollment is budgeted to decrease in fiscal year 2018. Preliminary results for fiscal year 2018 Fall semester indicate enrollment decreased 11.6% when compared to fiscal year 2017 Fall semester. In 2017, the College opened new programs in an effort to increase enrollment.

State funding, which accounted for approximately 23.2% of total general fund revenue earned, continues to be a concern for the College as the level of state funding continues to decline. The College anticipates State funding levels will continue to decline in future years. The average ICCB credit hour reimbursement rate remains markedly lower than rates realized more than a decade ago. Performance based funding has been received from ICCB in recent years, however the exact impact of funding formula changes is still unknown at this time. These funding concerns prompted the College reduce spending and to raise tuition and fee rates in fiscal year 2017.

Property taxes, which accounted for approximately 28.1% of total general fund revenue earned, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have steadily been increasing over the past ten years despite the uncertain national economic climate and subsequent impact on property values.

Financial Planning

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

- Cost containment and reduction of departmental budgets

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

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

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

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

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

Internal Controls

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

Budgetary Controls

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

is established at the fund level. The College maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year-end unless extenuating circumstances exist. Statements of budgetary comparison are presented in the Management Information section of this document.

Fund Balance Policy

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

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

As of June 30, 2017 the General Fund ending fund balance is 45.4% of fiscal year 2017 expenses.

Risk Management

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

Other Information

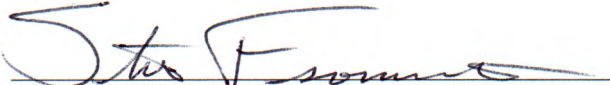
- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2017 audit. The auditor's report on the financial statements and schedules is unqualified and is included in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

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

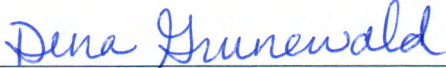
Respectfully submitted,



Bettie A. Truitt, Ph.D.
President



Steven J. Frommelt
Vice President for Finance and Administration



Dena M. Grunewald
Director of Accounting



Illinois Community College District No. 503 Board of Trustees



Douglas L. Strand
East Moline
Vice Chair



Richard P. Fiems
Port Byron
Board Chair



Tim A. Black
Galva
Secretary



Fritz W. Larsen
Moline



Jon A. Looney
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Joseph B. Swan
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Heidi N. Mueller
Toulon
Student Trustee

Executive Administration



Dr. Bettie A. Truitt
President



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



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



Dr. Betsey A. Morthland
Executive Dean



Stacey L. Cary
Director of Human Resource

Black Hawk College District

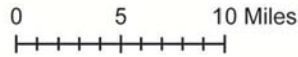
Legend

-  Black Hawk College District
-  County Boundaries
-  Places
-  Highways

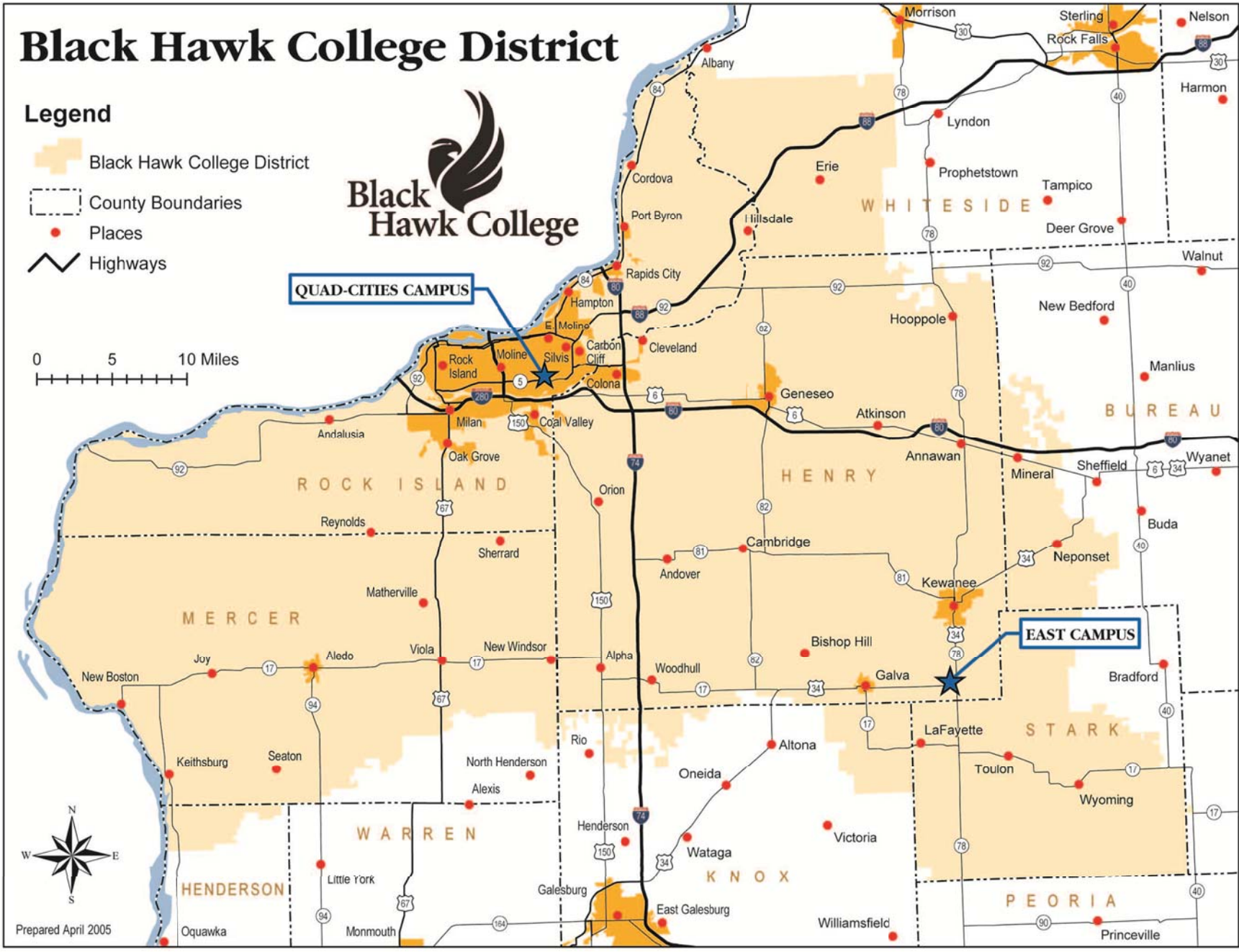


QUAD-CITIES CAMPUS

EAST CAMPUS

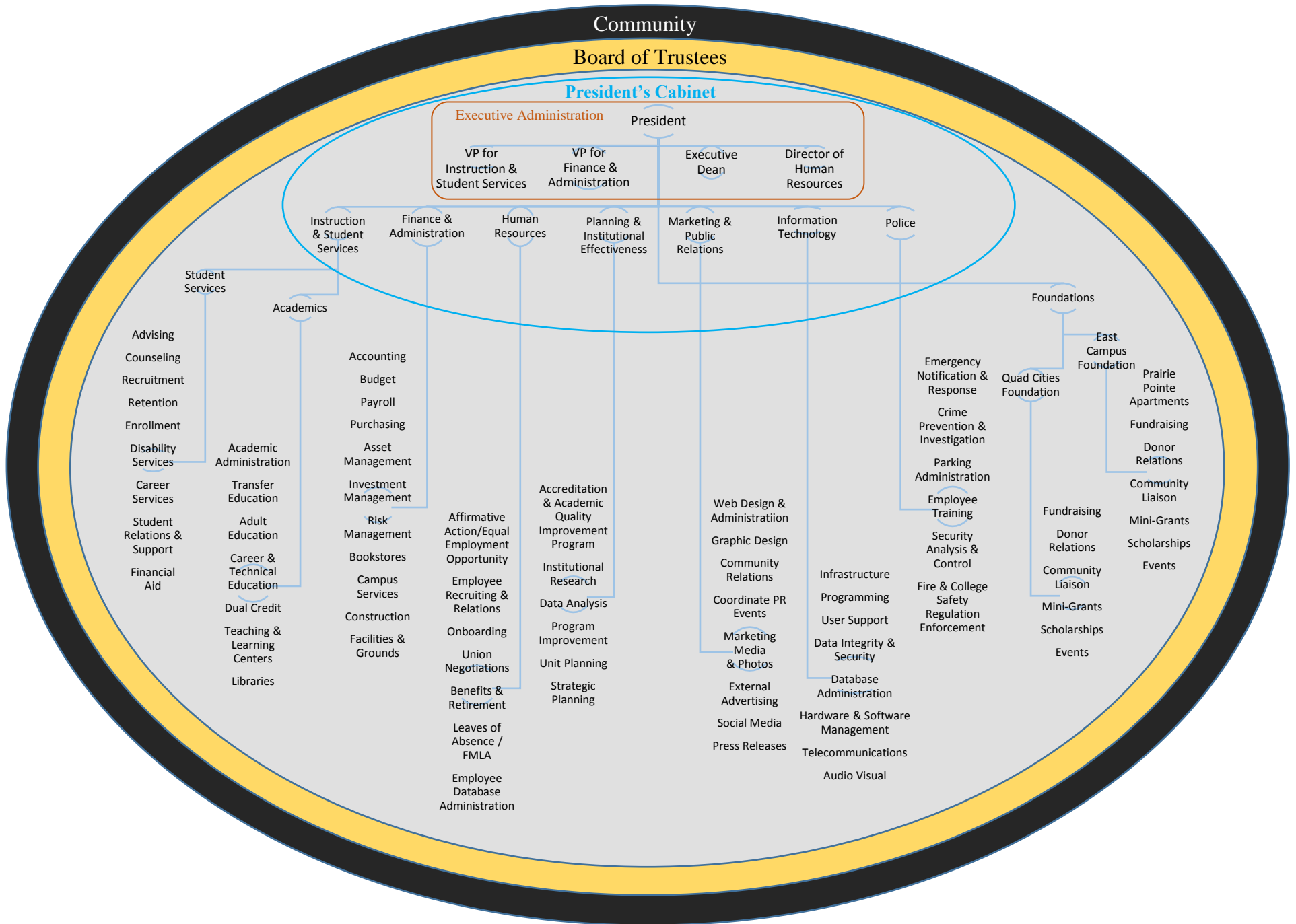


Prepared April 2005



**Black Hawk College
Fiscal Year 2018 Budget**

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, 2016

Executive Director/CEO

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component units of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component units of Black Hawk College, Illinois Community College District #503 as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Share of Net Pension Liability, and Schedule of 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements 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 of America. 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 11, 2017 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
October 11, 2017

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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, 2017 and June 30, 2016. 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, 2017, the College recorded total operating revenues of \$10,952,908 and total operating expenses of \$54,409,684. The difference produced an operating loss of \$43,456,776. Net non-operating revenue of \$53,087,639 offsets this loss and results in an overall increase in net position of \$9,630,863.

Non-operating revenue included local property taxes of \$21,077,895, state grants and contracts of \$23,427,506, federal grants and contracts of \$7,431,615, and other net miscellaneous revenue of \$1,218,353. Within the state grants and contracts non-operating revenue line, the SURS contribution provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaled \$12,612,222. The comparable contribution by the state to SURS for the fiscal year ended June 30, 2016 was \$10,075,914.

Operating revenue accounted for 17% of the College's total revenue, while non-operating revenues accounted for the other 83% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$8,847,663 and sales, services, and rentals of facilities revenues totaling \$2,105,245.

Operating expenses accounted for 97% of the College's total expenses, while non-operating expenses accounted for the remaining 3%. The SURS contribution provided by the state was allocated among the existing functions of operating expenses and increased by \$2,536,308 from fiscal year 2016. Total operating expenses, excluding SURS expense, decreased by 3.3% in fiscal year 2017 from prior year.

Overall, the College's financial position remains strong at the end of fiscal year 2017 due to expense reductions and additional last-minute state appropriations after two years of no state budget while still having endured a climate of continued reduced enrollment. Enrollment, credit hour, and State funding trend information are provided in the Statistical section of this document. Additionally, overall fiscal year 2017 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

Long-Term Debt

The College issued \$28,955,000 in bonds during fiscal year 2017 for addition of eight classrooms, building renovations, site prep and street improvements and technology upgrades across the District. The unused legal debt capacity of the College is currently \$55,509,495, which represents 2.875% of the assessed valuation of the College's district less the \$53,357,758 in outstanding debt. See Note 7 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

Economic Factors

Unemployment rates, both locally and nationally, have remained elevated in recent years. Our local economy has continued to suffer from business closures as well as layoffs, although this trend appears to be declining. While unemployment rates within the district vary by county, the district rate decreased from 2016 to a level that still exceeds the national average. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Management's Discussion and Analysis

Property tax revenue accounts for 38.6% of total non-operating revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While many districts have experienced sizable decreases in EAV over the past few years, the Black Hawk College district EAV continues to grow each year as overall property values continue to increase. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

The State of Illinois continues to struggle financially. While the state passed a budget for fiscal year 2018, there were state-wide reductions of funding for higher education and delays in approval and receipt of appropriated funding. The College remains optimistic all monies will eventually be received but remains cautious with expenditures and will remain dedicated to maintaining acceptable reserves to minimize disruption. The state political environment has not changed over the past year and therefore the College operates with cautious consideration of future state support.

Declining enrollment continues to be the trend with a 6.0% decrease in fiscal year 2017 compared to a 10.8% decrease during fiscal year 2016. Fall enrollment for fiscal year 2018 declined from fiscal year 2017 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 the appropriate measures to identify opportunities for growth. Construction was completed in fiscal year 2016 for both the Health Sciences Center at the Quad Cities Campus and the Welding and Skilled Trades Center in Kewanee. The Galva (East) Campus Veterinary Sciences Center finished construction in the fall of 2016. The addition of these three buildings will increase enrollment capacity, thus providing a greater opportunity for generating credit hours.

Other Significant Financial Factors

The Board of Trustees adopts tuition and fee rates each February with the adopted rates becoming effective for the Summer, Fall, and Spring semesters of the upcoming fiscal year. Tuition rates for fiscal year 2017 increased 8.9% over fiscal year 2016 rates. Fiscal year 2018 tuition rates increased 1.4% from fiscal year 2017 rates. It is the intention to keep tuition rates steady for fiscal year 2019. 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 2017 tax levy increased 5.5% over fiscal year 2016 primarily due to the increase in EAV throughout the district. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Position – Fiscal Years 2017 and 2016

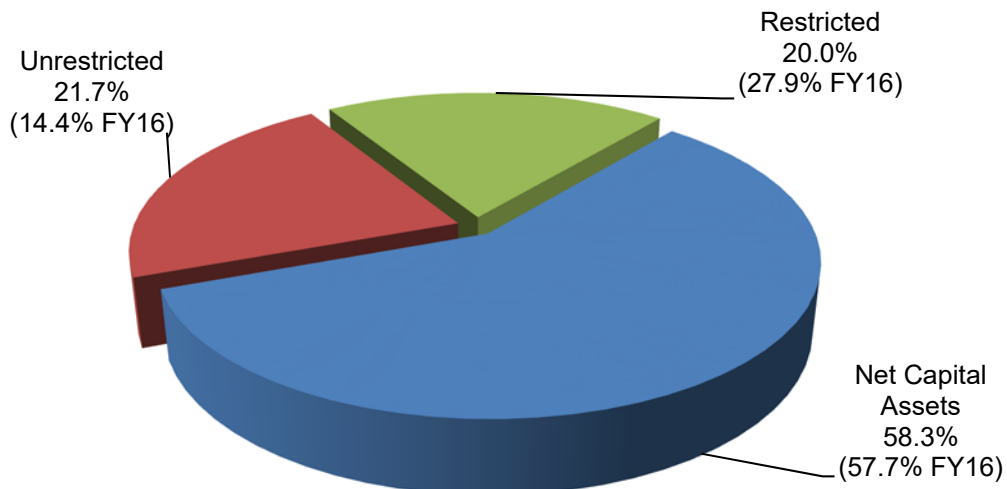
	2017	2016	Increase (Decrease)	Percent Change
Current Assets	\$87,131,815	\$53,179,538	\$33,952,277	63.8%
Non-Current Assets	80,460,598	77,527,779	2,932,819	3.8%
Total Assets	\$167,592,413	\$130,707,317	\$36,885,096	28.2%
Deferred Outflows of Resources	\$71,829	\$90,687	(\$18,858)	-20.8%
Current Liabilities	\$9,039,111	\$9,600,768	(\$561,657)	-5.9%
Non-Current Liabilities	50,972,940	23,738,032	27,234,908	114.7%
Total Liabilities	\$60,012,051	\$33,338,800	\$26,673,251	80.0%
Deferred Inflows of Resources	\$10,874,109	\$10,311,985	\$562,124	5.5%
Net Position				
Net Investment in Capital Assets	\$56,423,039	\$52,790,893	\$3,632,146	6.9%
Restricted	20,995,303	21,743,611	(748,308)	-3.4%
Unrestricted	19,359,740	12,612,715	6,747,025	53.5%
Total Net position	\$96,778,082	\$87,147,219	\$9,630,863	11.1%

The College had a net position at the beginning of the fiscal year totaling \$87,147,219. The increase in net position of \$9,630,863 brought the total net position at the end of fiscal year 2017 to \$96,778,082. In fiscal year 2017, the College included unspent capital bond debt in Restricted Net position as opposed to from Net Investment in Capital Assets in previous years. This was also restated for fiscal year 2016 in the chart above.

The most notable change in the balance sheet for fiscal year 2017 includes the issuance of bonds plus the accrual of additional State revenue generated from the State budget appropriation approved in July 2017.

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 2017



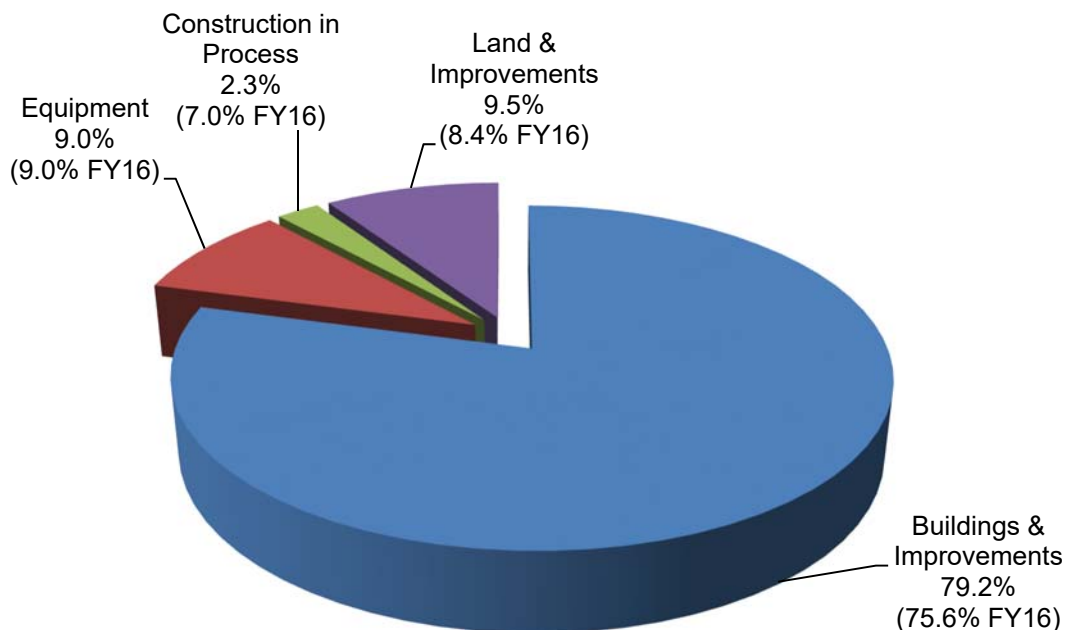
Comparison of Net Capital Assets Fiscal Years 2017 and 2016

	2017	2016	Increase (Decrease)	Percent Change
Capital Assets				
Land and Improvements	\$10,377,683	\$8,830,423	\$1,547,260	17.5%
Building and Improvements	86,879,419	79,448,719	7,430,700	9.4%
Equipment	9,933,517	9,477,773	455,744	4.8%
Construction in Progress	2,573,177	7,332,728	(4,759,551)	-64.9%
Total Capital Assets	\$109,763,796	\$105,089,643	\$4,674,153	4.4%
Less Accumulated Depreciation	29,303,198	27,561,864	1,741,334	6.3%
Net Capital Assets	\$80,460,598	\$77,527,779	\$2,932,819	3.8%

As of June 30, 2017, the College has recorded \$109,763,796 invested in capital assets, \$29,303,198 in accumulated depreciation and \$80,460,598 in net capital assets.

Total Capital Assets increased \$4,674,153 or 4.4% and Net Capital Assets increased \$2,932,819 or 3.8%. This change is a result of the completion of the Veterinary Sciences Center and various remodeling and improvement projects district-wide during fiscal year 2017 off set by disposal of old assets no longer needed. The College's current bonding strategy continues to allow investment in facilities, technology, and improvements. The expectation exists that Net Capital Assets will continue to increase in future years as a result. For further information, see Note 5 - Changes in Capital Assets and Note 7 - Long-Term Liabilities in the Notes to Financial Statements.

Capital Assets - Fiscal Year 2017



Revenues, Expenses & Changes in Net Position For the Fiscal years ending June 30, 2017 and 2016

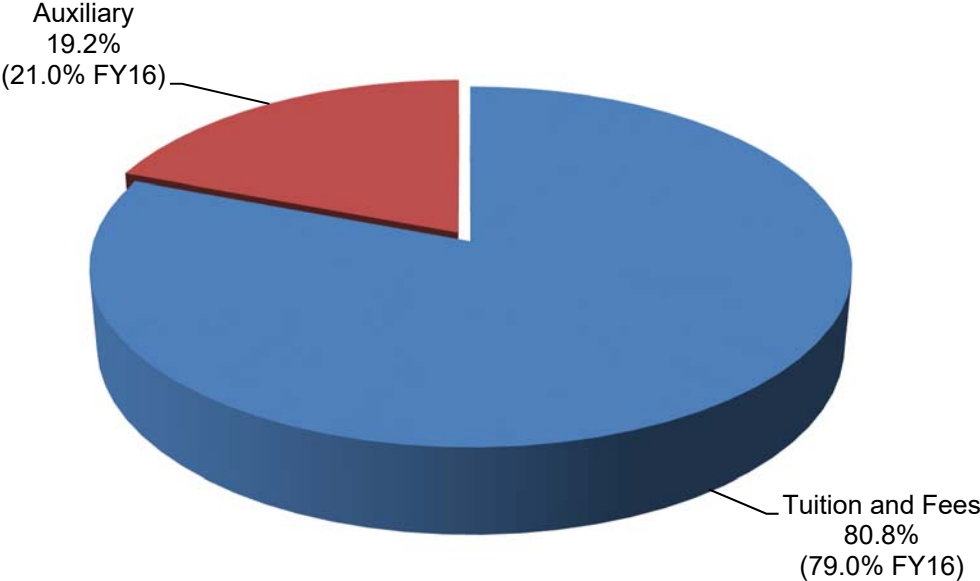
	2017	2016	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 8,847,663	\$ 9,287,578	\$ (439,915)	-4.7%
Sales, Services and Rentals	2,105,245	2,046,896	58,349	2.9%
Other	-	-	-	0.0%
Total Operating Revenue	\$ 10,952,908	\$ 11,334,474	\$ (381,566)	-3.4%
Less: Operating Expenses	54,409,684	53,299,339	1,110,345	2.1%
Operating Income (Loss)	\$ (43,456,776)	\$ (41,964,865)	\$ (1,491,911)	3.6%
Non-operating Revenue:				
State Grants & Contracts	\$ 23,427,506	\$ 13,134,693	\$ 10,292,813	78.4%
Federal Grants & Contracts	7,431,615	7,733,197	(301,582)	-3.9%
Property Taxes	21,077,895	20,316,292	761,603	3.7%
Other Income	1,150,623	1,690,456	(539,833)	-31.9%
Total Non-operating Revenue:	\$ 53,087,639	\$ 42,874,638	\$ 10,213,001	23.8%
Change in Net Position	\$ 9,630,863	\$ 909,773	\$ 8,721,090	958.6%
Net Position, Beginning of Year	87,147,219	86,237,446	909,773	1.1%
Net Position, End of Year	\$ 96,778,082	\$ 87,147,219	\$ 9,630,863	11.1%

Total operating revenue decreased and total operating expenses increased for fiscal year 2017 when compared to fiscal year 2016.

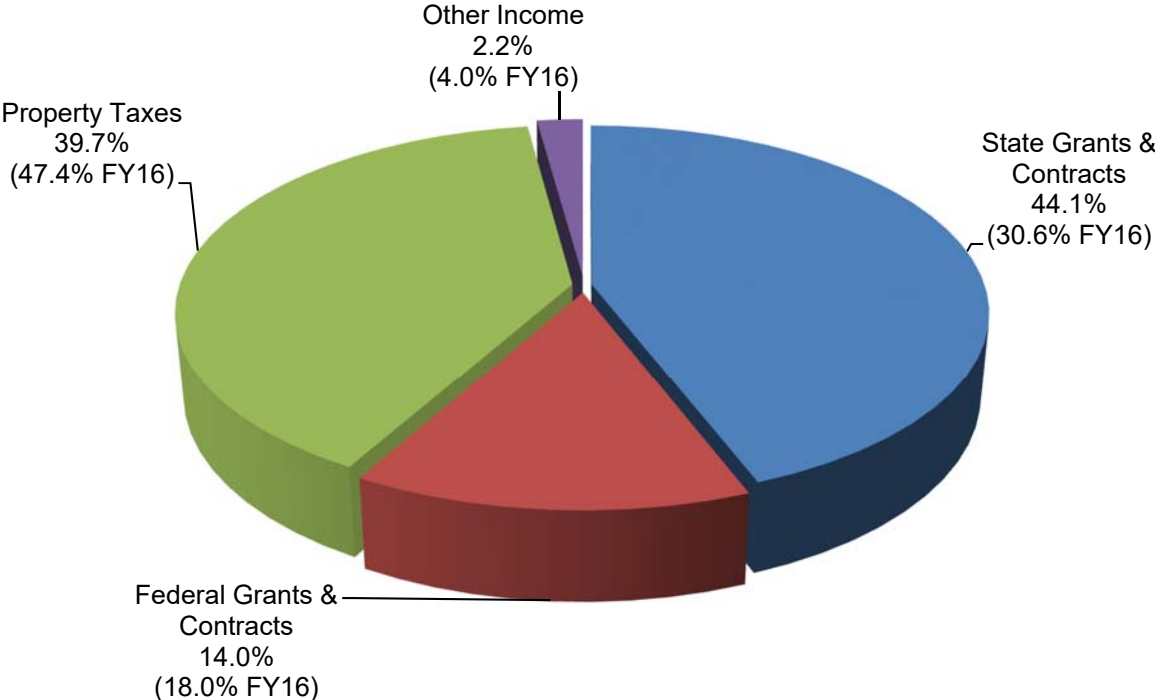
Tuition and fees decreased \$439,915 or 4.7% from fiscal year 2016 to fiscal year 2017. The decrease is attributable to an increase in tuition and fee rates offset by a decline in enrollment. Sales, services and rental revenue increased during fiscal year 2017 by 2.9%. The scholarship allowance calculation was switched to the alternative method during fiscal year 2017 therefore fiscal year 2016 operating revenue and expenses were restated for comparability.

Total non-operating revenue increased by \$10,213,001. State Grants and contracts increased by \$10,292,813 due to a State budget being passed in July 2017. This State budget reinstated many state funding sources that were reduced or eliminated in the past two fiscal years. Federal grants and contracts declined by \$301,582 from fiscal year 2016 primarily due to a reduction in students receiving Pell Grant. Offsetting this decline was a \$761,603 increase in property taxes for fiscal year 2017 due to continued increase in EAV for the Black Hawk College District.

Operating Revenues - Fiscal Year 2017



Non-Operating Revenues - Fiscal Year 2017



Comparison of Operating Expenses Fiscal Years 2017 and 2016

	2017	2016	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$17,917,870	\$17,724,388	\$ 193,482	1.1%
Academic Support	6,078,212	5,983,041	95,171	1.6%
Student Services	4,767,641	4,549,668	217,973	4.8%
Public Service / Continuing Ed.	1,742,346	2,086,257	(343,911)	-16.5%
Institutional Support	8,688,397	8,651,774	36,623	0.4%
Sales, Services, and Rentals of Facilities	2,791,204	3,002,230	(211,026)	-7.0%
Financial Aid	2,632,463	2,925,053	(292,590)	-10.0%
Depreciation	2,372,917	2,065,643	307,274	14.9%
Loss on Disposal of Equipment	138,692	2,869	135,823	4734.2%
Operations of Physical Facilities	7,279,942	6,308,416	971,526	15.4%
Total Operating Expenses	\$54,409,684	\$53,299,339	\$1,110,345	2.1%

Operating expenses for fiscal year 2017 increased by 2.1% from fiscal year 2016. The SURS contribution provided by the state increased to \$12,612,222 in fiscal year 2017 compared to \$10,075,914 in fiscal year 2016. This \$2,536,308 increase of SURS contribution expense plus a \$1,425,963 decrease in all other expenses creates a net operating expense increase of \$1,110,345 for the fiscal year 2017 when compared to fiscal year 2016.

Public Service / Continuing Education decreased by \$343,911 due to program costs of the Small Business Development Center and International Trade Commission programs from the College to the Quad Cities Chamber of Commerce.

Financial Aid decreased by \$292,590 due to receiving MAP grant funding revenue for both FY16 and FY17 offset by a decline in enrollment meaning less students utilizing the Pell grant. The scholarship allowance calculation was switched to the alternative method during fiscal year 2017 therefore fiscal year 2016 operating revenue and expenses were restated for comparability.

Depreciation expense increased \$307,274 in the current year as a direct result of capital projects completed during fiscal year 2016 and fiscal year 2017. Fiscal year 2017 is the first full year of depreciation for new items capitalized in fiscal year 2017 thereby increasing depreciation expense.

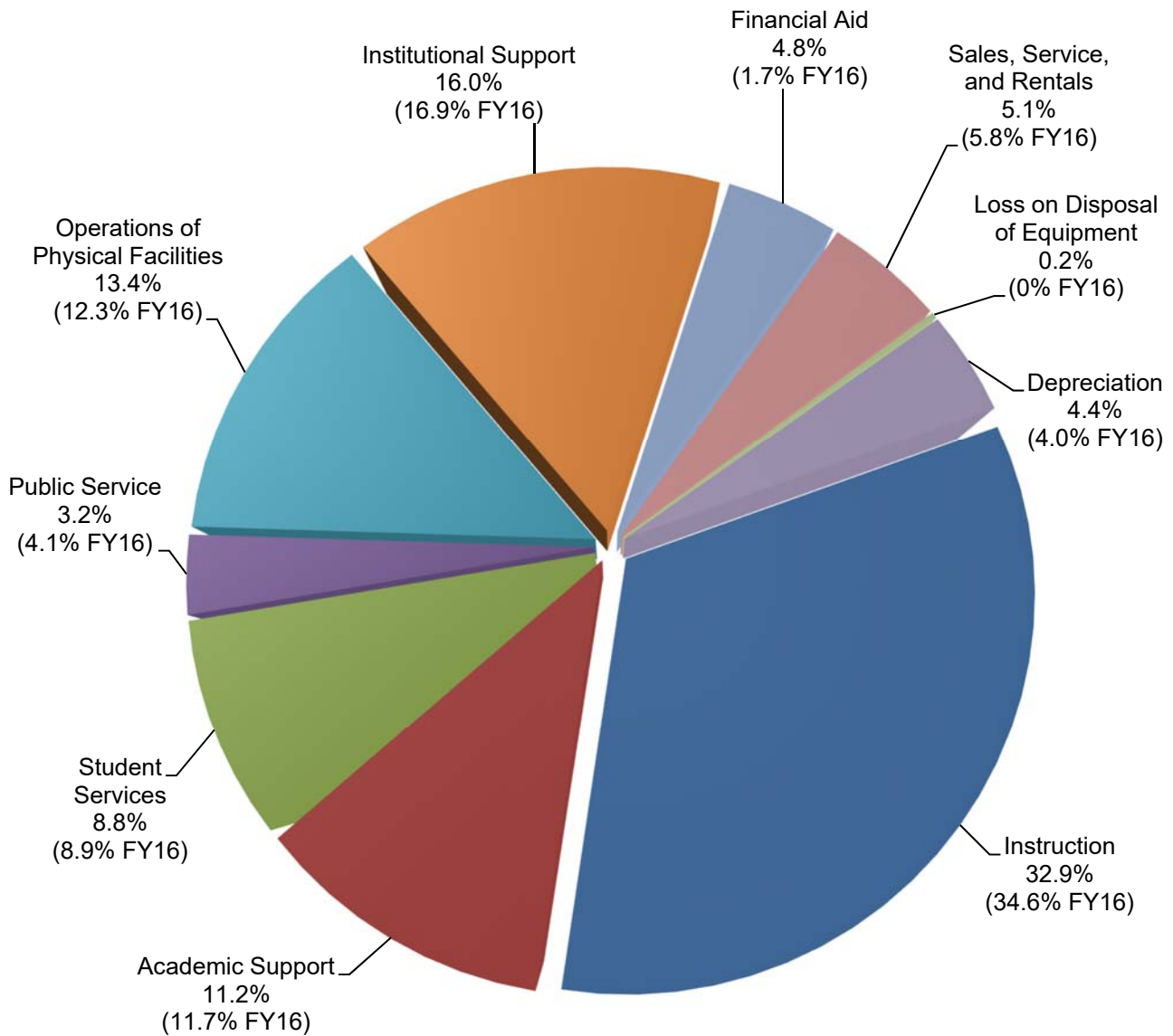
Operating of Physical Facilities increased \$971,526 in fiscal year 2017 due to less expenditures being capitalized in fiscal year 2017 when compared to fiscal year 2016.

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

Management's Discussion and Analysis

The following graphic illustration shows the operating expenses by program for fiscal year 2017 by percentage of the total with the comparable percentage for fiscal year 2016 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2017



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, 2017**

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 65,189,919	\$ 538,829	\$ 478,597
Investments	-	3,109,471	1,736,943
Receivables:			
Property taxes, net of allowance \$60,776	13,076,097	-	-
Federal government claims	413,222	-	-
State of Illinois claims	6,915,302	-	-
Student tuition and fees, net of allowance \$462,581	469,902	-	-
Other	263,639	33,875	76,874
Inventory	492,975	2,552	-
Prepaid expenses	310,759	-	-
Total current assets	87,131,815	3,684,727	2,292,414
Noncurrent Assets:			
Capital assets:			
Land	1,032,464	45,000	-
Construction and Equipment in process	2,573,177	-	-
Building, improvements and equipment, net of accumulated depreciation \$29,303,198, \$0 and \$1,007,494, respectively	76,854,957	-	1,425,878
Total capital assets, net of depreciation	80,460,598	45,000	1,425,878
Total noncurrent assets	80,460,598	45,000	1,425,878
Total assets	167,592,413	3,729,727	3,718,292
Deferred Outflows of Resources			
Deferred Outflows of SURS	71,829	-	-
Liabilities			
Current Liabilities:			
Accounts payable	2,910,994	26,112	28,597
Accrued liabilities:			
Payroll	548,697	-	-
Early retirement	152,458	-	-
Accrued vacation	195,588	-	-
Other	779,375	-	-
Unearned revenues:			
Grants and restricted funds	65,882	-	-
Notes and bonds due in less than one year	4,307,703	-	-
Other liabilities	78,414	-	-
Total current liabilities	9,039,111	26,112	28,597
Noncurrent Liabilities:			
Early retirement	1,336,123	-	-
Accrued vacation	586,762	-	-
Notes and bonds payable in more than one year	49,050,055	-	-
Total noncurrent liabilities	50,972,940	-	-
Total liabilities	60,012,051	26,112	28,597
Deferred Inflows of Resources			
Property Taxes	10,833,404	-	-
Grants and restricted funds	40,705	-	-
Total deferred inflows of resources	10,874,109	-	-
Net Position/Net Assets (Deficit)			
Net Investment in capital assets	56,423,039	45,000	1,425,878
Restricted	20,995,303	2,906,465	2,450,432
Unrestricted	19,359,740	752,150	(186,615)
Total net position/net assets	\$ 96,778,082	\$ 3,703,615	\$ 3,689,695

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, 2017

	Primary	Component Units	
	Government	Black Hawk	Black Hawk
	Black Hawk	College	East College
	College	Foundation	Foundation
Operating Revenues:			
Student tuition and fees, net of scholarship awards	\$ 8,847,663	\$ -	\$ -
Sales, service and rental of facilities and equipment	2,105,245	-	-
Total operating revenues	10,952,908	-	-
Operating expenses:			
Instruction	17,917,870	-	-
Academic support	6,078,212	-	-
Student services	4,767,641	-	-
Public service	1,742,346	-	-
Auxiliary services	2,791,204	-	-
Institutional support	8,688,397	263,324	439,028
Scholarships, student grants and waivers	2,632,463	140,200	159,703
Operation of physical facilities	7,279,942	-	-
Loss on disposal of buildings and equipment	138,692	-	-
Depreciation and amortization	2,372,917	-	72,688
Total operating expenses	54,409,684	403,524	671,419
Operating (loss)	(43,456,776)	(403,524)	(671,419)
Non-operating revenues (expenses):			
Property taxes	21,077,895	-	-
Personal property replacement taxes	1,480,910	-	-
State government sources	23,427,506	-	-
Federal government sources	7,431,615	-	-
Investment earnings	394,887	278,196	229,109
Other sources	823,466	431,013	673,236
Interest expense	(1,548,640)	-	-
Total non-operating revenues (expenses)	53,087,639	709,209	902,345
Change in net position/net assets	9,630,863	305,685	230,926
Net position/net assets:			
Beginning	87,147,219	3,397,930	3,458,769
Ending	\$ 96,778,082	\$ 3,703,615	\$ 3,689,695

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2017

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 9,283,626
Payments to employees	(21,645,754)
Payments to suppliers	(27,850,279)
Sales, service, and rental of facilities and equipment	2,201,222
Other receipts	-
Net cash provided by (used in) operating activities	<u>(38,011,185)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	27,446,445
Personal property replacement taxes	1,480,910
Property taxes	20,899,311
Net cash provided by non-capital financing activities	<u>49,826,666</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(7,217,796)
Proceeds on debt	31,978,591
Debt issuance costs	(371,693)
Principal paid on debt	(5,365,000)
Interest paid on debt	(1,710,102)
Net cash provided by (used in) capital and related financing activities	<u>17,314,000</u>
Cash Flows from Investing Activities	
Sale of investments	-
Interest received	394,887
Net cash provided by (used in) investing activities	<u>394,887</u>
Net increase (decrease) in cash	29,524,368
Cash and cash equivalents:	
Beginning	35,665,551
Ending	<u>\$ 65,189,919</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (43,456,776)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	2,372,917
Loss on disposal of equipment	138,692
Changes in assets and liabilities:	
(Increase) decrease in receivables	531,940
(Increase) decrease in inventory	25,976
(Increase) decrease in prepaid expenses	(9,553)
(Increase) decrease in deferred outflows	18,858
Increase (decrease) in accounts payable	2,161,700
Increase (decrease) in accrued expenditures	195,063
Increase (decrease) in unearned revenue	-
Increase (decrease) in other liabilities	9,998
Total adjustments	<u>5,445,591</u>
Net cash provided by (used in) operating activities	<u>\$ (38,011,185)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 12,612,222
Purchase of capital assets on account	(1,773,368)
	<u>\$ 10,838,854</u>

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

**Statement of Fiduciary Net Position
June 30, 2017**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,384,083
Liabilities	
Claims payable	532,295
Due to others	-
Total liabilities	<u>532,295</u>
Net Position, unrestricted	<u>\$ 851,788</u>

See Notes to Financial Statements.

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2017**

Additions:	
Employer paid premiums	\$ 4,437,329
Grant paid premiums	286,581
Employee paid premiums	823,840
Investment earnings	8,232
Total additions	<u>\$ 5,555,982</u>
Deductions:	
Health and dental claims	4,931,021
Administrative	506,910
Total deductions	<u>\$ 5,437,931</u>
Change in net position	118,051
Net position:	
Beginning	733,737
Ending	<u>\$ 851,788</u>

See Notes to Financial Statements.

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies

Organization:

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

Significant Accounting Policies:

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

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

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

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

During the fiscal year ended June 30, 2017, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$128,560 and \$159,703, respectively, to the College for both restricted and unrestricted purposes.

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the College first applies restricted resources.

Deferred outflows/inflows: In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. At this time, the College has one item that qualifies for reporting in this category.

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

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2016 levy. Property tax revenue recorded on the financial statements relates to the 2015 and 2016 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 2016 or 2017, 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.

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2017.

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.

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

Note 2. Cash and Investments

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

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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

At June 30, 2017, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 65,176,599
Petty cash	<u>13,320</u>
Total cash and cash equivalents	65,189,919
Fiduciary funds	<u>1,384,083</u>
Total cash and cash equivalents	\$ 66,574,002
Less: Petty cash	<u>(13,320)</u>
Total carrying amount of deposits	<u>\$ 66,560,682</u>

As of June 30, 2017, the carrying amount of the College's deposits totaled \$66,560,682 with a bank balance of \$66,990,571. Of the \$66,990,571 bank balance, \$66,990,571 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, 2017, the College did not hold any investments.

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the change in market interest rates. The College tries to match its maturities on investments with expected cash flows. As of June 30, 2017, the College did not hold any investments.

Credit Risk:

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

Concentration of Credit Risk:

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

Custodial Credit Risk:

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

As of June 30, 2017 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 Black Hawk College through the Illinois Department of Commerce and Economic Opportunity (DCEO) for sustainability projects at the Quad City 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, 2017 the \$1 million had still not been received by the College from DCEO. Once the State of IL budget was passed in July 2017, a representative from DCEO informed the College that the \$1 million had not been appropriated for this project in the current budget and advised the College to talk with local representatives about having funds appropriated for this project in the future. Due to this new information, the College has created a 100% allowance against the \$1 million receivable on the financial statements and intends to continue conversations with local representatives in effort to collect these funds.

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

Notes to Financial Statements

Note 4. Liability, Protection, & Settlement Fund Expenditures

Black Hawk College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2017:

Security & safety related salaries and benefits	\$ 704,740
Risk management & loss prevention	194,051
Insurance	639,633
Legal services	41,617
Security and safety related	<u>62,234</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$1,642,275</u>

Note 5. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 1,032,464	\$ -	\$ -	1,032,464
Construction in process	7,332,728	5,397,189	(10,156,740)	2,573,177
Total capital assets not being depreciated	8,365,192	5,397,189	(10,156,740)	3,605,641
Capital assets being depreciated:				
Buildings and improvements	79,448,719	7,599,295	(168,595)	86,879,419
Land improvements	7,797,959	1,547,260	-	9,345,219
Equipment	9,477,773	1,057,424	(601,680)	9,933,517
Total capital assets being depreciated	96,724,451	10,203,979	(770,275)	106,158,155
Less accumulated depreciation for:				
Buildings and improvements	20,224,540	1,664,915	(33,389)	21,856,066
Land improvements	1,340,793	171,432	-	1,512,225
Equipment	5,996,531	536,570	(598,194)	5,934,907
Total accumulated depreciation	27,561,864	2,372,917	(631,583)	29,303,198
Total capital assets being depreciated, net	69,162,587	7,831,062	(138,692)	76,854,957
Total capital assets, net	<u>\$77,527,779</u>	<u>\$13,228,251</u>	<u>\$(10,295,432)</u>	<u>\$80,460,598</u>

**Black Hawk College
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Notes to Financial Statements

Note 6. 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, 2016 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2016 and 2017 respectively, was 12.69% and 12.53% 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) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

Net Pension Liability:

At June 30, 2016, SURS reported a net pension liability (NPL) of \$25,965,271,744. The net pension liability was measured as of June 30, 2015.

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

Notes to Financial Statements

Note 6. Pension Plan (Continued)

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 \$126,703,122 or 0.4880%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2016 was determined based on the June 30, 2015 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 2016.

Pension Expense:

At June 30, 2016 SURS reported a collective net pension expense of \$2,566,164,865.

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 2016. As a result, the College recognized on-behalf revenue and pension expense of \$12,522,153 for the fiscal year ended June 30, 2017.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,215,882	\$2,298,574
Changes in assumption	655,463,758	0
Net difference between projected and actual earnings on pension plan investments	1,431,081,306	635,552,976
Total	\$2,100,760,946	\$637,851,550

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
2017	\$539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
2021	-
Thereafter	-
Total	\$1,462,909,396

Employer Deferral of Fiscal Year 2017 Pension Expense:

The College paid \$71,829 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability date of June 30, 2016 and are recognized as Deferred Outflows of Resources as of June 30, 2017.

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

Notes to Financial Statements

Note 6. Pension Plan (Continued)

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Target Allocation	Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
Total	100%	5.09%
<u>Inflation</u>		<u>2.75%</u>
Expected Arithmetic Return		7.84%

Discount Rate: A single discount rate of 7.010% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 2.85% (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

**Black Hawk College
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Notes to Financial Statements

Note 6. Pension Plan (Continued)

plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.01%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.01%	Current Single Discount Rate Assumption 7.01%	1% Increase 8.01%
\$31,348,831,631	\$25,965,271,744	\$21,502,421,700

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.

Note 7. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Bonds Payable	\$26,580,000	\$28,955,000	\$(5,365,000)	\$50,170,000	\$3,570,000
Unamortized premium	697,322	3,023,591	(533,155)	3,187,758	737,703
Accrued vacation	803,479	782,350	(803,479)	782,350	195,588
Early retirement	1,500,787	20,291	(32,497)	1,488,581	152,458
Total	\$29,581,588	\$32,781,232	\$(6,734,131)	\$55,628,689	\$4,655,749

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.

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

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2017, are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ 875,000	\$ 668,508	\$ 1,543,508
2019	915,000	625,995	1,540,995
2020	960,000	581,465	1,541,465
2021	1,000,000	534,916	1,534,916
2022	1,050,000	486,228	1,536,228
2023-2027	5,935,000	1,761,751	7,696,751
2028-2032	6,915,000	758,025	7,673,025
2033	1,515,000	22,725	1,537,725
Total	\$19,165,000	\$5,439,613	\$24,604,613

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2017, are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ 1,005,000	\$ 61,900	\$ 1,066,900
2019	1,045,000	20,900	1,065,900
Total	\$ 2,050,000	\$ 82,800	\$ 2,132,800

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
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Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

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

Year Ending June 30:	Principal	Interest	Total
2018	\$ 1,690,000	\$ 1,992,643	\$ 3,682,643
2019	2,450,000	1,302,000	3,752,000
2020	3,735,000	1,147,375	4,882,375
2021	3,995,000	954,125	4,949,125
2022	4,265,000	747,625	5,012,625
2023-2025	12,820,000	904,500	13,724,500
Total	\$ 28,955,000	\$ 7,048,268	\$ 36,003,268

The College is subject to a debt limitation of 2.875% of its assessed valuation of 3,786,687,074. As of June 30, 2017 the College had \$55,509,495 remaining legal debt margin.

Operating Leases: The College leases space at the Illinois Employment & Training Center for \$12,904 per month through February 2015, \$13,229 per month from March 2015 through February 2016, and \$13,554 per month from March 2016 through February 2017. Lease expense for the year ended June 30, 2017 was \$108,433. The lease expired February 2017 and was not renewed.

Note 8. Early Retirement and Voluntary Separation Plans

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

Benefit Provisions

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

The plans vary by the percentage of BHC'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 BHC for post-retirement Medical/Rx, Dental, and Vision benefits as they occur. Contribution requirements may be amended by the Board of BHC.

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

Notes to Financial Statements

Note 8. Early Retirement and Voluntary Separation Plans (Continued)

Statement of Actuarial Assumptions and Methods

Plan Sponsor
Black Hawk College

Statement of Assumptions
The assumptions disclosed are for the fiscal year ending June 30, 2017

Actuarial Cost Method
Costs are determined using Projected Unit Credit Actuarial Cost Method

Asset Valuation Method
Market Value

Discount Rate
4.25%

Projected Salary Increases
Not applicable

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

Turnover
Not applicable; this analysis valued retirees only

Retirement Rates
Not applicable; this analysis valued retirees only

Expense
None

Spousal Rate
Where no information is provided:
75% of current male retirees are married at retirement
75% of current female retirees are married
Male spouses are assumed to be three years older than female spouses

Health Care Trend Rate

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

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

Notes to Financial Statements

Note 8. Early Retirement and Voluntary Separation Plans (Continued)

Medical/Rx Costs

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

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

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

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 2017-2018 Plan Year

Coverage	Retiree	Spouse
Dental	\$38.38	\$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.

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

Notes to Financial Statements

Note 8. Early Retirement and Voluntary Separation Plans (Continued)

Life Insurance

Not valued in this analysis

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

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

The recorded liability for these plans is \$1,488,581 as of June 30, 2017.

Note 9. 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 that includes a \$145,000 maximum aggregate eligible claims expense per participant per year as well as a maximum aggregate benefit (in excess of the annual aggregate deductible per policy term) of \$1,000,000. Coverage from a private insurance company is maintained for losses in excess of the aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

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, 2017, the amount of these liabilities was \$532,295. 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>
FY2015	\$1,022,263	\$5,110,003	\$5,227,930	\$ 904,336
FY2016	\$ 904,336	\$5,187,633	\$5,533,969	\$ 558,000
FY2017	\$ 558,000	\$4,931,021	\$4,956,726	\$ 532,295

Note 10. Deferred Inflows of Resources

The \$40,705 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 11. Restricted Net Position

Black Hawk College restricted net position is comprised of the following at June 30, 2017:

Restricted for:	
Audit	\$ 106,656
Liability, Protection and Settlement	3,274,964
Working Cash	10,194,190
Bond & Interest	2,389,192
Operations & Maintenance	4,506,397
Grants & Scholarships	523,904
	\$ 20,995,303

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

Note 12. 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, 2017, the College had 13 active construction contracts. The remaining commitment on these contracts as of June 30, 2017 was approximately \$3,400,000.

Note 13. 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 Black Hawk College are costs generated by the actions of other governmental bodies and/or costs created by obligations associated with tax abatement projects.

Black Hawk 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 due to TIF agreements in place equals \$1,620,625 as of June 30, 2017.

Notes to Financial Statements

Note 14. Pending Accounting Pronouncements

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The College has not determined the effect of this Statement.

GASB Statement No. 81, Irrevocable Split-Interest Agreements improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The College has not determined the effect of this Statement.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73 amends the required presentation to include the covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2017. The College has not determined the effect of this Statement.

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

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

GASB Statement No. 85, Omnibus 2017, addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other post-employment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The College has not determined the effect of this Statement.

GASB Statement No. 86, Certain Debt Extinguishment Issues, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. 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.

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, 2016

SCHEDULE OF SHARE OF NET PENSION LIABILITY			
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%
(b) Proportion Amount of the Collective Net Pension Liability	\$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
Total (b) + (c)	\$117,152,029	\$118,843,678	\$126,703,122
Employer DB Covered Payroll	\$14,190,210	\$18,264,543	\$17,584,276
Proportion of Collective Net Pension Liability associated with the Employer as a percentage of DB Covered Payroll	825.58%	650.68%	720.55%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%

SCHEDULE OF CONTRIBUTIONS				
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017
Federal, Trust, Grant and Other contribution	\$100,055	\$90,997	\$90,687	\$71,829
Contribution in relation to required contribution	\$100,055	\$90,997	\$90,687	\$71,829
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Employer Covered-employee payroll	\$17,235,771	\$22,184,485	\$21,640,911	\$20,088,183
Contributions as a percentage of covered-employee payroll	.581%	.410%	.419%	.358%

BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017
On-Behalf Payments for Community College Health Insurance Program	\$105,303	\$99,196	\$97,783	\$90,069

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 2017 Total DB Contributions: \$1,289,592

Fiscal Year 2017 Total SMP Contributions: \$324,223

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

Notes to Required Supplementary Information (RSI)

Changes of benefit terms.

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2016.

Changes of assumptions.

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

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

Statistical Section (Unaudited)

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Statistical Narrative

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

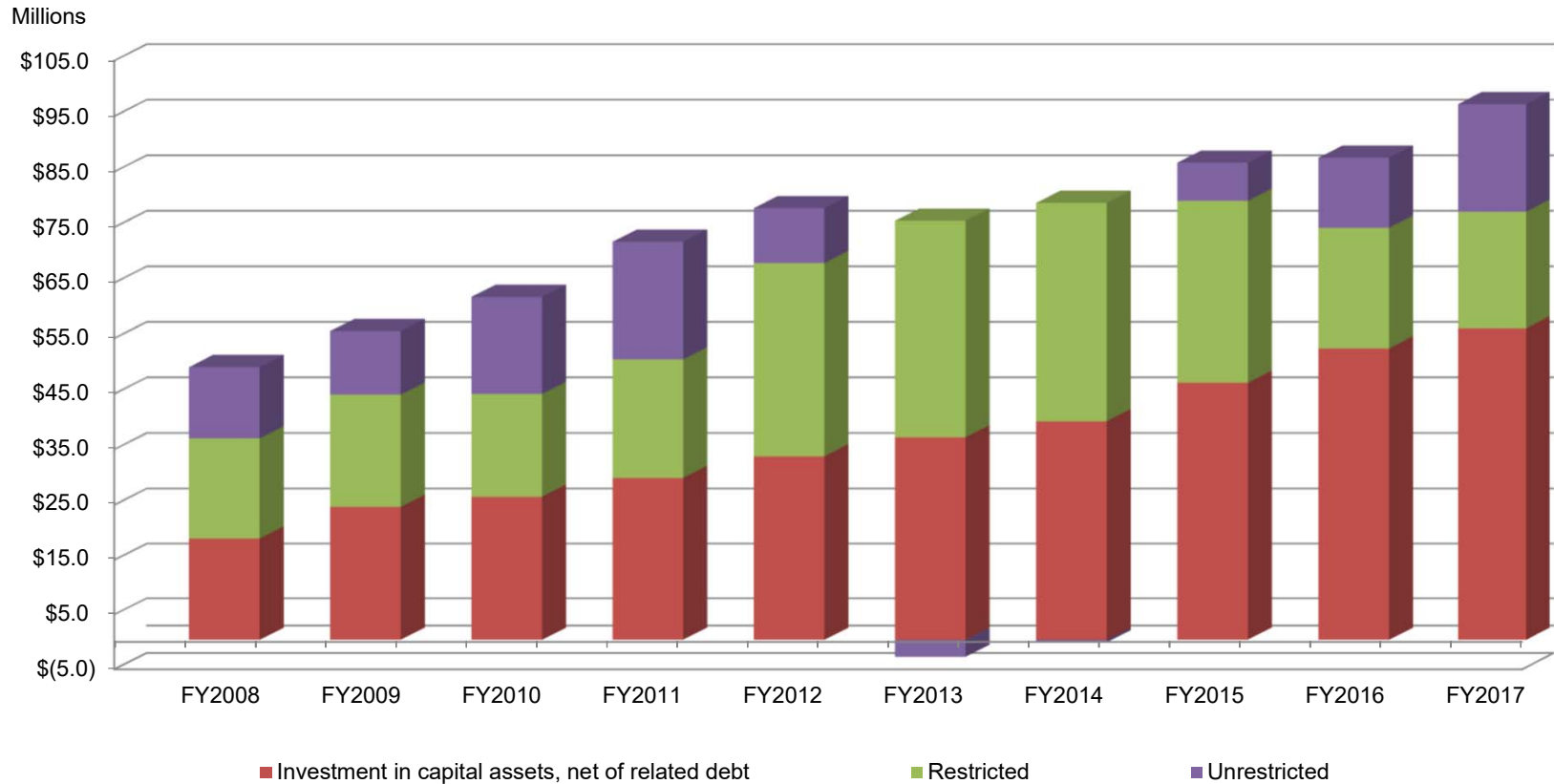
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

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

**Schedule of Net Position by Component
FY2008 through FY2017**

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Net investment in capital assets	\$ 18,504,208	\$ 24,287,182	\$ 26,107,509	\$ 29,495,572	\$ 33,387,782	\$ 36,808,792	\$ 39,682,320	\$ 46,629,046	\$ 52,790,893	\$ 56,423,039
Restricted	18,116,477	20,212,636	18,508,373	21,347,889	34,787,857	38,975,554	39,325,155	32,748,174	21,743,611	20,995,303
Unrestricted	12,826,789	11,442,187	17,464,461	21,158,239	9,871,444	(3,108,137)	(463,684)	6,860,226	12,612,715	19,359,740
Total net position	\$ 49,447,474	\$ 55,942,005	\$ 62,080,343	\$ 72,001,700	\$ 78,047,083	\$72,676,209	\$ 78,543,791	\$ 86,237,446	\$ 87,147,219	\$ 96,778,082



Source: College audited financial statements.

Black Hawk College
Illinois Community College District No. 503

Schedule of Changes in Net Position
FY2008 through FY2017

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 6,830,918	\$ 6,563,186	\$ 6,999,903	\$ 7,916,703	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251	\$ 7,900,764	\$ 8,229,163	\$ 7,892,417
Sales, service, and rental of facilities	3,456,655	3,024,705	3,104,115	2,992,034	2,481,502	2,236,204	2,233,506	2,430,045	3,105,311	3,057,200
Tuition chargeback	(1,702)	-	-	-	-	-	-	-	-	3,291
SURS contribution provided by state	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	7,535,508	8,068,818	-	-	-
Other operating revenue	5,705	6,901	12,576	3,680	2,486	-	-	-	-	-
Total operating revenue	12,246,218	12,107,870	13,998,551	15,206,231	14,467,620	17,384,760	17,926,575	10,330,809	11,334,474	10,952,908
Operating expenses:										
Instruction	13,417,138	13,071,503	13,177,063	13,787,062	13,973,024	19,814,071	18,609,563	15,128,229	17,724,388	17,917,870
Academic support	4,214,199	4,344,918	4,359,360	3,950,163	5,127,170	6,244,734	6,272,580	5,874,310	5,983,041	6,078,212
Student services	3,151,038	3,022,823	3,083,006	3,595,126	3,485,166	4,265,652	4,300,131	4,210,904	4,549,668	4,767,641
Public service	2,603,870	2,327,188	2,393,896	1,840,080	1,977,739	1,879,087	2,122,000	2,477,612	2,086,257	1,742,346
Auxiliary services	3,567,023	3,265,960	3,472,459	3,766,883	3,706,401	3,823,167	3,765,785	3,617,263	3,002,230	2,791,204
Institutional support	7,147,272	6,843,449	8,700,444	9,345,604	9,215,268	10,346,257	9,025,272	7,732,965	8,651,774	8,688,397
Scholarships, student grants and waivers	3,798,739	3,456,874	4,197,498	3,748,071	2,747,946	2,401,499	2,615,325	2,665,004	2,925,053	2,632,463
SURS contribution provided by state	1,954,642	2,513,078	3,881,957	4,293,814	5,373,730	-	-	-	-	-
Operation of physical facilities	4,202,026	4,454,574	4,083,672	4,792,520	4,920,249	4,232,592	5,346,628	8,948,305	6,308,416	7,279,942
Loss on disposal of equipment	5,097	7,409	1,308,112	22,464	5,451	16,664	762,732	-	2,869	138,692
Depreciation	1,453,453	1,788,953	1,200,030	1,298,115	1,419,276	1,601,385	1,740,162	1,830,003	2,065,643	2,372,917
Total operating expenses	45,514,497	45,096,729	49,857,497	50,439,902	51,951,420	54,625,108	54,560,178	52,484,595	53,299,339	54,409,684
Operating (loss)	(33,268,279)	(32,988,859)	(35,858,946)	(35,233,671)	(37,483,800)	(37,240,348)	(36,633,603)	(42,153,786)	(41,964,865)	(43,456,776)
Non-operating revenues (expenses)										
Property taxes	16,212,834	17,816,536	18,140,565	18,692,853	19,171,402	19,119,399	19,462,491	19,623,307	20,316,292	21,077,895
Personal property taxes	-	1,365,164	1,104,407	1,432,216	1,317,537	1,346,184	1,361,828	1,464,594	1,340,818	1,480,910
State government sources	14,154,600	11,653,779	11,076,974	11,697,372	10,578,684	9,562,931	10,192,344	19,205,104	13,134,693	23,427,506
Federal government sources	7,499,337	7,050,847	10,110,004	11,941,906	10,875,102	10,099,071	9,995,924	9,290,411	7,733,197	7,431,615
Investment earnings	893,351	927,444	1,079,642	1,304,926	1,118,105	848,082	286,520	259,842	232,346	394,887
Other sources	1,652,625	1,441,102	1,200,272	846,037	1,046,866	1,281,102	2,025,129	832,131	838,648	823,466
Interest expense	(636,823)	(771,482)	(714,580)	(760,282)	(578,513)	(778,726)	(923,106)	(827,948)	(721,356)	(1,548,640)
Total non-operating revenues (expenses)	39,775,924	39,483,390	41,997,284	45,155,028	43,529,183	41,478,043	42,401,130	49,847,441	42,874,638	53,087,639
Change in net position	\$ 6,507,645	\$ 6,494,531	\$ 6,138,338	\$ 9,921,357	\$ 6,045,383	\$ 4,237,695	\$ 5,767,527	\$ 7,693,655	\$ 909,773	\$ 9,630,863

Note:

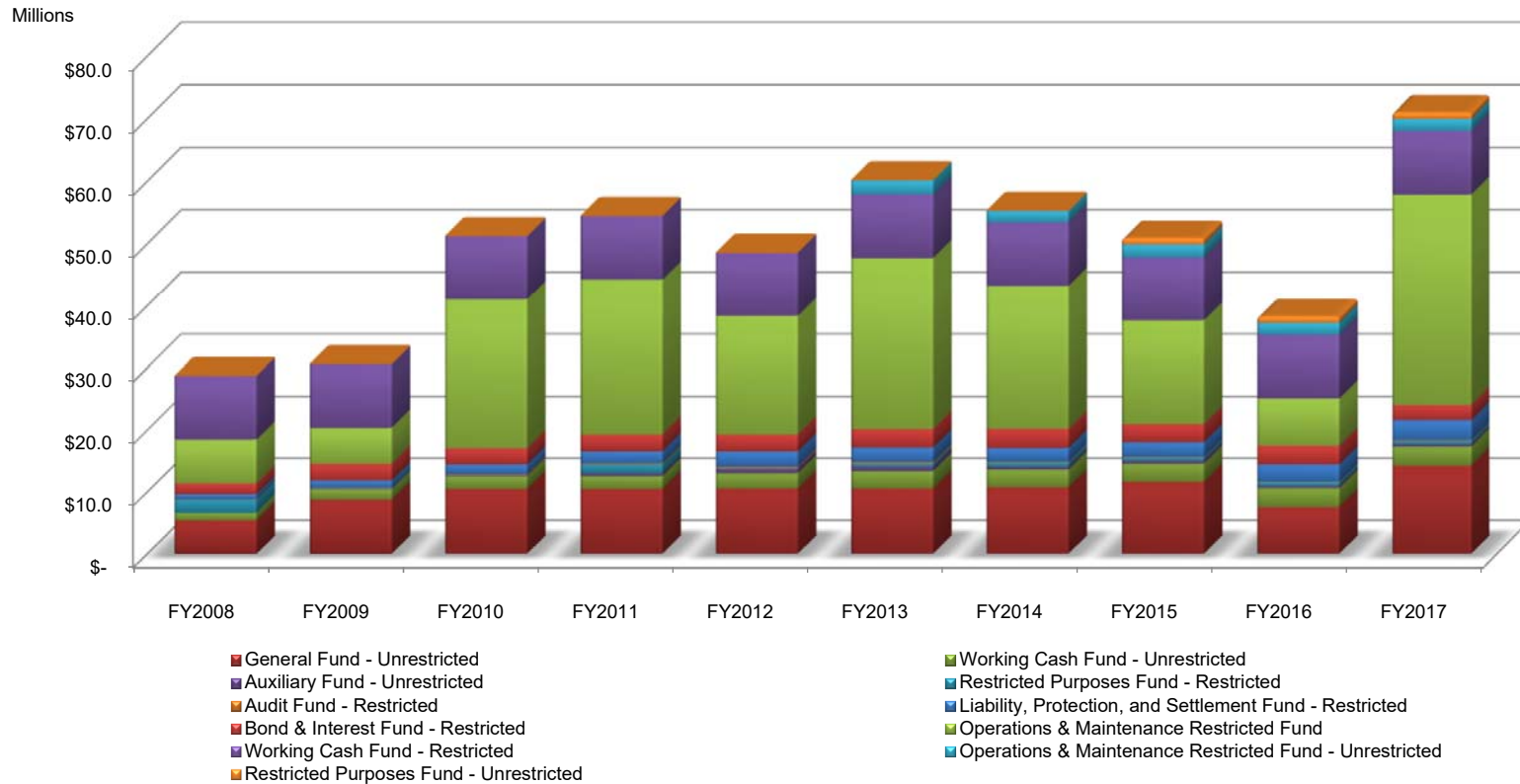
1. Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions.
2. Beginning FY2015, SURS contribution provided by state included as a non-operating revenue under State government sources.

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund
FY2008 through FY2017**

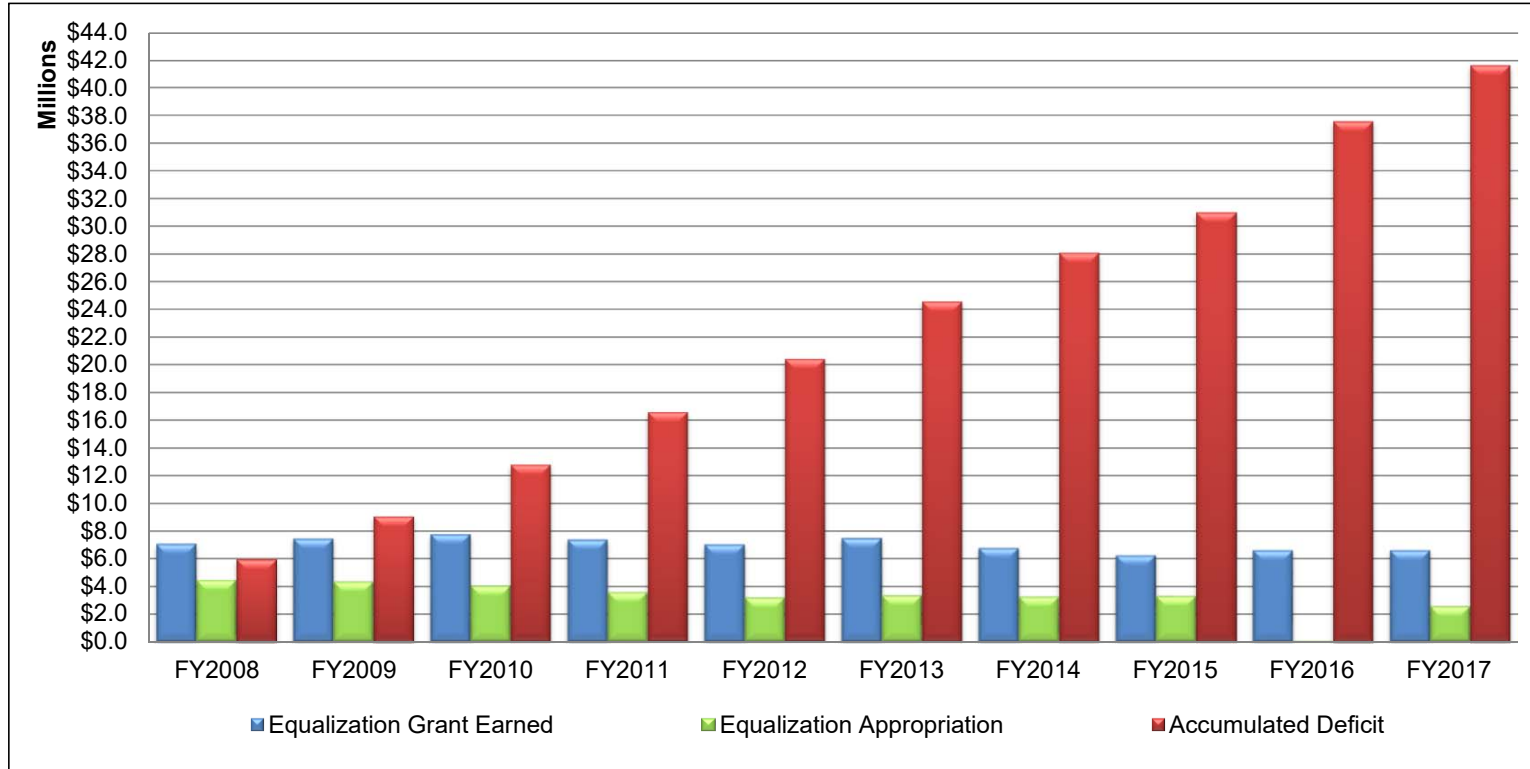
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
General Fund - Unrestricted	\$ 5,410,451	\$ 8,697,966	\$ 10,458,459	\$ 10,458,459	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400	\$ 11,591,965	\$ 7,534,940	\$ 14,204,789
Working Cash Fund - Unrestricted	1,219,790	1,625,794	2,046,194	2,081,546	2,496,165	2,848,633	2,912,562	2,978,247	3,044,065	3,137,116
Auxiliary Fund - Unrestricted	(132,271)	(74,423)	143,703	495,505	702,675	711,344	477,896	458,386	377,799	369,513
Restricted Purposes Fund - Restricted	2,026,420	137,064	37,322	1,393,815	94,284	495,369	632,447	487,716	556,420	523,904
Restricted Purposes Fund - Unrestricted	-	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000
Audit Fund - Restricted	97,557	122,132	150,245	172,765	211,908	200,222	135,278	113,676	104,536	106,656
Liability, Protection, and Settlement Fund - Restricted	829,358	1,227,502	1,573,022	1,952,072	2,521,853	2,402,140	2,265,040	2,386,897	2,798,225	3,274,964
Bond & Interest Fund - Restricted	1,765,269	2,702,182	2,642,136	2,704,975	2,721,699	2,973,723	3,079,546	2,909,841	3,048,701	2,389,192
Operations & Maintenance Restricted Fund	7,093,683	5,829,566	23,911,458	24,930,072	19,043,923	27,508,249	23,018,654	16,655,854	7,581,975	33,826,596
Operations & Maintenance Restricted Fund - Unrestricted	-	-	-	-	-	2,254,612	1,808,396	2,065,594	1,933,844	1,912,616
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	\$28,504,447	\$30,461,973	\$51,156,729	\$54,383,399	\$48,499,018	\$60,100,803	\$55,206,409	\$50,842,366	\$38,174,695	\$70,939,536



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
FY2008 through FY2017**

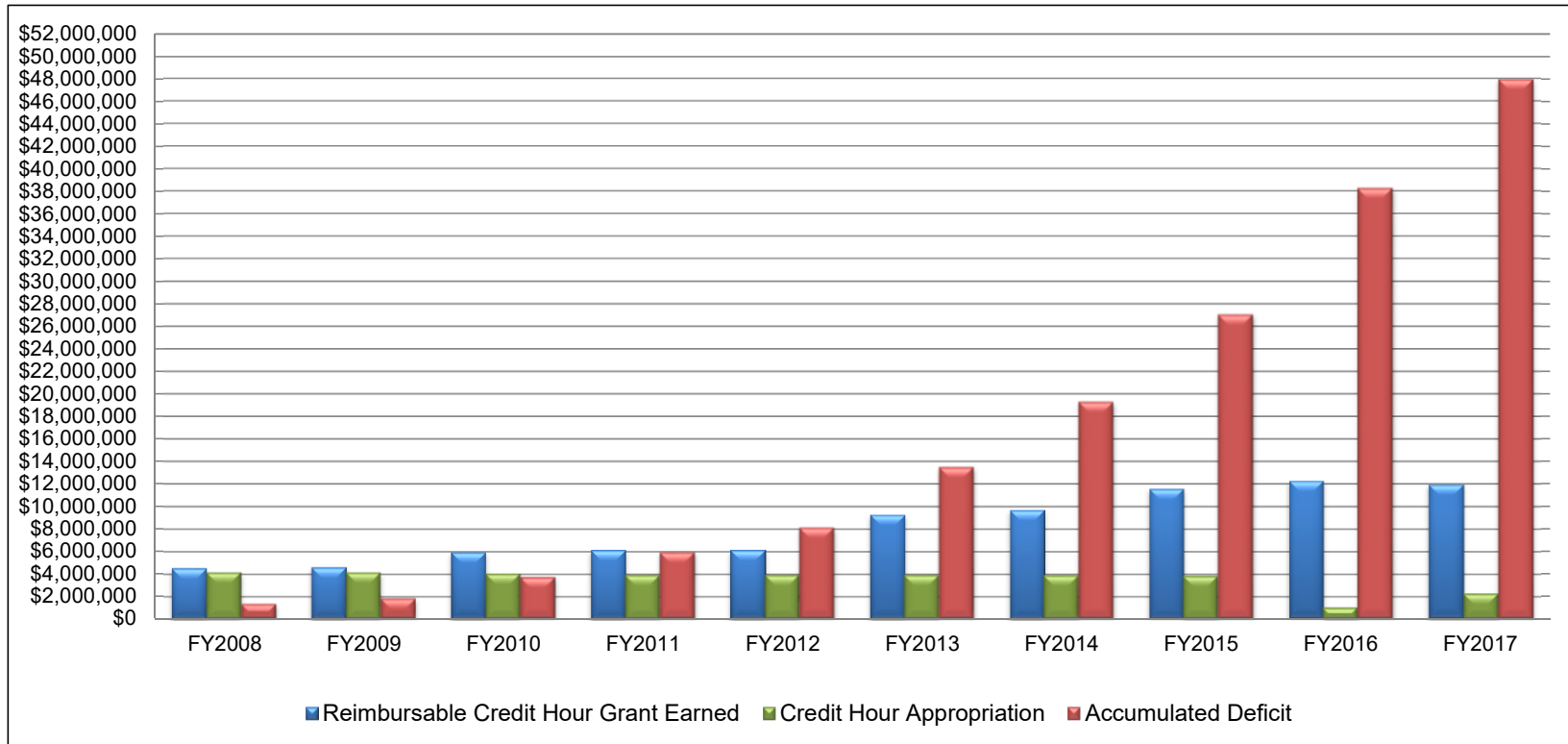


	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Equalization Grant Earned	\$ 7,082,701	\$ 7,446,929	\$ 7,758,564	\$ 7,372,057	\$ 7,028,293	\$ 7,500,478	\$ 6,768,524	\$ 6,238,384	\$ 6,614,329	\$ 6,614,579
Equalization Appropriation	4,471,959	4,341,024	4,038,587	3,576,700	3,187,173	3,348,294	3,264,676	3,310,856	50,000	2,566,390
Annual Deficit	(2,610,742)	(3,105,905)	(3,719,977)	(3,795,357)	(3,841,120)	(4,152,184)	(3,503,848)	(2,927,528)	(6,564,329)	(4,048,189)
Accumulated Deficit	\$ 5,964,372	\$ 9,070,277	\$ 12,790,254	\$ 16,585,611	\$ 20,426,731	\$ 24,578,915	\$ 28,082,763	\$ 31,010,291	\$ 37,574,620	\$ 41,622,809
Percentage Received	63.14%	58.29%	52.05%	48.52%	45.35%	44.64%	48.23%	53.07%	0.76%	38.80%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2008 through FY2017**



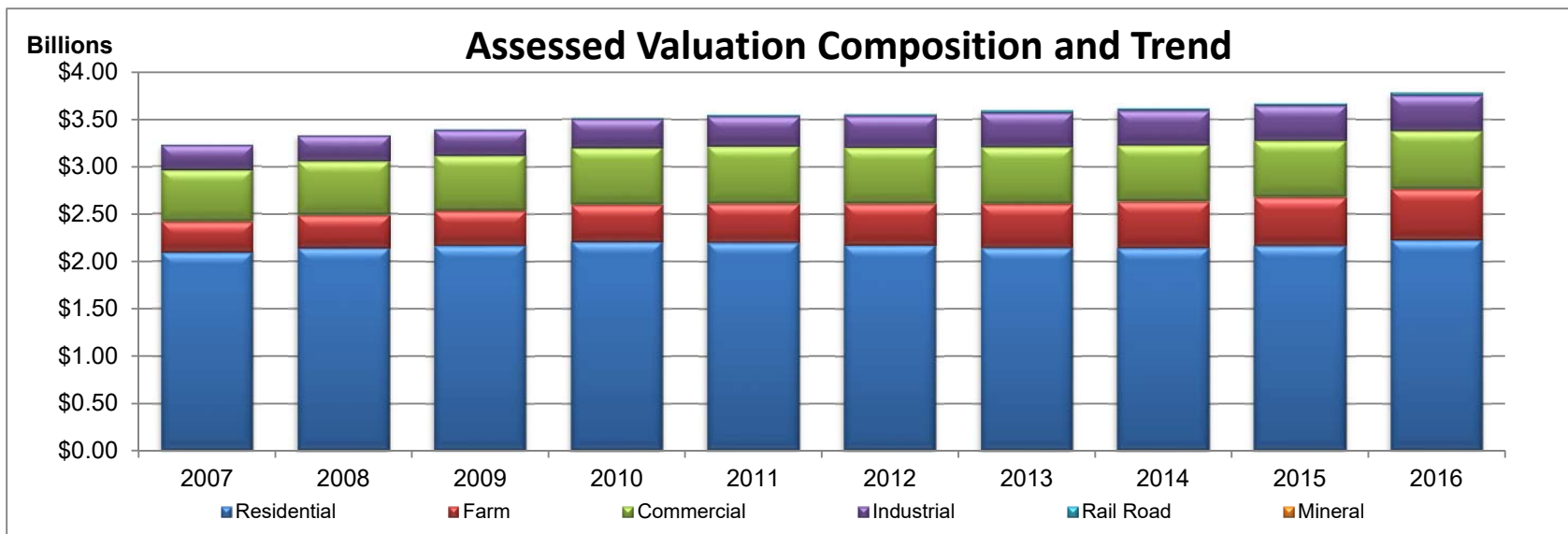
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Reimbursable Credit Hour Grant Earned	\$ 4,523,139	\$ 4,608,756	\$ 5,936,036	\$ 6,125,709	\$ 6,125,709	\$ 9,276,633	\$ 9,701,085	\$ 11,564,377	\$ 12,262,006	\$ 11,950,503
Credit Hour Appropriation	4,142,317	4,123,492	4,027,875	3,923,273	3,923,273	3,917,264	3,897,853	3,831,110	1,051,469	2,284,230
Annual Deficit	(380,822)	(485,264)	(1,908,161)	(2,202,436)	(2,202,436)	(5,359,369)	(5,803,232)	(7,733,267)	(11,210,537)	(9,666,273)
Accumulated Deficit	\$ 1,340,709	\$ 1,825,973	\$ 3,734,134	\$ 5,936,570	\$ 8,139,006	\$ 13,498,375	\$ 19,301,607	\$ 27,034,874	\$ 38,245,411	\$ 47,911,684
Percentage Received	91.58%	89.47%	67.85%	64.05%	64.05%	42.23%	40.18%	33.13%	8.58%	19.11%

Source: ICCB System's Operating Budgets

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

Assessed and Estimated Actual Value of Taxable Property
Tax Levy Years 2007 through 2016

Levy year	Assessed Valuation by Property Type						Total Assessed Valuation	Estimated Actual Value
	Residential	Farm	Commercial	Industrial	Rail Road	Mineral		
2007	2,091,105,849	323,628,400	545,161,809	261,212,091	8,658,312	-	3,229,766,461	9,690,268,410
2008	2,138,725,354	345,734,151	570,868,409	266,916,159	8,197,605	-	3,330,441,678	9,992,324,266
2009	2,167,842,281	366,033,401	586,464,484	268,665,674	8,676,981	-	3,397,682,821	10,194,067,870
2010	2,204,812,845	390,730,975	600,753,081	305,756,819	10,948,746	-	3,513,002,466	10,540,061,404
2011	2,199,256,948	412,091,076	608,557,475	315,981,890	14,957,174	-	3,550,844,563	10,653,599,049
2012	2,175,310,702	435,606,505	591,923,037	335,445,784	18,466,435	-	3,556,752,463	10,671,324,521
2013	2,141,816,213	462,208,844	597,985,340	365,445,765	23,880,009	-	3,591,336,171	10,775,086,022
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



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 2016 is the most current information available
3. The total direct rate applied to tax year 2016 is \$0.5718.

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

Black Hawk College
Illinois Community College District No. 503

Property Tax Extensions and Collections
 Tax Levy Years 2007 through 2016

Levy Year	Fiscal Year	Assessed Valuation	Tax Rate	Taxes Extended (Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Extension		Amount	Percent of Extension
2007	2008	3,229,766,461	0.5016	16,200,510	5,464,473	34%	10,681,197	16,145,670	100%
2008	2009	3,330,441,678	0.5356	17,837,846	5,980,833	34%	11,810,395	17,791,228	100%
2009	2010	3,397,682,821	0.5337	18,133,434	6,037,571	33%	12,046,820	18,084,391	100%
2010	2011	3,513,002,466	0.5324	18,703,225	6,123,362	33%	12,547,662	18,671,024	100%
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	12,462,381	19,035,803	100%
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	12,755,585	19,134,516	100%
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	12,469,656	19,347,653	99%
2014	2015	3,619,964,713	0.5485	19,855,507	6,971,526	35%	12,833,852	19,805,378	100%
2015	2016	3,668,741,551	0.5598	20,537,616	8,164,466	40%	12,245,978	20,410,444	99%
2016	2017	3,786,687,074	0.5718	21,666,808	8,518,863	39%	-	8,518,863	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 2016 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 2007 through 2016

Taxing Districts	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016
Black Hawk College District No. 503	\$ 0.5016	\$ 0.5356	\$ 0.5337	\$ 0.5324	\$ 0.5369	\$ 0.5403	\$ 0.5427	\$ 0.5485	\$ 0.5598	\$ 0.5718
Rock Island County	0.7890	0.8480	0.8542	0.8574	0.8684	0.8872	1.0184	1.0596	1.2480	1.2466
South Moline Township	0.1416	0.1432	0.1432	0.1420	0.1318	0.1358	0.1304	0.1244	0.1232	0.1192
Road & Bridge - South Moline Township	0.0061	0.0064	0.0070	0.0070	0.0085	0.0093	0.0152	0.0160	0.0116	0.0118
Road & Bridge - City of Moline	0.0041	0.0042	0.0042	0.0042	0.0043	0.0047	0.0047	0.0048	0.0052	0.0054
South Moline Township Cemetery	0.0002	0.0002	0.0030	0.0038	0.0038	0.0038	0.0040	0.0040	0.0040	0.0032
City of Moline	2.0062	1.9966	1.9288	1.9324	1.9744	2.0268	2.0500	2.0638	2.0782	2.0854
School District No. 40	5.0586	5.0188	5.0266	5.0584	5.0600	5.0590	5.1090	5.1120	5.1594	5.1498
Metropolitan Airport Authority	0.0716	0.0734	0.0742	0.0734	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Metropolitan Transit Authority	0.1742	0.1768	0.1812	0.1822	0.1872	0.1948	0.2054	0.2082	0.2086	0.2056
Total	\$ 8.7532	\$ 8.8032	\$ 8.7561	\$ 8.7932	\$ 8.8503	\$ 8.9367	\$ 9.1548	\$ 9.2163	\$ 9.4730	\$ 9.4738

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 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016
Black Hawk College District No. 503	\$ 0.5023	\$ 0.5356	\$ 0.5354	\$ 0.5341	\$ 0.5372	\$ 0.5406	\$ 0.5344	\$ 0.5485	\$ 0.5492	\$ 0.5723
Henry County	0.9069	0.8945	0.9173	0.9498	0.9270	0.9316	0.9004	0.9198	0.9567	0.9423
Kewanee Township	0.1756	0.1721	0.1735	0.1742	0.1774	0.1789	0.1832	0.1835	0.1855	0.1813
Kewanee Township Road District	0.2084	0.2179	0.2180	0.2163	0.2167	0.2168	0.2173	0.2173	0.2174	0.2170
City of Kewanee	2.7294	2.3552	2.2611	2.3865	2.4857	2.6888	2.8057	2.8519	2.8652	2.8526
Kewanee Park District	1.0474	1.0881	1.0573	1.0518	1.0692	1.0891	1.1188	1.1229	1.3777	1.3869
Kewanee Library District	0.6862	0.6965	0.7524	0.7627	0.7680	0.8065	0.7493	0.7286	0.7140	0.7039
Kewanee Airport	0.0128	0.0127	0.0116	0.0121	0.0123	0.0131	0.0133	0.0133	0.0134	0.0131
Kewanee School District No. 229	4.4650	4.5351	4.5267	4.5174	4.3535	4.0950	4.0929	4.2893	4.5990	4.5703
Total	\$ 10.7340	\$ 10.5077	\$ 10.4533	\$ 10.6049	\$ 10.5470	\$ 10.5604	\$ 10.6153	\$ 10.8751	\$ 11.4781	\$ 11.4397

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

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

Principal Taxpayers
Most recent Year and Ten Years Ago

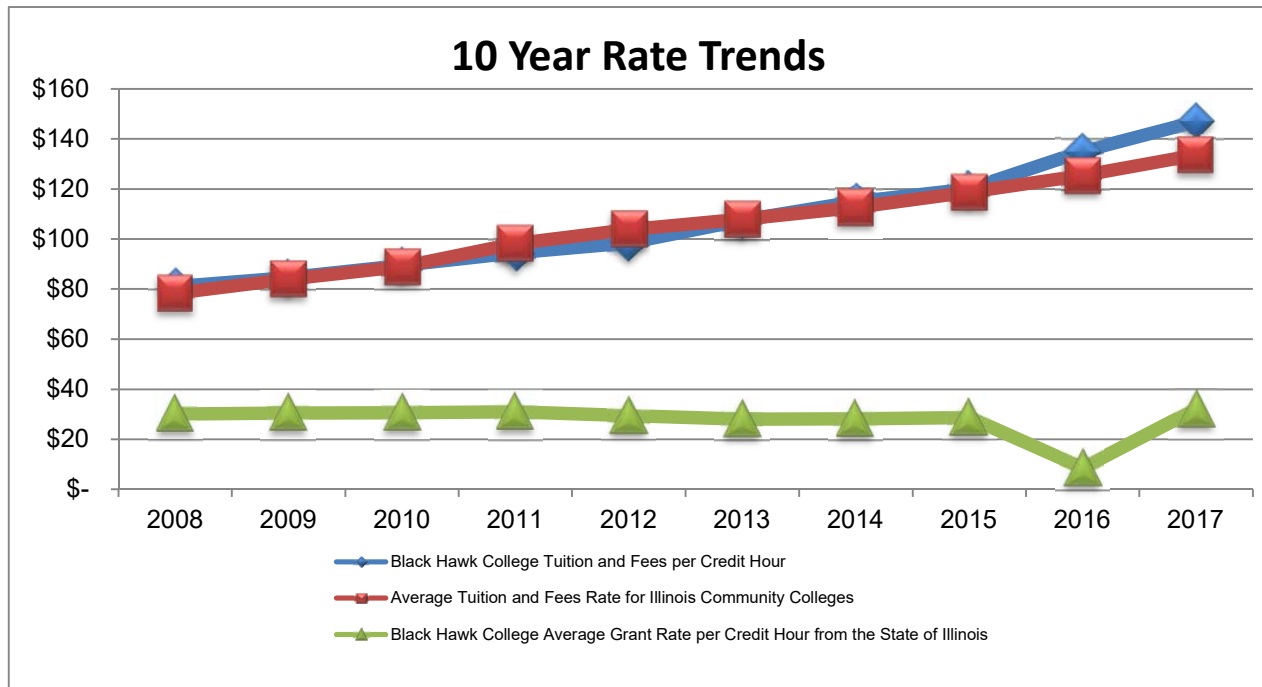
2007				2016			
Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	Rank	Percent of District's EAV
Commonwealth Edison	\$ 100,000,000	1	3.10%	Exelon Generation	\$ 155,000,000	1	4.09%
Deere and Company	39,380,077	2	1.22%	Deere and Company	29,522,793	2	0.78%
SDG Macerich/Southpark Mall	10,971,932	3	0.34%	Big River Resources Galva LLC	26,537,408	3	0.70%
Modern Woodmen of America	8,651,135	4	0.27%	Patriot Renewable Fuels LLC	23,334,664	4	0.62%
Pioneer Hi-Bred Intl. Inc.	5,683,219	5	0.18%	DNC Gaming/Jumers Casino	22,484,383	5	0.59%
PFG Thoms Proestler Co.	5,470,572	6	0.17%	Bishop Hill Energy LLC	21,853,160	6	0.58%
Barjan	4,811,002	7	0.15%	MidAmerican Renewables	9,883,535	7	0.26%
Cordova Energy Company	4,344,539	8	0.13%	SDG Macerich/Southpark Mall	9,871,086	8	0.26%
IBP Incorporated	4,167,478	9	0.13%	Modern Woodmen of America	7,781,019	9	0.21%
Walmart Stores	3,529,373	10	0.11%	BNSF Railway Company	6,814,055	10	0.18%
	<u>\$ 187,009,327</u>		<u>5.79%</u>		<u>\$ 313,082,103</u>		<u>8.27%</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
 FY2008 through FY2017

<u>Fiscal Year</u>	<u>Black Hawk College Tuition and Fees per Credit Hour</u>	<u>Average Tuition and Fees Rate for Illinois Community Colleges</u>	<u>Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois</u>	<u>Black Hawk College Total Unrestricted and Restricted Credit Hours</u>
2008	81.00	78.36	30.08	128,450
2009	84.50	84.04	30.51	124,771
2010	89.50	88.95	30.59	135,521
2011	94.50	98.26	31.08	139,479
2012	98.50	103.89	29.49	137,989
2013	107.50	107.89	28.09	135,791
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297
2016	135.00	125.42	8.57	107,308
2017	147.00	133.58	32.11	100,858



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type
FY2008 through FY2017

Fiscal Year	General Obligation Bonds	Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
2008	15,380,000	24,560	15,404,560	9,690,268,410	0.159%	58.39
2009	12,210,000	-	12,210,000	9,992,324,266	0.122%	46.28
2010	27,145,000	-	27,145,000	10,194,067,870	0.266%	102.89
2011	22,600,000	-	22,600,000	10,540,061,404	0.214%	90.40
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

Notes:

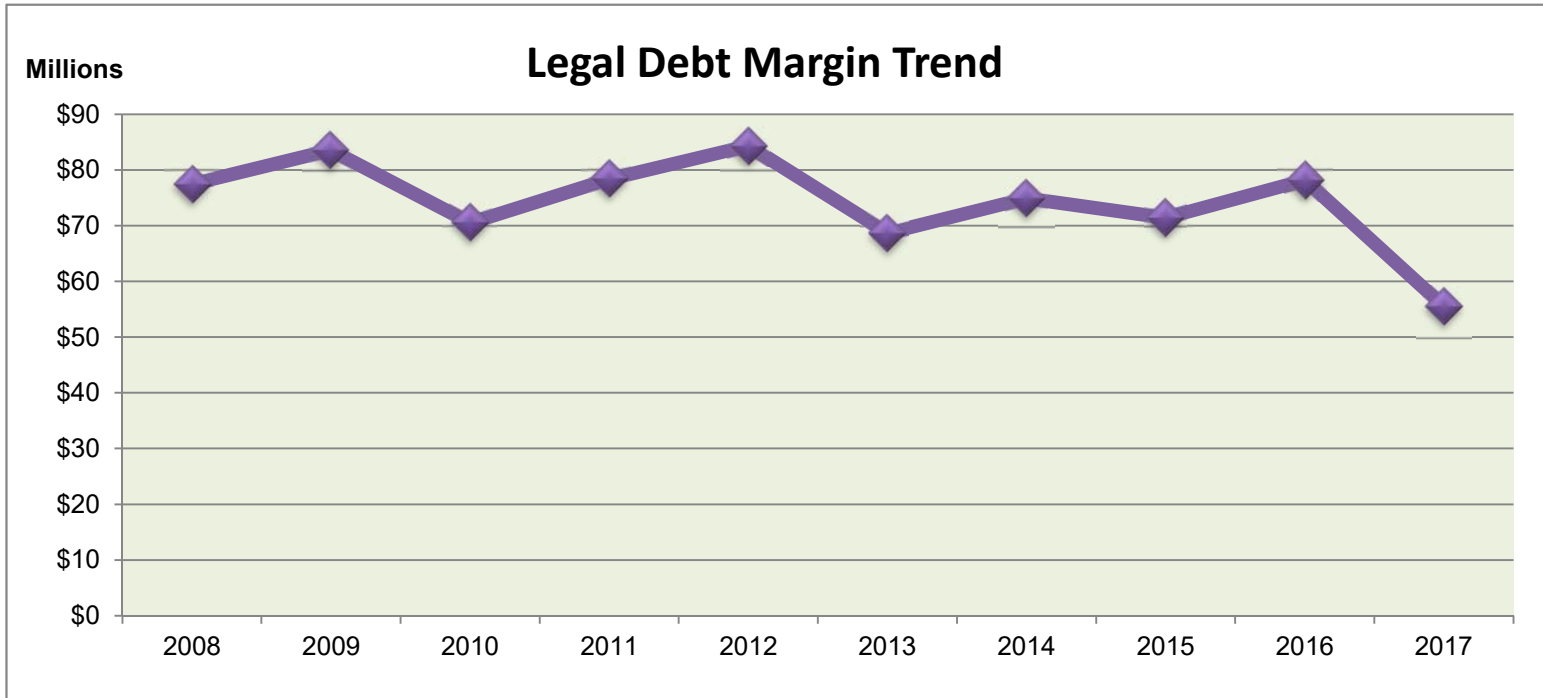
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census or the most recent American Community Survey population for each of the nine counties, included either in part or whole,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

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

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

Computation of Legal Debt Margin
FY2008 through FY2017

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit: 2.875% of Assessed Value</u>	<u>Less applicable Debt: General Obligation Bonds</u>	<u>Legal Debt Margin</u>
2008	3,229,766,461	92,855,786	15,380,000	77,475,786
2009	3,330,441,678	95,750,198	12,210,000	83,540,198
2010	3,397,682,821	97,683,381	27,145,000	70,538,381
2011	3,513,002,466	100,998,821	22,600,000	78,398,821
2012	3,550,844,563	102,086,781	17,740,000	84,346,781
2013	3,556,752,463	102,256,633	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	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

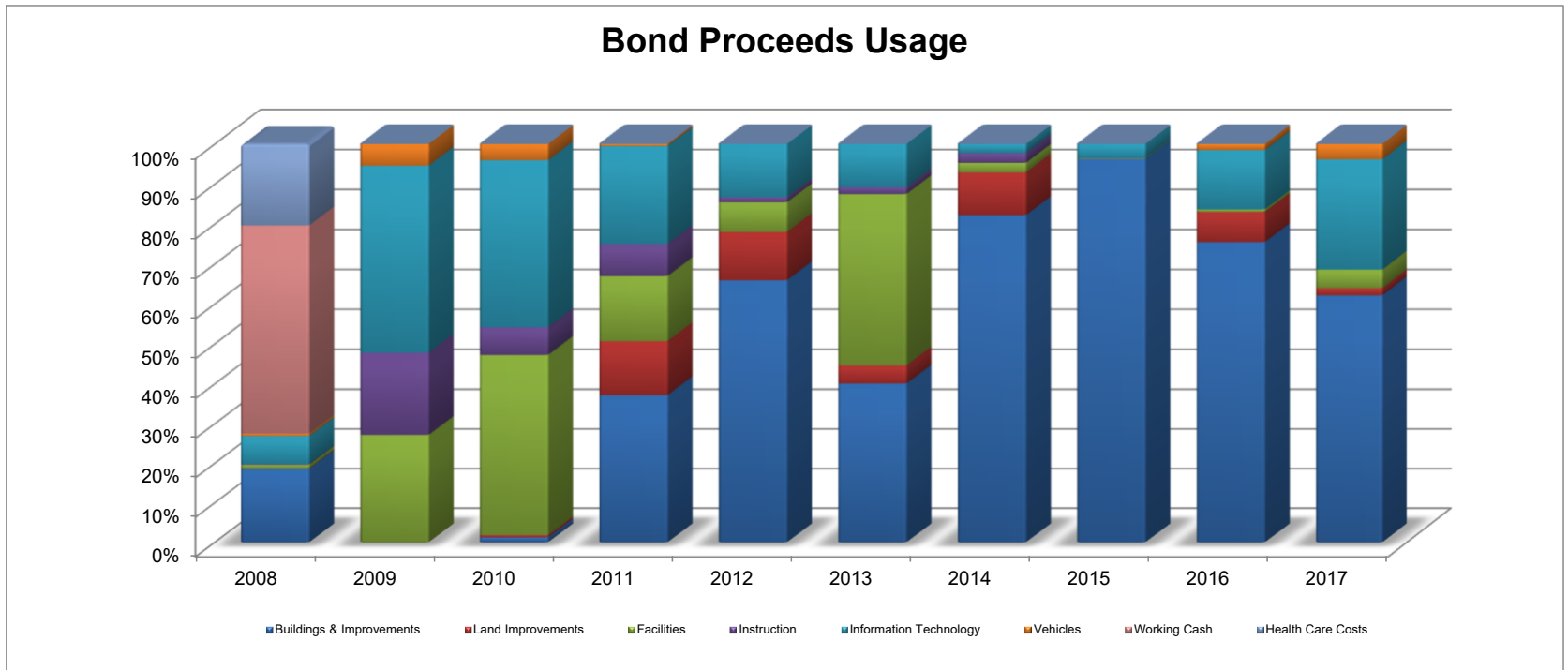


Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds
FY2008 through FY2017

Purpose	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Buildings & Improvements	\$ 1,461,284	\$ -	\$ 26,604	\$ 990,583	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615	\$ 14,027,532	\$ 7,047,573	\$ 2,923,612
Land Improvements	7,300	-	11,726	359,872	803,531	404,588	538,514	7,117	706,336	85,630
Facilities	68,408	511,727	972,659	434,725	494,661	3,821,944	122,738	15,566	57,498	216,835
Instruction	15,909	388,952	148,970	215,168	83,700	151,212	122,476	-	-	-
Information Technology	558,500	882,422	894,804	652,498	883,528	962,605	116,314	531,481	1,383,178	1,298,852
Vehicles	44,785	102,292	86,851	13,479	-	-	-	-	143,487	181,040
Working Cash	4,100,000	-	-	-	-	-	-	-	-	-
Health Care Costs	1,600,000	-	-	-	-	-	-	-	-	-
Total	\$ 7,856,186	\$ 1,885,392	\$ 2,141,614	\$ 2,666,324	\$ 6,645,086	\$ 8,908,312	\$ 5,059,657	\$ 14,581,696	\$ 9,338,072	\$ 4,705,969



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

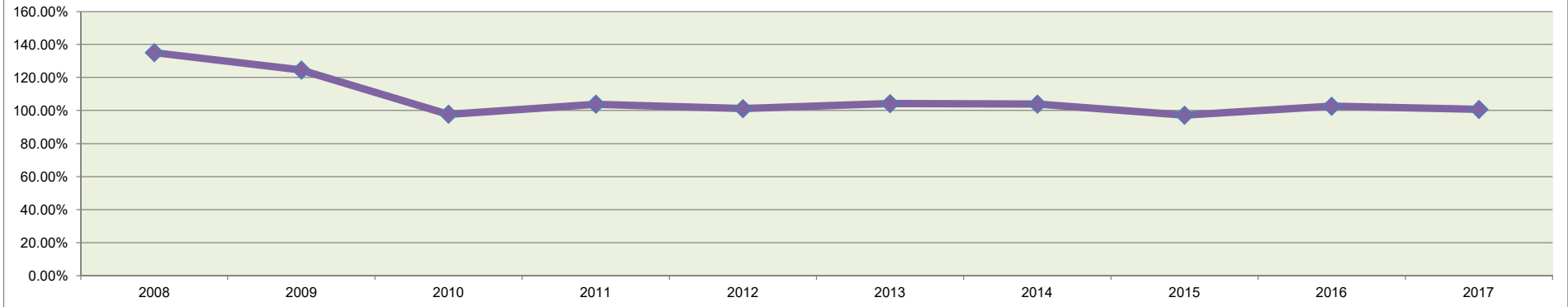
**Black Hawk College
Illinois Community College District No. 503**

Schedule of Bond Coverage
FY2008 through FY2017

General Obligation Bonds

Fiscal Year	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	2004 Bonds		2006 Bonds		2008 Bonds		2010 Bonds		2013 Bonds		2015 Bonds		2017 Bonds		Total	Coverage Ratio
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2008	3,214,755	31,313	3,246,068	1,220,000	115,539	600,000	323,597	-	144,337	-	-	-	-	-	-	-	-	2,403,473	135.06%
2009	4,707,582	40,115	4,747,697	1,265,000	70,395	1,700,000	228,689	205,000	341,700	-	-	-	-	-	-	-	-	3,810,784	124.59%
2010	5,466,013	62,113	5,528,126	1,315,000	20,547	2,500,000	74,479	1,250,000	306,770	-	190,117	-	-	-	-	-	-	5,656,913	97.72%
2011	5,444,629	54,878	5,499,507	-	-	-	-	4,145,000	189,039	400,000	563,349	-	-	-	-	-	-	5,297,388	103.82%
2012	5,452,396	49,787	5,502,183	-	-	-	-	3,000,000	50,000	1,860,000	528,513	-	-	-	-	-	-	5,438,513	101.17%
2013	5,895,161	1,171	5,896,332	-	-	-	-	-	-	5,025,000	419,263	-	216,257	-	-	-	-	5,660,520	104.17%
2014	6,418,164	1,040	6,419,204	-	-	-	-	-	-	5,150,000	296,366	-	734,767	-	-	-	-	6,181,133	103.85%
2015	6,165,655	923	6,166,578	-	-	-	-	-	-	5,300,000	145,242	-	729,996	-	169,551	-	-	6,344,789	97.19%
2016	6,249,283	981	6,250,264	-	-	-	-	-	-	2,265,000	28,313	-	729,996	2,775,000	294,825	-	-	6,093,134	102.58%
2017	6,271,258	1,171	6,272,429	-	-	-	-	-	-	-	-	835,000	706,251	4,530,000	157,500	-	715,101	6,228,751	100.70%

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)	\$5,380,000	100.00%	\$5,380,000
Knox County	2,245,000	1.70%	38,272
City of East Moline	290,000	99.87%	289,625
The City	75,570,000	99.89%	75,487,942
City of Rock Island	69,035,000	99.28%	68,539,163
City of Silvis	1,100,000	99.80%	1,097,814
Kewanee Park District	2,405,000	100.00%	2,405,000
Cambridge Fire Protection District	1,225,000	100.00%	1,225,000
Coal Valley Fire Protection District	510,000	13.19%	67,276
Hampton School District Number 29	605,000	100.00%	605,000
Silvis School District Number 34	3,480,000	100.00%	3,480,000
Carbon Cliff School District Number 36	710,000	100.00%	710,000
East Moline School District Number 37	16,540,000	100.00%	16,540,000
Colona School District Number 190	685,000	100.00%	685,000
United Township High School District Number 30	3,000,000	100.00%	3,000,000
Moline School District Number 40	18,445,000	100.00%	18,445,000
Rock Island School District Number 41	39,950,000	100.00%	39,950,000
Riverdale School District Number 100	3,495,000	100.00%	3,495,000
Stark Community Unit School District Number 100	5,830,000	100.00%	5,830,000
Sherrard Community Unit School District Number 200	10,511,760	99.94%	10,505,829
Aledo Community Unit School District Number 201	685,000	99.62%	682,395
Westmer Community Unit School District Number 203	85,000	100.00%	85,000
Community Unit School District Number 208	7,945,000	0.18%	14,301
Orion Community Unit School District Number 223	3,940,000	100.00%	3,940,000
Galva Community Unit School District Number 224	1,125,000	100.00%	1,125,000
Alwood Community Unit School District Number 225	3,445,000	100.00%	3,445,000
Annawan Community Unit School District Number 226	900,000	89.39%	804,510
Cambridge Community Unit School District Number 227	1,235,000	100.00%	1,235,000
Geneseo Community Unit School District Number 228	16,493,327	99.98%	16,489,222
Kewanee Community Unit School District Number 229	1,000,000	99.98%	999,818
Wethersfield Community Unit School District Number 230	740,000	100.00%	740,000
RKR Community Unit School District Number 300	9,740,000	99.99%	9,738,568
Mercer Community Unit School District Number 404	2,372,900	100.00%	<u>2,372,900</u>
Total Overlapping Bonded Debt			\$299,447,633

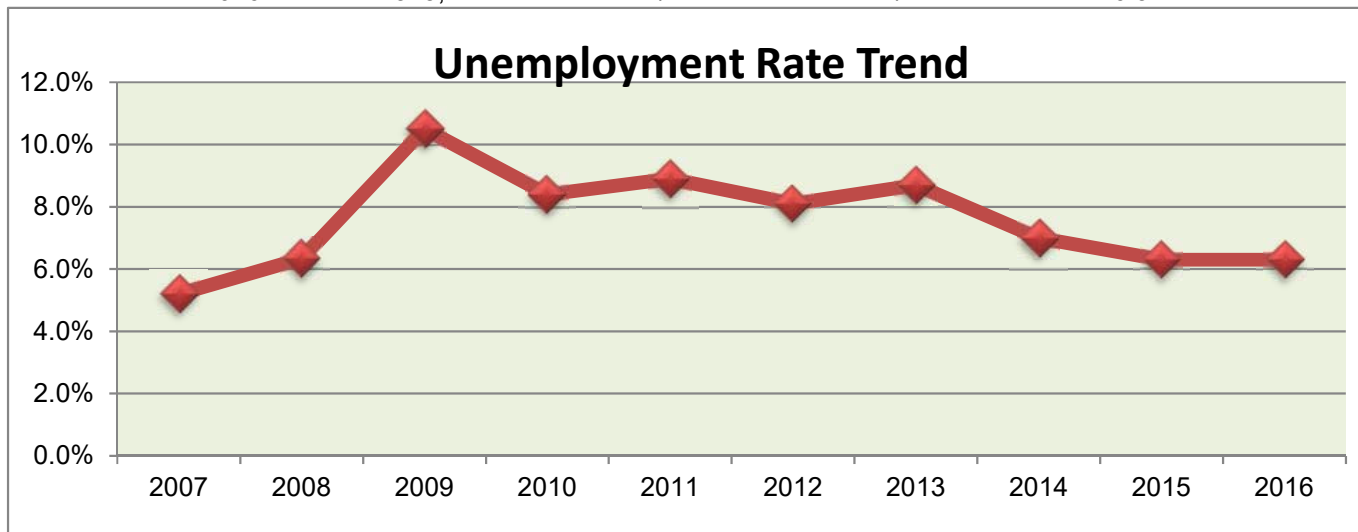
Source: Rock Island; Henry; Mercer; Whiteside; Henderson; Knox; Bureau; Stark; and Marshall County Clerks' Offices.

(1) Does not include alternate revenue bonds.

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

Demographic and Economic Statistics
Calendar Years 2007 through 2016

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	388,514	12,912,217	33,235	5.2%
2008	387,638	13,838,394	35,699	6.3%
2009	387,122	13,615,712	35,172	10.5%
2010	386,767	13,840,622	35,785	8.4%
2011	385,206	14,770,835	38,345	8.9%
2012	383,740	14,883,036	38,784	8.1%
2013	382,236	15,252,968	39,905	8.7%
2014	380,352	14,914,277	39,212	7.0%
2015	378,352	15,045,886	39,767	6.3%
2016	375,211	N/A	N/A	6.3%



- Notes: 1. Population reported above is the total population for all nine counties
 2. 2005-2012 Per Capita Personal income is calculated by taking the average of nine counties. 2013 was calculated by taking the sum of all 9 counties person income estimates multiplied by 1,000 then, dividing this amount by the total population of the District.
 3. N/A = Information Not Available at time of report

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

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

Principal Employers
FY2007 compared to FY2016

Rock Island County							
2007				2016			
Employer	Product/Service	Approx # of Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Rock Island Arsenal	Defense manufacturing	6,000+	7.82%	Deere & Company	Construction and agricultural equipment	6,400	9.55%
Deere & Company	Construction and agricultural equipment	5,000+	6.51%	Rock Island Arsenal	Defense manufacturing	6,301	9.41%
Tyson Fresh Meats	Food processing	2,500+	3.26%	Unity Point-Trinity/Rock Island & Moline	Healthcare System	4,748	7.09%
Trinity Medical Center	Health care systems	2,000+	2.61%	Tyson Fresh Meats	Food Processing	2,400	3.58%
Exelon Energy	Utility energy delivery	700+	0.91%	Black Hawk College	Community College	1,006	1.50%
Black Hawk College District #503	Community College	700+	0.91%	Moline Community School District #40	K - 12 Education	1,002	1.50%
Moline Community School District #40	K - 12 Education	600+	0.78%	XPAC (Export Packing, Inc.)	Supply-chain Solutions Provider	1,000	1.49%
XPAC (Export Packing, Inc.)	Supply-chain Solutions Provider	580+	0.76%	Rock Island School District #41	K - 12 Education	937	1.40%
Rock Island School District #41	K - 12 Education	500+	0.65%	HyVee (all Rock Island County locations)	Retail	920	1.37%
Kone, Inc.	Corporate headquarters; elevators, escalators and autowalks installation and maintenance for vertical transportation industry	450+	0.59%	Exelon Energy	Utility energy delivery	800	1.19%

Henry County							
2007				2016			
Employer	Product/Service	Employees	Percentage of Total Employment	Employer	Product/Service	Employees	Percentage of Total Employment
Henry County Public Schools	Education	1,097	3.94%	Great Dane Trailers	Manufactures semi-truck trailers	700	2.97%
Great Dane Trailers	Manufactures semi-truck trailers	550	1.98%	Henry County School District	Education	581	2.47%
Henry County Government (includes Hill Crest Home and Health Department)	Government	530	1.90%	Kewanee City Government, Park District, Health Department and Prison	Government	534	2.27%
Kewanee Hospital	Health care	450	1.62%	Henry County Government	Government	500	2.12%
Bomag Americas	Manufacturing	270	0.97%	Hammond - Henry Hospital	Health Care	260	1.10%
Hammond -Henry Hospital	Health care	200	0.72%	Springfield Armory (Geneseo)	Government	251	1.07%
Walmart Supercenter	Retail	200	0.72%	Walmart Supercenter	Retail	250	1.06%
Wyffels Enterprises	Seed corn manufacturing	150	0.54%	OSF St. Luke Medical Family Health	Health care	250	1.06%
Black Hawk College - East Campus	Community College	150	0.54%	KONE Inc.	Manufacturing	190	0.81%
Boss Manufacturing	Manufactures gloves, boots & rainwear	150	0.54%	Excelled Sheepskin & Leather	Factory/Retail	150	0.64%

Notes:

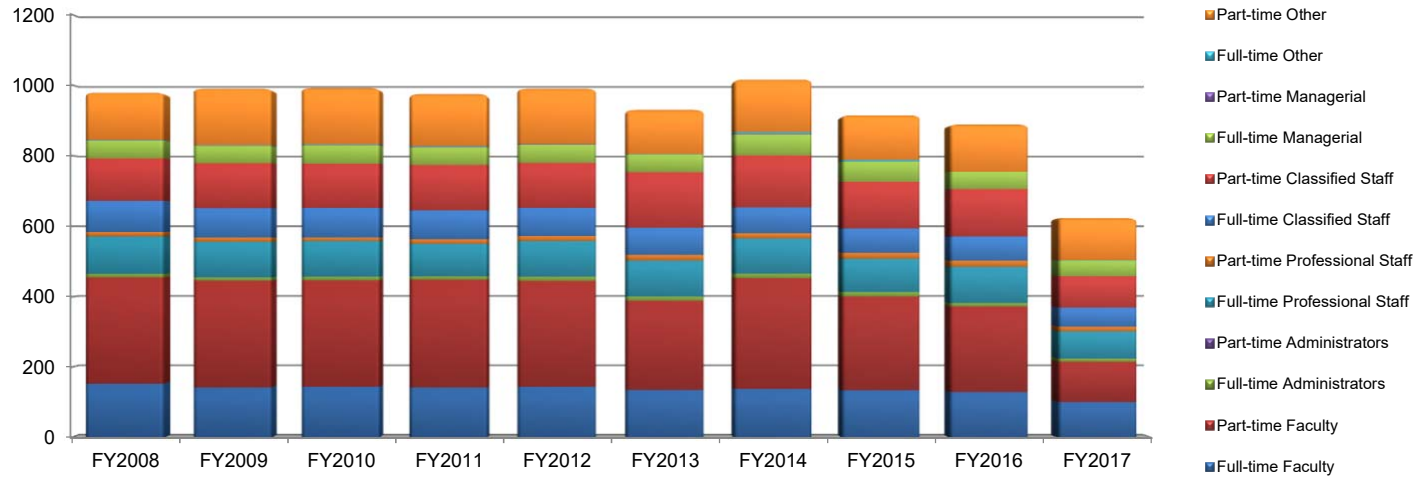
1. The FY2007 comparable information is the most current information available from Henry County Economic Development Partnership.

Sources: Rock Island County, Illinois Annual Financial Report
Bi-State Regional Commission
Illinois Department of Employment Security (IDES)

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

Faculty and Staff Headcount
FY2008 through FY2017

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Faculty										
Full-time	154	143	145	143	145	136	139	135	130	102
Part-time	301	303	302	306	300	253	314	266	243	114
Administrators										
Full-time	10	9	10	9	12	12	13	13	10	9
Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Full-time	51	49	52	51	52	51	60	57	49	44
Part-time	1	1	2	2	2	1	2	1	0	0
Professional Staff										
Full-time	106	101	101	92	101	102	99	94	102	77
Part-time	13	12	10	13	14	16	15	17	18	14
Classified Staff										
Full-time	88	83	84	82	80	77	73	69	68	54
Part-time	120	127	125	128	127	157	147	132	134	89
Other										
Full-time	1	1	1	1	0	0	4	4	0	1
Part-time	133	160	159	147	156	124	149	126	134	119
Total Employees										
Full-time	410	386	393	378	390	378	388	372	359	287
Part-time	568	603	598	596	599	551	627	542	529	336
Grand Total	978	989	991	974	989	929	1,015	914	888	623

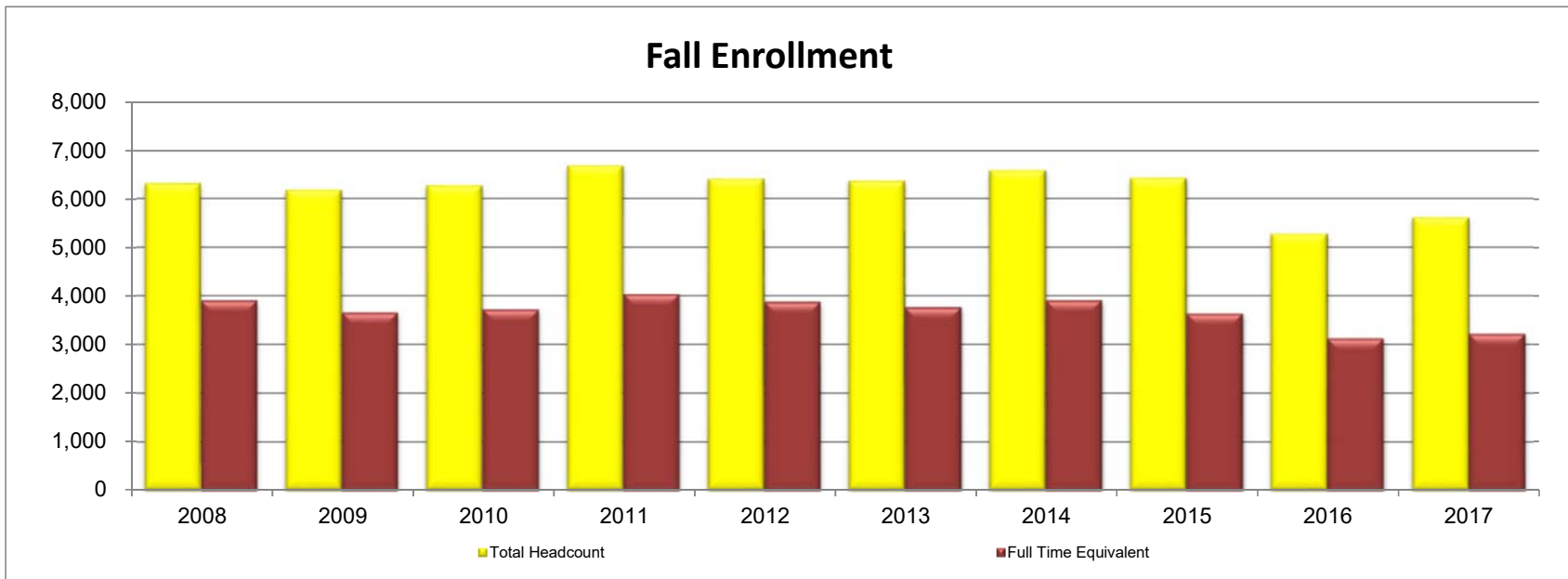


Source: ICCB Salary Survey C1 Report

Black Hawk College
Illinois Community College District No. 503

Student Enrollment Demographic Statistics
 FY2008 through FY2017

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status					Age	
	Full Time Equivalent	Total Headcount	Male	Female	Full Time	Part Time	Continuing Student	New Student	Transfer Student	Readmit Student	Degreed	High School Student	Average Age
2008	3,905	6,311	2,539	3,772	2,884	3,427	3,288	1,458	334	1,231	NR	NR	26.6
2009	3,651	6,179	2,461	3,718	2,622	3,557	3,157	1,387	306	1,329	NR	NR	27.5
2010	3,722	6,267	2,492	3,775	2,715	3,552	3,115	1,291	564	1,297	NR	NR	27.7
2011	4,031	6,677	2,746	3,931	2,940	3,737	3,218	1,429	240	1,489	301	NR	27.4
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	NR	27.3
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	663	27.2
2014	3,902	6,574	2,666	3,908	2,581	3,993	1,857	974	297	2,369	308	769	27.2
2015	3,635	6,416	2,629	3,678	2,346	3,961	1,510	912	365	2,269	271	1,089	26.2
2016	3,126	5,271	2,172	3,099	2,019	3,252	1,697	928	232	1,260	216	938	25.2
2017	3,215	5,613	2,369	3,244	2,009	3,604	1,952	1,587	237	510	242	1,085	25.5



Source: ICCB E1 Report
 NR = Not Recorded

Black Hawk College
Illinois Community College District No. 503

Financial Aid Recipients
FY2008 through FY2017

Type of Aid	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017*
Federal Aid										
College Work Study	157	85	117	88	97	93	103	93	73	68
PELL Grant	2,198	2,003	2,545	3,068	3,015	2,679	2,509	2,356	1,944	1,787
SEOG	497	446	366	635	248	405	796	336	298	387
Stafford Loan - subsidized	709	509	456	508	722	775	645	569	453	403
Stafford Loan - unsubsidized	312	296	266	283	334	668	592	486	428	450
PLUS (Parent) Student Loan	15	13	10	15	15	12	13	14	14	16
Chapter 33 (a GI Bill fund)	0	0	40	70	79	69	78	75	77	88
Other Federal Military/Veteran's Aid ¹	-	-	-	-	-	-	-	-	-	104
State Aid										
MAP Grant	1,575	1,293	993	1,030	1,136	914	799	740	494	694
IL Veterans Grant (IVG)	195	154	178	151	134	131	104	81	73	60
National Guard	41	31	37	31	43	36	27	17	17	21
POW/MIA Dependents	10	7	8	6	5	5	6	7	6	5
DORS	23	10	14	23	29	28	32	45	49	48
Local Aid										
Private Grant/Scholarship	210	192	241	238	293	263	251	264	277	239
Achievement Awards	345	430	403	370	320	321	354	324	286	258
Foundation Scholarships	202	201	218	223	205	221	228	247	268	245
Donor Scholarships	34	41	112	31	25	26	107	56	17	12
TOTAL	6,523	5,711	6,004	6,770	6,700	6,646	6,644	5,710	4,774	4,885

*FY2017 totals reflect YTD payments through 08/22/2017, and are complete for the 16-17 financial aid year with the exception of any possible late adjustments.

*FY2017 totals for Illinois Veterans Grant (IVG), National Guard, and POW/MIA funds are current from Financial Aid. Other veteran funds, such as Chapter 33 and other GI Bill funds, are gathered from the Coordinator of Veterans Services.

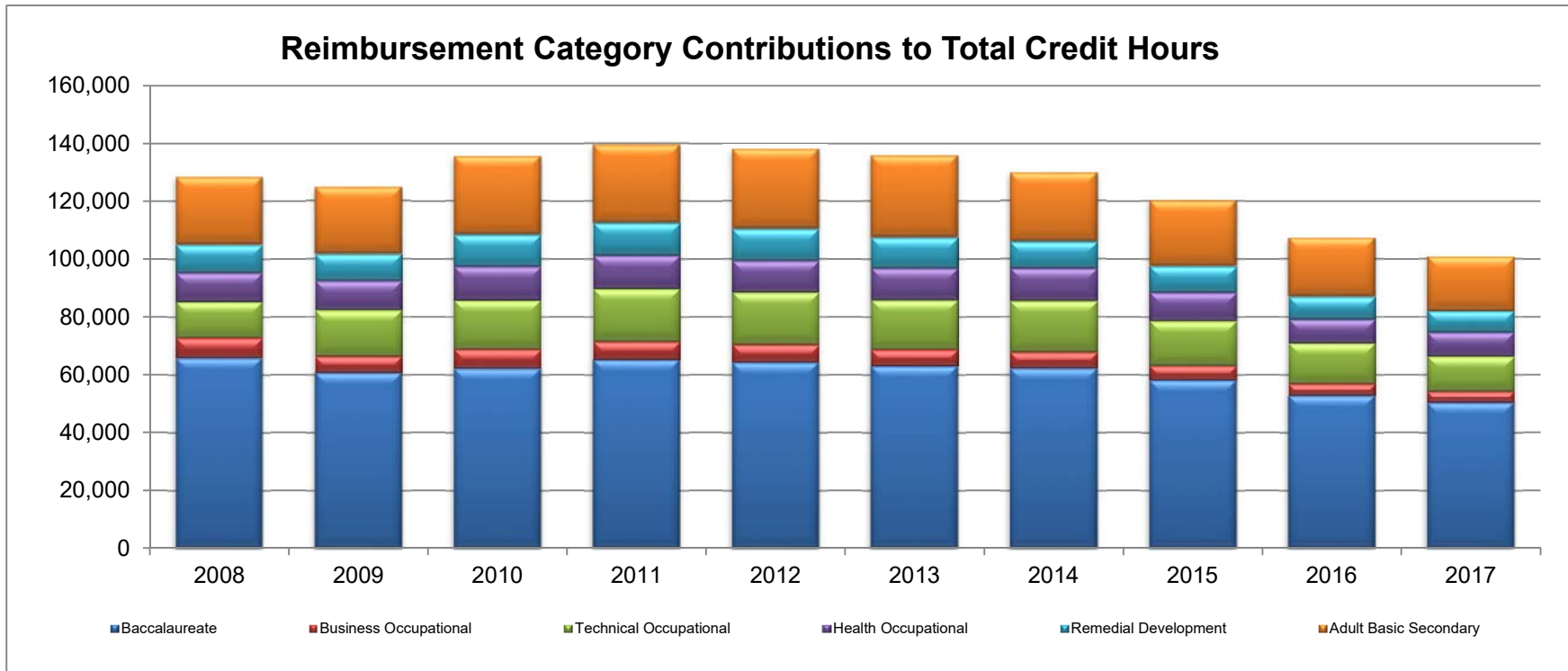
Note 1: Other Federal Military/Veteran's Aid has begun to be included in the FY2017 reporting. It includes Chapter 30 - Montgomery GI Bill Active Duty, Chapter 31 - Vocational Rehabilitation, Chapter 35 - Survivors' & Dependents' Assistance, Chapter 1606 - Montgomery GI Bill Selected Reserve, and Chapter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

Source: BHC Financial Aid Database

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories
FY2008 through FY2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	% Change 2008 vs. 2017
Baccalaureate	65,866.3	60,658.2	62,219.0	65,304.7	64,300.2	63,117.0	62,224.2	58,180.8	52,849.3	50,448.9	-23.41%
Business Occupational	6,976.0	5,756.6	6,633.1	6,284.3	6,177.5	5,660.4	5,604.5	5,161.9	4,095.5	3,882.9	-44.34%
Technical Occupational	12,516.8	15,920.1	16,956.0	18,238.5	17,967.3	17,165.0	17,687.1	15,326.4	13,994.2	12,020.8	-3.96%
Health Occupational	10,025.6	10,119.6	11,690.7	11,510.2	11,028.1	11,012.9	11,236.6	9,826.1	8,322.5	8,444.7	-15.77%
Remedial Development	9,670.0	9,218.0	10,957.0	11,172.0	10,915.0	10,521.0	9,149.0	9,051.0	7,763.0	7,289.0	-24.62%
Adult Basic Secondary	23,395.0	23,098.0	27,065.3	26,969.0	27,600.5	28,314.9	23,853.8	22,751.2	20,283.9	18,771.4	-19.76%
Total	128,449.7	124,770.5	135,521.1	139,478.7	137,988.6	135,791.2	129,755.2	120,297.4	107,308.4	100,857.7	-21.48%



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
 FY2008 through FY2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Buildings - Permanent	19	19	19	19	19	21	21	21	23	25
Total acres	271.9	271.9	271.9	271.9	271.9	272.8	273.0	275.2	273.0	231.6*
Net Assignable Square Feet:										
Classrooms and general use	74,977	71,702	71,968	71,831	74,429	78,033	75,935	80,797	86,218	88,025
Laboratory	130,723	128,713	128,713	129,373	131,001	137,122	140,870	138,268	154,546	153,664
Office	61,034	59,693	59,225	59,601	61,536	62,340	69,080	70,640	77,523	75,799
Study	24,491	24,307	24,307	24,307	24,873	24,873	24,873	20,095	20,043	25,776
Special use (Athletics, PE)	45,448	47,353	45,448	45,448	45,448	45,569	44,887	44,887	44,887	50,762
General use (Theater)	36,138	32,977	34,882	33,181	34,437	35,193	34,005	34,101	38,875	40,817
Support functions	29,874	29,014	29,216	29,154	32,401	33,357	35,210	36,882	39,730	41,259
Unassigned	-	-	-	-	-	-	2,719	3,363	940	-
Total	<u>402,685</u>	<u>393,759</u>	<u>393,759</u>	<u>392,895</u>	<u>404,125</u>	<u>416,487</u>	<u>427,579</u>	<u>429,033</u>	<u>462,762</u>	<u>476,102</u>
Parking capacity:										
On campus parking spots	1,920	1,920	1,920	1,920	1,920	1,935	2,004	2,004	2,004	2,191
Acres	21	21	21	21	21	21	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 eliminated from the total in FY2017

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

Miscellaneous Statistics
Year ended June 30, 2017

Year Founded 1946

District Data

Population (approximation) 219,981

Communities served include:

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

Accreditation

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

2023

Degree and Certificates Awarded in Fiscal Year 2017

Associate in Arts	239
Associate in Science	122
Associate in Liberal Studies	4
Associate in Applied Science	192
Associate in Fine Arts	0
Certificates	288

Source: College records

ICCB Supplemental Information

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

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2016	2015	2014
Equalized assessed valuations:			
Bureau County	24,913,036	23,397,021	22,712,244
Henderson County	2,703,560	2,497,652	2,310,008
Henry County	857,434,514	834,232,166	826,267,674
Knox County	14,387,481	13,852,210	13,415,771
Marshall County	119,928	119,088	113,078
Mercer County	245,476,741	240,473,381	237,269,016
Rock Island County	2,474,147,974	2,393,046,514	2,361,621,854
Stark County	102,757,626	100,261,211	97,046,510
Whiteside County	64,746,214	60,862,308	59,208,558
	<u>3,786,687,074</u>	<u>3,668,741,551</u>	<u>3,619,964,713</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1172	0.1200	0.1200
Operations and Maintenance Fund	0.0684	0.0700	0.0700
Bond and Interest Fund	0.1664	0.1704	0.1726
Liability, Protection, and Settlement Fund	0.0610	0.0588	0.0584
Audit Fund	0.0026	0.0012	0.0008
Operations and Maintenance, restricted	0.0490	0.0500	0.0486
Equity	0.1072	0.0894	0.0781
	<u>0.5718</u>	<u>0.5598</u>	<u>0.5485</u>
Tax extensions:			
Education Fund	\$ 6,995,255	\$ 6,465,519	\$ 6,209,905
Operations and Maintenance Fund	4,098,348	3,784,945	3,495,221
Bond and Interest Fund	6,306,475	6,251,536	6,248,059
Liability, Protection, and Settlement Fund	2,056,781	2,157,220	2,114,059
Audit Fund	98,061	44,025	28,960
Operations and Maintenance, restricted	2,111,888	1,834,371	1,759,303
	<u>\$ 21,666,808</u>	<u>\$ 20,537,616</u>	<u>\$ 19,855,507</u>
Less tax collections (cumulative through June 30, 2017):			
Education Fund	\$ 2,751,073	\$ 6,426,828	\$ 6,194,227
Operations and Maintenance Fund	1,611,587	3,762,295	3,486,396
Bond and Interest Fund	2,479,042	6,209,856	6,232,285
Liability, Protection, and Settlement Fund	824,434	2,144,311	2,108,722
Audit Fund	38,340	43,762	28,887
Operations and Maintenance, restricted	814,387	1,823,392	1,754,861
	<u>\$ 8,518,863</u>	<u>\$ 20,410,444</u>	<u>\$ 19,805,378</u>
Taxes receivable:			
Tax receivable	\$ 13,147,945	\$ 96,824	\$ 21,323
Written off	-	(76,286)	(1,468)
Allowance for uncollectible taxes	(60,776)	(20,538)	(19,855)
	<u>\$ 13,087,169</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes receivable by fund:			
Education Fund	\$ 4,219,621	\$ 3,882,030	\$ -
Operations and Maintenance Fund	2,472,371	2,272,559	-
Bond and Interest Fund	3,805,291	3,755,262	-
Liability, Protection, and Settlement Fund	1,225,190	1,295,240	-
Audit Fund	59,377	26,434	-
Operations and Maintenance, restricted	1,294,247	1,101,394	-
	<u>\$ 13,076,097</u>	<u>\$ 12,332,918</u>	<u>\$ -</u>
Percentage of extensions collected	<u>39.32%</u>	<u>99.38%</u>	<u>99.75%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2016 levy	<u>\$ 3,786,687,074</u>
Debt limit, 2.875% of assessed valuation	\$ 108,867,253
Bonded indebtedness	<u>(53,357,758)</u>
Legal debt margin	<u>\$ 55,509,495</u>

Certification of Chargeback Reimbursement for Fiscal Year 2018

All Fiscal Year 2017 Noncapital Audited Operating Expenditures from the Following Funds

1 Education Fund	\$ 27,326,762	
2 Operations and Maintenance Fund	3,976,708	
3 Operations and Maintenance Fund - restricted	-	
4 Bond and Interest Fund	-	
5 Public Building Commission Rental Fund	-	
6 Restricted Purposes Fund	10,806,926	
7 Audit Fund	68,550	
8 Liability, Protection, and Settlement Fund	1,642,275	
9 Auxiliary Enterprises Fund (Subsidy Only)	-	
	<hr/>	
10 Total noncapital expenditures		\$ 43,821,221
11 Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment) paid from sources other than state and federal funds		<hr/> 1,713,412
12 Total costs included (line 10 plus line 11)		<hr/> 45,534,633
13 Total certified semester credit hours for FY 2017	<hr/> 100,857.70	
14 Per capita cost (line 12 divided by line 13)		<hr/> 451.47
15 All fiscal year 2017 state and federal operating grants for noncapital expenditures, except ICCB grants	<hr/> 9,462,439	
16 Fiscal year 2017 state and federal grants per semester credit hour (line 15 divided by line 13)		<hr/> 93.82
17 District's average ICCB grant rate (excluding equalization grants) for fiscal year 2018		<hr/> 32.45
18 District's student tuition and fee rate per semester credit hour for fiscal year 2018		<hr/> 149.00
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)		<hr/> \$ 176.20

Approved:  Date: October 11, 2017

Approved:  Date: October 11, 2017

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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, 2017

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning	\$ 6,077,010	\$ 1,457,930	\$ 3,048,701
Revenues:			
Local tax revenue	6,764,987	3,911,863	6,272,429
All Other Local Revenue	1,336,110	148,091	-
ICCB grants	8,146,460	627,146	-
All other state revenue	21,634	-	-
Federal revenue	38,234	-	-
Student tuition and fees	15,982,052	126,387	-
All other revenue	583,810	286,545	12,414
Total revenues	32,873,287	5,100,032	6,284,843
Expenditures:			
Instruction	11,668,177	-	-
Academic support	3,416,922	-	-
Student services	2,629,782	-	-
Public service	615,735	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,976,708	-
Institutional support	5,185,197	-	6,944,352
Scholarships, student grants and waivers	3,810,949	-	-
Total expenditures	27,326,762	3,976,708	6,944,352
Net transfers	-	-	-
Fund balance, end of year	\$ 11,623,535	\$ 2,581,254	\$ 2,389,192

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 9,515,819	\$ 377,799	\$ 1,556,420	\$ 13,238,255	\$ 104,536	\$ 2,798,225	\$ 38,174,695
1,958,428	-	-	-	70,070	2,100,118	21,077,895
31,978,591	-	-	-	-	-	33,462,792
-	-	585,953	-	-	-	9,359,559
7,416	-	1,426,675	-	-	-	1,455,725
-	-	7,393,381	-	-	-	7,431,615
-	185,650	609,440	-	-	-	16,903,529
277,248	2,244,028	758,961	93,051	600	18,896	4,275,553
34,221,683	2,429,678	10,774,410	93,051	70,670	2,119,014	93,966,668
-	-	514,300	-	-	-	12,182,477
-	-	1,052,895	-	-	-	4,469,817
-	-	688,355	-	-	-	3,318,137
-	-	683,488	-	-	-	1,299,223
-	2,437,964	110,707	-	-	-	2,548,671
6,174,494	-	2,594	-	-	685,171	10,838,967
1,823,796	-	3,031	-	68,550	957,104	14,982,030
-	-	7,751,556	-	-	-	11,562,505
7,998,290	2,437,964	10,806,926	-	68,550	1,642,275	61,201,827
-	-	-	-	-	-	-
\$ 35,739,212	\$ 369,513	\$ 1,523,904	\$ 13,331,306	\$ 106,656	\$ 3,274,964	\$ 70,939,536

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

**Uniform Financial Statement No. 2 - Summary of Capital Assets and Debt
Year ended June 30, 2017**

	Capital Asset/Debt		Capital Asset/Debt	
	June 30, 2016	Additions	Deletions	June 30, 2017
Capital Assets:				
Land	\$ 8,830,423	\$ 1,547,260	\$ -	\$ 10,377,683
Building and improvements	79,448,719	7,599,295	(168,595)	86,879,419
Equipment	9,477,773	1,057,424	(601,680)	9,933,517
Other	7,332,728	5,397,189	(10,156,740)	2,573,177
	105,089,643	15,601,168	(10,927,015)	109,763,796
Accumulated depreciation	(27,561,864)	(2,372,917)	631,583	(29,303,198)
Total capital assets	\$ 77,527,779	\$ 13,228,251	\$ (10,295,432)	\$ 80,460,598
Capital Debt:				
Bonds payable	\$ 26,580,000	28,955,000	\$ (5,365,000)	\$ 50,170,000
Total capital debt	\$ 26,580,000	\$ 28,955,000	\$ (5,365,000)	\$ 50,170,000

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 6,764,987	\$ 3,911,863	\$ 10,676,850
Corporate personal property replacement tax	1,332,819	148,091	1,480,910
Chargeback revenue	3,291	-	3,291
	8,101,097	4,059,954	12,161,051
State government:			
ICCB credit hour grants	3,292,515	627,146	3,919,661
ICCB equalization grants	4,457,000	-	4,457,000
ICCB - Career and Technical Education	396,945	-	396,945
Other state revenue	21,634	-	21,634
	8,168,094	627,146	8,795,240
Federal government:			
Department of Education	28,220	-	28,220
Other	10,014	-	10,014
	38,234	-	38,234
Student tuition and fees:			
Tuition	14,670,685	-	14,670,685
Fees	1,311,367	126,387	1,437,754
	15,982,052	126,387	16,108,439
Other sources:			
Sales and service fees	450,367	7,289	457,656
Facilities revenue	22,706	253,916	276,622
Investment revenue	47,704	10,344	58,048
Other	63,033	14,996	78,029
	583,810	286,545	870,355
Total revenues	32,873,287	5,100,032	37,973,319
Less nonoperating item, tuition chargeback revenue	(3,291)	-	(3,291)
Adjusted revenues	\$ 32,869,996	\$ 5,100,032	\$ 37,970,028

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2017**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 11,668,177	\$ -	\$ 11,668,177
Academic support	3,416,922	-	3,416,922
Student services	2,629,782	-	2,629,782
Public service	615,735	-	615,735
Operations and maintenance	-	3,976,708	3,976,708
Institutional support	5,185,197	-	5,185,197
Scholarships, student grants and waivers	3,810,949	-	3,810,949
Total expenditures	<u>27,326,762</u>	<u>3,976,708</u>	<u>31,303,470</u>
Less nonoperating item, tuition chargeback	(17,674)	-	(17,674)
Transfers, net	-	-	-
Adjusted expenditures	<u>\$ 27,309,088</u>	<u>\$ 3,976,708</u>	<u>\$ 31,285,796</u>
By object:			
Salaries	\$ 17,075,669	\$ 1,572,713	\$ 18,648,382
Employee benefits	4,125,960	433,878	4,559,838
Contractual services	815,963	468,751	1,284,714
General materials and supplies	1,106,654	238,580	1,345,234
Conference and meeting expenses	146,353	3,442	149,795
Fixed charges	27,993	189,734	217,727
Utilities	1,930	1,053,648	1,055,578
Capital outlay	19,107	14,747	33,854
Other	4,007,133	1,215	4,008,348
Total expenditures	<u>27,326,762</u>	<u>3,976,708</u>	<u>31,303,470</u>
Less nonoperating item, tuition chargeback	(17,674)	-	(17,674)
Transfers, net	-	-	-
Adjusted expenditures	<u>\$ 27,309,088</u>	<u>\$ 3,976,708</u>	<u>\$ 31,285,796</u>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2017**

Revenues by source:	
Local government	\$ -
State government:	
ICCB:	
Adult Education and Family Literacy	480,845
Early School Leaver	51,725
State Program Improvement	33,853
Illinois Veterans Grant	19,530
Illinois State Board of Education:	
Truancy and Alternative Education	174,418
Growing Agricultural Science Teachers	8,016
Illinois Department of Health & Human Services	
Department of Vocational Rehab	156,735
Illinois Department of Transportation	
Highway Construction Careers Training Program	239,324
Illinois Student Assistance Center	
Monetary Assistance Program	848,182
Total state government	<u>2,012,628</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	137,999
Pell Grant	5,600,605
Supplemental Educational Opportunity Grant (SEOG)	129,714
Carl D. Perkins Vocational and Applied Technology Program	321,034
Local Programs of Study Implementation	9,000
Dual Credit Enhancement	5,000
Career Pathways Enhancement	5,000
Bridging the Gap	5,209
Special Student Services	365,436
Adult Education and Family Literacy, Federal Basic Program	227,200
Adult Education English Language/Civics	36,050
Department of Labor	
TEAM	84,537
CareerLINK	78,523
Other Sources:	
Department of Justice	2,594
Department of Transportation	80,201
Veteran's Administration	305,279
Total federal government	<u>7,393,381</u>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2017**

Revenues by source (Continued):

Other sources:

Gifts from donors for scholarships	574,019
Student Fees	609,440
Student clubs and internal restricted funds	184,942
Total other	<u>1,368,401</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 10,774,410</u></u>

Expenditures by program:

Instruction	\$ 514,300
Academic support	1,052,895
Student services	688,355
Public service/continuing education	683,488
Auxiliary services	110,707
Operations and maintenance	2,594
Institutional support	3,031
Scholarships, student grants and waivers	7,751,556
Total expenditures by program	<u><u>\$ 10,806,926</u></u>

Expenditures by object:

Salaries	\$ 1,417,450
Employee benefits	380,781
Contractual services	761,727
General materials and supplies	282,684
Conference and meeting expenses	107,077
Fixed charges	38,128
Utilities	107,472
Capital outlay	13,385
Other	7,698,222
Total expenditures by object	<u><u>\$ 10,806,926</u></u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2017

Instruction	\$ 12,182,477
Academic support:	
Library center	449,987
Instructional materials center	215,041
Educational materials center	3,829
Academic computing support	1,600,842
Academic administration and planning	2,094,568
Other	105,550
Total academic support	4,469,817
Student services:	
Admissions and records	645,735
Counseling and career guidance	1,493,781
Financial aid administration	474,779
Social and cultural development	808
Other	703,034
Total student services	3,318,137
Public service/continuing education:	
Community education	164,534
Customized training (instructional)	289,920
Community services	607,268
Other	237,501
Total public service/continuing education	1,299,223
Auxiliary services	2,548,671
Operations and maintenance of plant:	
Maintenance	827,087
Custodial services	1,055,103
Grounds	350,951
Campus security	786,027
Utilities	1,234,312
Rental	-
Administration	410,993
Total operations and maintenance	4,664,473
Institutional support:	
Executive office	769,043
Fiscal operations	782,132
Community relations	1,047,122
Administrative support services	914,203
Board of Trustees	30,341
General institution	2,119,030
Administrative data processing	522,968
Other	29,043
Total institutional support	6,213,882
Scholarships, student grants and waivers	11,562,505
Total current funds expenditures	\$ 46,259,185

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2017**

Fund Balances - Uniform Financial Statements	\$ 70,939,536
Capital assets in the Investment in Plant Fund	80,460,598
Long-term debt in the General Long Term Debt Fund	<u>(50,170,000)</u>
Fund Balances - All Fund Types	<u><u>\$ 101,230,134</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2017**

Change in Fund Balances - Uniform Financial Statements	\$ 32,764,841
Additions to buildings and equipment	5,444,428
Depreciation and loss of disposal of assets	<u>(2,511,609)</u>
Net Effect	<u>2,932,819</u>
Payment on long-term debt	5,365,000
Issuance of long-term debt	<u>(28,955,000)</u>
Net Effect	<u>(23,590,000)</u>
SURS revenue provided by state	12,612,222
SURS expenditure provided by state	<u>(12,612,222)</u>
Net Effect	<u>-</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 12,107,660</u></u>

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ICCB State Grants Financial Compliance Section

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

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, 2017, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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, 2017, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States of America.

Compliance

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy 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 of America. Our opinion is not modified with respect to this matter.

Wipac LLP

Sterling, Illinois
October 11, 2017

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

**Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2017**

	State Basic	Performance	Total
Assets			
Cash	\$ -	\$ -	\$ -
Receivable from ICCB	285,860	194,985	480,845
Due from other funds	-	-	-
Prepaid Expenses	-	179	179
Total assets	<u>\$ 285,860</u>	<u>\$ 195,164</u>	<u>\$ 481,024</u>
Liabilities			
Accounts payable	\$ 400	\$ 75	\$ 475
Accrued salaries	-	939	939
Due to other funds	285,460	194,150	479,610
Total liabilities	<u>\$ 285,860</u>	<u>\$ 195,164</u>	<u>\$ 481,024</u>
Fund balance			
Reserved for encumbrances	-	-	-
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Adult Education and Family Literacy Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2017**

	State Basic	Performance	Total
Revenues, state sources	<u>\$ 285,860</u>	<u>\$ 194,985</u>	<u>\$ 480,845</u>
Expenditures:			
Current year's grant:			
Instruction	188,253	133	188,386
Social work services	-	-	-
Guidance services	26,293	62,346	88,639
Assessment and testing	18,018	143	18,161
Transportation	-	-	-
Literacy services	-	-	-
Child care services	-	-	-
Improvement of Instructional Services	-	3,742	3,742
General administration	9,979	15,401	25,380
Workforce coordination	-	-	-
Data and information services	43,317	113,220	156,537
Operation of plant services	-	-	-
Total expenditures	<u>285,860</u>	<u>194,985</u>	<u>480,845</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Beginning, July 1, 2016			-
Ending, June 30, 2017			<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, 2017**

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% Minimum Required)	\$ 188,253	65.85%
General Administration (15% Maximum Allowed)	9,979	3.49%

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

**ICCB State Program Improvement
Balance Sheet
June 30, 2017**

Assets		
Cash		\$ 31,994
Total assets		<u>\$ 31,994</u>
Liabilities		
Accounts Payable		\$ 31,984
Due to other funds		10
		<u>\$ 31,994</u>
Fund balance, encumbered		-
Total liabilities and fund balance		<u>\$ 31,994</u>

**ICCB State Program Improvement
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2017**

Revenues, state sources		<u>\$ 33,853</u>
Expenditures:		
Salaries		-
Employee benefits		-
Supplies and materials		33,853
Total expenditures		<u>33,853</u>
Revenues over (under) expenditures		-
Fund balance:		
Beginning, July 1, 2016		-
Ending, June 30, 2017		<u>\$ -</u>

See Note to Financial Statements - Grant Programs

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

Note to Financial Statements - Grant Programs

Note 1. Summary of Significant Accounting Policies

General:

The accompanying statements include only those transactions resulting from the Adult Education and Family Literacy, and ICCB State Program Improvement. The transactions for the grants have been accounted for in the Restricted Purposes Fund.

Basis of Accounting:

The statements have been prepared on the modified accrual basis of accounting as defined in the Illinois Community College Board's *Fiscal Management Manual*. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2017. 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, 2017.

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, 2017 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, 2017**

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, 2016**

None

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

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 (the College) for the year ended June 30, 2017. The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and accordingly, including examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the College's compliance with statutory requirements.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and the reconciliation of semester credit hours of Black Hawk College, Illinois Community College District #503 for the year ended June 30, 2017, in conformity with the Illinois Community College Board's *Fiscal Management Manual*.

Wipfli LLP

Sterling, Illinois
October 11, 2017

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Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed for the Year Ended June 30, 2017

Categories	Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)								
	Summer		Fall		Spring		(Note 3) Total		
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
Notes 1 and 2									
Baccalaureate	4,023.0	-	24,518.4	94.5	21,708.0	105.0	50,249.4	199.5	
Business Occupational	250.0	-	1,499.9	-	2,133.0	-	3,882.9	-	
Technical Occupational	663.1	45.0	5,612.4	157.5	5,423.5	119.3	11,699.0	321.8	
Health Occupational	605.2	-	4,477.9	-	3,361.6	-	8,444.7	-	
Remedial Developmental	498.0	-	4,266.0	-	2,525.0	-	7,289.0	-	
Adult Basic/Secondary Education	231.0	1,194.5	4,159.3	4,459.7	2,369.1	6,357.8	6,759.4	12,012.0	
Total	6,270.3	1,239.5	44,533.9	4,711.7	37,520.2	6,582.1	88,324.4	12,533.3	

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

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

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

Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total	
Semester Credit Hours	97,046.4	86.0	97,132.4

Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All terms)	9,280.0	296.0

District Prior Year Equalized Assessed Valuation	3,786,687,074
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The District Has No Correctional Semester Credit Hours This Year.

Approved: 
Chief Executive Officer

Approved: 
Chief Financial Officer

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

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2017

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	50,249.4	50,249.4	-	199.5	199.5	-
Business Occupational	3,882.9	3,882.9	-	-	-	-
Technical Occupational	11,699.0	11,699.0	-	321.8	321.8	-
Health Occupational	8,444.7	8,444.7	-	-	-	-
Remedial Developmental	7,289.0	7,289.0	-	-	-	-
Adult Basic/Secondary Ed.	6,759.4	6,759.4	-	12,012.0	12,012.0	-
Total	88,324.4	88,324.4	-	12,533.3	12,533.3	-

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

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Resident	97,046.4	97,046.4	-
Out-of-District on Chargeback or Contractual Agreement	86.0	86.0	-
Dual Credit	9,280.0	9,280.0	-
Dual Enrollment	296.0	296.0	-

The District Has No Correctional Semester Credit Hours This Year.

SUMMARY OF STUDENT RESIDENCY VERIFICATION PROCESS

Residence is defined in the College catalog as the place where the student lives and which is the student's true home. Residency is determined at the time of application for admission. Students who change their residency after applying must verify their residency. Proof of residency is verified by any of the following:

1. An Illinois driver's license and/or vehicle registration
2. A voter registration card
3. Payment of property taxes in the Black Hawk College District #503
4. Full-time employment in Black Hawk College District #503
5. Other documents that are not self-serving

The residency of the student determines tuition rates assessed. Tuition rates assessed for students considered in-district are lower than tuition rates for those students who are considered out-of-district.

Copies of the proof and certification of residency forms are kept on file and residency compliance is periodically reviewed by the Office of Institutional Planning and Effectiveness. It is the student's responsibility to provide proof of residency and maintain compliance with the residency requirements of the College.

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

**Summary of Assessed Valuations
Most Recent Three Years**

Tax Levy Year	Equalized Assessed Valuation
2016	3,786,687,074
2015	3,668,741,551
2014	3,619,964,713

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of Black Hawk College, Illinois Community College District #503 (the College), as of and for the years ended June 30, 2017, 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 11, 2017. 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 11, 2017



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

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

Report on Compliance for Each Major Federal Program

We have audited Black Hawk College, Illinois Community College District #503's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. 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, 2017.

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 11, 2017

Black Hawk College
Illinois Community College District # 503

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

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	84.063	P063P161337	\$ 5,600,605	\$ -
Federal Supplemental Educational Opportunity Grant	84.007	P007A161107	129,714	-
Federal Direct Loan Program	84.268	P268K171337	2,311,616	-
Federal Work-Study Program	84.033	P033A161107	137,999	-
Total student financial aid			<u>8,179,934</u>	<u>-</u>
TRIO - Student Support Services	84.042A	P042A150187	365,436	-
Total direct programs			<u>365,436</u>	<u>-</u>
Passed through Illinois Community College Board:				
Adult Education State Grant Program (Fed Basic)	84.002A	F5030117	227,200	-
Adult Education State Grant Program (EL Civics)	84.002A	F5030117	36,050	-
			<u>263,250</u>	<u>-</u>
Vocational Education (Perkins)	84.048	CTE50317	321,034	-
Bridging the Gap	84.367A	BTG50317	5,209	-
Pathways to Results – Year 2	84.048	PTR2-50317	9,000	-
Dual Credit Enhancement	84.048	DCE-50317	5,000	-
Career Pathways Enhancement	84.048	CPE-50317	5,000	-
			<u>345,243</u>	<u>-</u>
Total pass through programs from Illinois Community College Board			<u>608,493</u>	<u>-</u>
Total U.S. Department of Education:			<u>9,153,863</u>	<u>-</u>
U.S. Department of Justice				
Passed through Bureau of Justice Assistance				
Bulletproof Vest Grant	16.607		2,593	-
Total U.S. Department of Justice:			<u>2,593</u>	<u>-</u>
U.S. Department of Transportation				
Passed through Illinois Community College Board				
Highway Construction Careers Training Program	20.205	S-HCCTP 503	80,201	-
Total U.S. Department of Transportation			<u>80,201</u>	<u>-</u>
U.S. Department of Veteran's Affairs				
Veteran's Educational Assistance	64.012		275,412	-
VA Rehab	64.116		29,867	-
Total U.S. Department of Veteran's Affairs			<u>305,279</u>	<u>-</u>
U.S. Department of Labor				
Passed through Illinois Department of Employment:				
WIA - Training Employee Academic Mastery	17.259	PY2016-BHC TEAM	84,546	-
WIA – Career Link	17.259	OOSY 2015-4	78,524	-
Total U.S. Department of Labor:			<u>163,070</u>	<u>-</u>
Total Expenditures of Federal Awards:			<u>\$ 9,705,006</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, 2017**

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, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Black Hawk College, it is not intended to and does not present the financial position, changes in net position or cash flows of Black Hawk College. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2017.

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. Sub-recipients

For the year ended June 30, 2017, the College had no sub-recipients of federal funds.

Note 4. Nonmonetary Assistance

For the year ended June 30, 2017, the College received no federal funds in the form of nonmonetary assistance.

Note 5. Other Federal Award Information

Black Hawk College has no loans or loan guarantees outstanding at June 30, 2017.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

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

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

Auditee qualified as low risk auditee? X Yes No

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

**Schedule of Findings and Questioned Costs
Year Ending June 30, 2017**

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**

**Corrective Action Plan
Year Ending June 30, 2017**

None

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

**Summary Schedule of Prior Audit Findings
June 30, 2017**

None

Management Information

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

**Combining Balance Sheet
June 30, 2017**

Assets	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Audit Fund
Cash and cash equivalents	\$ 5,383,383	\$ 1,982,393	\$ 23,444	\$ 1,452,586	\$ 96,309
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,219,621	2,472,371	-	-	59,377
Federal government claims	-	-	-	413,222	-
State government claims	5,055,712	388,877	-	1,470,713	-
Student tuition and fees	4,969,381	-	-	-	-
Other	25,476	58,183	149,798	30,182	-
Due from other funds	1,061,016	-	-	-	-
Inventory	-	-	492,975	-	-
Prepaid expenses	93,213	25,900	15,872	136,868	-
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$29,303,198 depreciation	-	-	-	-	-
Total assets	<u>\$ 20,807,802</u>	<u>\$ 4,927,724</u>	<u>\$ 682,089</u>	<u>\$ 3,503,571</u>	<u>\$ 155,686</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Accounts payable	\$ 186,383	\$ 144,846	\$ 48,186	\$ 725,548	\$ -
Accrued expenses					
Payroll	486,340	28,895	1,321	11,250	-
Early retirement	152,458	-	-	-	-
Accrued vacation	590,755	101,250	23,275	28,049	-
Other	-	-	-	-	-
Due to other funds	-	242	178,135	884,765	-
Unearned revenues					
Student tuition and fees	4,212,089	-	61,584	225,806	-
Grants and restricted funds	-	-	75	65,807	-
Other liabilities	58,614	19,800	-	-	-
Bonds payable	-	-	-	-	-
Leases payable	-	-	-	-	-
Total liabilities	<u>5,686,639</u>	<u>295,033</u>	<u>312,576</u>	<u>1,941,225</u>	<u>-</u>
Deferred inflows of resources					
Property taxes	3,497,628	2,049,174	-	-	49,030
Other	-	2,263	-	38,442	-
Total deferred inflows of resources	<u>3,497,628</u>	<u>2,051,437</u>	<u>-</u>	<u>38,442</u>	<u>49,030</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	523,904	106,656
Unrestricted	11,623,535	2,581,254	369,513	1,000,000	-
Total fund balance	<u>11,623,535</u>	<u>2,581,254</u>	<u>369,513</u>	<u>1,523,904</u>	<u>106,656</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,807,802</u>	<u>\$ 4,927,724</u>	<u>\$ 682,089</u>	<u>\$ 3,503,571</u>	<u>\$ 155,686</u>

See Note to Management Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 3,123,323	\$ 13,331,306	\$ 2,516,513	\$ 37,280,662	\$ -	\$ -	\$ 65,189,919
-	-	-	-	-	-	-
1,225,190	-	3,805,291	1,294,247	-	-	13,076,097
-	-	-	-	-	-	413,222
-	-	-	-	-	-	6,915,302
-	-	-	-	-	-	4,969,381
-	-	-	-	-	-	263,639
1,550	-	-	576	-	-	1,063,142
-	-	-	-	-	-	492,975
24,525	-	-	14,381	-	-	310,759
-	-	-	-	1,032,464	-	1,032,464
-	-	-	-	2,573,177	-	2,573,177
-	-	-	-	76,854,957	-	76,854,957
\$ 4,374,588	\$ 13,331,306	\$ 6,321,804	\$ 38,589,866	\$ 80,460,598	\$ -	\$ 173,155,034
\$ 11,321	\$ -	\$ -	\$ 1,794,710	\$ -	\$ -	\$ 2,910,994
20,891	-	-	-	-	-	548,697
-	-	-	-	-	-	152,458
39,021	-	-	-	-	-	782,350
-	-	779,375	-	-	-	779,375
-	-	-	-	-	-	1,063,142
-	-	-	-	-	-	4,499,479
-	-	-	-	-	-	65,882
-	-	-	-	-	-	78,414
-	-	-	-	-	50,170,000	50,170,000
-	-	-	-	-	-	-
71,233	-	779,375	1,794,710	-	50,170,000	61,050,791
1,028,391	-	3,153,237	1,055,944	-	-	10,833,404
-	-	-	-	-	-	40,705
1,028,391	-	3,153,237	1,055,944	-	-	10,874,109
-	-	-	-	80,460,598	(50,170,000)	30,290,598
3,274,964	10,194,190	2,389,192	33,826,596	-	-	50,315,502
-	3,137,116	-	1,912,616	-	-	20,624,034
3,274,964	13,331,306	2,389,192	35,739,212	80,460,598	(50,170,000)	101,230,134
\$ 4,374,588	\$ 13,331,306	\$ 6,321,804	\$ 38,589,866	\$ 80,460,598	\$ -	\$ 173,155,034

Black Hawk College
Illinois Community College District #503

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Audit Fund
Revenues:					
Local governmental sources					
Property taxes	\$ 6,764,987	\$ 3,911,863	\$ -	\$ -	\$ 70,070
Personal Property Replacement Tax	1,332,819	148,091	-	-	-
Other	3,291	-	-	-	-
Total local government sources	8,101,097	4,059,954	-	-	70,070
State governmental sources	8,168,094	627,146	-	2,012,628	-
Federal governmental sources	38,234	-	-	7,393,381	-
Student tuition and fees	15,982,052	126,387	185,650	609,440	-
Sales, services and rental of facilities and equipment	473,073	261,205	2,195,816	130,397	-
Investment earnings	47,704	10,344	545	-	600
Other sources	63,033	14,996	47,667	628,564	-
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	12,612,222	-
Total revenues	32,873,287	5,100,032	2,429,678	23,386,632	70,670
Expenditures:					
Instruction	11,668,177	-	-	514,300	-
Academic support	3,416,922	-	-	1,052,895	-
Student services	2,629,782	-	-	688,355	-
Public services	615,735	-	-	683,488	-
Institutional support	5,185,197	-	-	3,031	68,550
Auxiliary services	-	-	2,437,964	110,707	-
Scholarships, student grants, and waivers	3,810,949	-	-	7,751,556	-
SURS contribution provided by state	-	-	-	12,612,222	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,976,708	-	2,594	-
Total expenditures	27,326,762	3,976,708	2,437,964	23,419,148	68,550
Excess (deficiency) of revenues over expenditures	5,546,525	1,123,324	(8,286)	(32,516)	2,120
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	5,546,525	1,123,324	(8,286)	(32,516)	2,120
Fund balance					
Beginning	6,077,010	1,457,930	377,799	1,556,420	104,536
Ending	\$ 11,623,535	\$ 2,581,254	\$ 369,513	\$ 1,523,904	\$ 106,656

See Note to Management Information.

Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 2,100,118	\$ -	\$ 6,272,429	\$ 1,958,428	\$ -	\$ -	\$ 21,077,895
-	-	-	-	-	-	1,480,910
-	-	-	-	-	-	3,291
2,100,118	-	6,272,429	1,958,428	-	-	22,562,096
-	-	-	7,416	-	-	10,815,284
-	-	-	-	-	-	7,431,615
-	-	-	-	-	-	16,903,529
-	-	-	-	-	-	3,060,491
18,896	93,051	12,414	211,333	-	-	394,887
-	-	-	65,915	-	-	820,175
-	-	-	-	5,444,428	-	5,444,428
-	-	-	-	-	5,365,000	5,365,000
-	-	-	-	-	-	12,612,222
2,119,014	93,051	6,284,843	2,243,092	5,444,428	5,365,000	85,409,727
-	-	-	-	-	-	12,182,477
-	-	-	-	-	-	4,469,817
-	-	-	-	-	-	3,318,137
-	-	-	-	-	-	1,299,223
957,104	-	6,944,352	1,823,796	-	-	14,982,030
-	-	-	-	-	-	2,548,671
-	-	-	-	-	-	11,562,505
-	-	-	-	-	-	12,612,222
-	-	-	-	2,372,917	-	2,372,917
-	-	-	-	138,692	-	138,692
685,171	-	-	6,174,494	-	-	10,838,967
1,642,275	-	6,944,352	7,998,290	2,511,609	-	76,325,658
476,739	93,051	(659,509)	(5,755,198)	2,932,819	5,365,000	9,084,069
-	-	-	28,955,000	-	(28,955,000)	-
-	-	-	3,023,591	-	-	3,023,591
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	31,978,591	-	(28,955,000)	3,023,591
476,739	93,051	(659,509)	26,223,393	2,932,819	(23,590,000)	12,107,660
2,798,225	13,238,255	3,048,701	9,515,819	77,527,779	(26,580,000)	89,122,474
\$ 3,274,964	\$ 13,331,306	\$ 2,389,192	\$ 35,739,212	\$ 80,460,598	\$ (50,170,000)	\$ 101,230,134

**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	\$ 101,230,134
Pension expense related to Federal, Trust, Grant and Other Contribution	<u>71,829</u>
Long-term portion of early retirement liability	<u>(1,336,123)</u>
Unamortized bond premium	<u>(3,187,758)</u>
Net Position of Statement of Net Position	<u><u>\$ 96,778,082</u></u>

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

Net Change in Fund Balances	\$ 12,107,660
Reduction in student tuition and fees	(9,011,112)
Reduction in financial aid	<u>9,011,112</u>
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	5,444,428
Expended for capital assets	<u>(5,444,428)</u>
Net Effect	<u>-</u>
Long-term debt retired	5,365,000
Additions to general long-term debt fund	<u>(5,365,000)</u>
Net Effect	<u>-</u>
Premium on bonds sold	(3,023,591)
Amortization of bond premium	<u>533,155</u>
Decrease in long-term early retirement liability	<u>32,497</u>
Decrease in pension expense related to Federal, Trust, Grant and Other Contribution	<u>(18,858)</u>
Change in Net Position	<u><u>\$ 9,630,863</u></u>

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

See Note to Management Information.

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Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund by Program
Year ended June 30, 2017

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 6,508,150	\$ 6,764,987	\$ 256,837	\$ 3,791,950	\$ 3,911,863	\$ 119,913
Personal property taxes	1,143,000	1,332,819	189,819	127,000	148,091	21,091
Other	-	3,291	3,291	-	-	-
Total local government sources	<u>7,651,150</u>	<u>8,101,097</u>	<u>449,947</u>	<u>3,918,950</u>	<u>4,059,954</u>	<u>141,004</u>
State governmental sources	5,132,000	8,168,094	3,036,094	460,000	627,146	167,146
Federal governmental sources	36,760	38,234	1,474	-	-	-
Student tuition and fees	15,853,191	15,982,052	128,861	142,500	126,387	(16,113)
Sales, services and rental of facilities	444,317	473,073	28,756	104,876	261,205	156,329
Investment earnings	25,000	47,704	22,704	6,500	10,344	3,844
Other sources	226,493	63,033	(163,460)	115,000	14,996	(100,004)
Contingency	-	-	-	-	-	-
Total revenues	<u>29,368,911</u>	<u>32,873,287</u>	<u>3,504,376</u>	<u>4,747,826</u>	<u>5,100,032</u>	<u>352,206</u>
Expenditures:						
Current						
Instruction	12,126,620	11,668,177	(458,443)	-	-	-
Academic support	3,645,656	3,416,922	(228,734)	-	-	-
Student services	2,791,211	2,629,782	(161,429)	-	-	-
Public services	655,717	615,735	(39,982)	-	-	-
Institutional support	6,874,039	5,185,197	(1,688,842)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	2,816,000	3,810,949	994,949	-	-	-
Operation of physical facilities	-	-	-	4,548,763	3,976,708	(572,055)
Contingency	200,000	-	(200,000)	425,000	-	(425,000)
Total expenditures	<u>29,109,243</u>	<u>27,326,762</u>	<u>(1,782,481)</u>	<u>4,973,763</u>	<u>3,976,708</u>	<u>(997,055)</u>
Excess (deficiency) of revenues over expenditures	<u>259,668</u>	<u>5,546,525</u>	<u>5,286,857</u>	<u>(225,937)</u>	<u>1,123,324</u>	<u>1,349,261</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 259,668</u>	<u>5,546,525</u>	<u>\$ 5,286,857</u>	<u>\$ (225,937)</u>	<u>1,123,324</u>	<u>\$ 1,349,261</u>
Fund balance						
Beginning		<u>\$ 6,077,010</u>			<u>\$ 1,457,930</u>	
Ending		<u>\$ 11,623,535</u>			<u>\$ 2,581,254</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - General Fund by Object
Year ended June 30, 2017

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 6,508,150	\$ 6,764,987	\$ 256,837	\$ 3,791,950	\$ 3,911,863	\$ 119,913
Personal property taxes	1,143,000	1,332,819	189,819	127,000	148,091	21,091
Other	-	3,291	3,291	-	-	-
Total local government sources	<u>7,651,150</u>	<u>8,101,097</u>	<u>449,947</u>	<u>3,918,950</u>	<u>4,059,954</u>	<u>141,004</u>
State governmental sources	5,132,000	8,168,094	3,036,094	460,000	627,146	167,146
Federal governmental sources	36,760	38,234	1,474	-	-	-
Student tuition and fees	15,853,191	15,982,052	128,861	142,500	126,387	(16,113)
Sales, services and rental of facilities	444,317	473,073	28,756	104,876	261,205	156,329
Investment earnings	25,000	47,704	22,704	6,500	10,344	3,844
Other sources	226,493	63,033	(163,460)	115,000	14,996	(100,004)
Contingency	-	-	-	-	-	-
Total revenues	<u>29,368,911</u>	<u>32,873,287</u>	<u>3,504,376</u>	<u>4,747,826</u>	<u>5,100,032</u>	<u>352,206</u>
Expenditures:						
Current						
Salaries	18,335,419	17,075,669	(1,259,750)	1,946,632	1,572,713	(373,919)
Benefits	5,024,957	4,125,960	(898,997)	472,018	433,878	(38,140)
Contractual Services	1,023,881	815,963	(207,918)	452,275	468,751	16,476
Supplies & Materials	1,412,515	1,106,654	(305,861)	327,510	238,580	(88,930)
Conference & Meetings	230,941	146,353	(84,588)	13,233	3,442	(9,791)
Fixed Charges	26,030	27,993	1,963	115,635	189,734	74,099
Utilities	4,000	1,930	(2,070)	1,217,820	1,053,648	(164,172)
Capital Outlay	-	19,107	19,107	-	14,747	14,747
Other	2,851,500	4,007,133	1,155,633	3,640	1,215	(2,425)
Contingency	200,000	-	(200,000)	425,000	-	(425,000)
Total expenditures	<u>29,109,243</u>	<u>27,326,762</u>	<u>(1,782,481)</u>	<u>4,973,763</u>	<u>3,976,708</u>	<u>(997,055)</u>
Excess (deficiency) of revenues over expenditures	<u>259,668</u>	<u>5,546,525</u>	<u>5,286,857</u>	<u>(225,937)</u>	<u>1,123,324</u>	<u>1,349,261</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 259,668</u>	<u>5,546,525</u>	<u>\$ 5,286,857</u>	<u>\$ (225,937)</u>	<u>1,123,324</u>	<u>\$ 1,349,261</u>
Fund balance						
Beginning		<u>\$ 6,077,010</u>			<u>\$ 1,457,930</u>	
Ending		<u>\$ 11,623,535</u>			<u>\$ 2,581,254</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Program
Year ended June 30, 2017

	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	\$ -	\$ -	\$ -	\$ 37,000	\$ 70,070	\$ 33,070
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	37,000	70,070	33,070
State governmental sources	2,090,697	2,012,628	(78,069)	-	-	-
Federal governmental sources	8,574,654	7,393,381	(1,181,273)	-	-	-
Student tuition and fees	586,040	609,440	23,400	-	-	-
Sales, services and rental of facilities	-	130,397	130,397	-	-	-
Investment earnings	-	-	-	-	600	600
Other sources	1,365,000	628,564	(736,436)	-	-	-
Contingency	475,000	-	(475,000)	-	-	-
Total revenues	13,091,391	10,774,410	(2,316,981)	37,000	70,670	33,670
Expenditures:						
Current						
Instruction	464,527	514,300	49,773	-	-	-
Academic support	1,160,225	1,052,895	(107,330)	-	-	-
Student services	605,647	688,355	82,708	-	-	-
Public services	916,037	683,488	(232,549)	-	-	-
Institutional support	1,146,172	3,031	(1,143,141)	76,500	68,550	(7,950)
Auxiliary services	244,164	110,707	(133,457)	-	-	-
Scholarships, student grants, and waivers	8,160,395	7,751,556	(408,839)	-	-	-
Operation of physical facilities	-	2,594	2,594	-	-	-
Contingency	475,000	-	(475,000)	-	-	-
Total expenditures	13,172,167	10,806,926	(2,365,241)	76,500	68,550	(7,950)
Excess (deficiency) of revenues over expenditures	(80,776)	(32,516)	48,260	(39,500)	2,120	41,620
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balance	\$ (80,776)	(32,516)	\$ 48,260	\$ (39,500)	2,120	\$ 41,620
Fund balance						
Beginning		<u>\$ 1,556,420</u>			<u>\$ 104,536</u>	
Ending		<u>\$ 1,523,904</u>			<u>\$ 106,656</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2017

	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	\$ -	\$ -	\$ -	\$ 37,000	\$ 70,070	\$ 33,070
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	37,000	70,070	33,070
State governmental sources	2,090,697	2,012,628	(78,069)	-	-	-
Federal governmental sources	8,574,654	7,393,381	(1,181,273)	-	-	-
Student tuition and fees	586,040	609,440	23,400	-	-	-
Sales, services and rental of facilities	-	130,397	130,397	-	-	-
Investment earnings	-	-	-	-	600	600
Other sources	1,365,000	628,564	(736,436)	-	-	-
Contingency	475,000	-	(475,000)	-	-	-
Total revenues	13,091,391	10,774,410	(2,316,981)	37,000	70,670	33,670
Expenditures:						
Current						
Salaries	1,608,723	1,417,450	(191,273)	-	-	-
Benefits	448,456	380,781	(67,675)	-	-	-
Contractual Services	1,111,591	761,727	(349,864)	76,500	68,550	(7,950)
Supplies & Materials	458,744	282,684	(176,060)	-	-	-
Conference & Meetings	104,116	107,077	2,961	-	-	-
Fixed Charges	34,400	38,128	3,728	-	-	-
Utilities	134,974	107,472	(27,502)	-	-	-
Capital Outlay	45,000	13,385	(31,615)	-	-	-
Other	8,751,163	7,698,222	(1,052,941)	-	-	-
Contingency	475,000	-	(475,000)	-	-	-
Total expenditures	13,172,167	10,806,926	(2,365,241)	76,500	68,550	(7,950)
Excess (deficiency) of revenues over expenditures	(80,776)	(32,516)	48,260	(39,500)	2,120	41,620
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Bond & Debt Certificate Proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balance	\$ (80,776)	(32,516)	\$ 48,260	\$ (39,500)	2,120	\$ 41,620
Fund balance						
Beginning		<u>\$ 1,556,420</u>			<u>\$ 104,536</u>	
Ending		<u>\$ 1,523,904</u>			<u>\$ 106,656</u>	

See Note to Management Information.

Liability, Protection, and Settlement Fund Budget	Liability, Protection, and Settlement Fund Actual	Actual Over (Under) Budget	Bond & Interest Fund Budget	Bond & Interest Fund Actual	Actual Over (Under) Budget	Operations & Maintenance, Restricted Budget	Operations & Maintenance, Restricted Actual	Actual Over (Under) Budget
\$ 2,144,000	\$ 2,100,118	\$ (43,882)	\$ 7,848,000	\$ 6,272,429	\$ (1,575,571)	\$ 1,835,800	\$ 1,958,428	\$ 122,628
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,144,000</u>	<u>2,100,118</u>	<u>(43,882)</u>	<u>7,848,000</u>	<u>6,272,429</u>	<u>(1,575,571)</u>	<u>1,835,800</u>	<u>1,958,428</u>	<u>122,628</u>
-	-	-	-	-	-	-	7,416	7,416
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9,000	18,896	9,896	-	12,414	12,414	15,000	211,333	196,333
-	-	-	-	-	-	-	65,915	65,915
-	-	-	-	-	-	400,000	-	(400,000)
<u>2,153,000</u>	<u>2,119,014</u>	<u>(33,986)</u>	<u>7,848,000</u>	<u>6,284,843</u>	<u>(1,563,157)</u>	<u>2,250,800</u>	<u>2,243,092</u>	<u>(7,708)</u>
740,173	671,773	(68,400)	-	-	-	-	-	-
777,284	653,924	(123,360)	-	-	-	-	-	-
176,341	144,168	(32,173)	-	-	-	-	120,125	120,125
5,594	3,841	(1,753)	-	-	-	103,682	978,064	874,382
34,116	10,437	(23,679)	-	-	-	-	238	238
173,443	154,700	(18,743)	6,433,000	6,944,352	511,352	20,000	136,831	116,831
-	395	395	-	-	-	-	-	-
-	-	-	-	-	-	5,357,295	5,390,339	33,044
-	3,037	3,037	-	-	-	240,000	1,372,693	1,132,693
-	-	-	-	-	-	400,000	-	(400,000)
<u>1,906,951</u>	<u>1,642,275</u>	<u>(264,676)</u>	<u>6,433,000</u>	<u>6,944,352</u>	<u>511,352</u>	<u>6,120,977</u>	<u>7,998,290</u>	<u>1,877,313</u>
246,049	476,739	230,690	1,415,000	(659,509)	(2,074,509)	(3,870,177)	(5,755,198)	(1,885,021)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,000,000	28,955,000	13,955,000
-	-	-	-	-	-	-	3,023,591	3,023,591
-	-	-	-	-	-	15,000,000	31,978,591	16,978,591
<u>\$ 246,049</u>	476,739	<u>\$ 230,690</u>	<u>\$ 1,415,000</u>	(659,509)	<u>\$ (2,074,509)</u>	<u>\$ 11,129,823</u>	26,223,393	<u>\$ 15,093,570</u>
	<u>\$ 2,798,225</u>			<u>\$ 3,048,701</u>			<u>\$ 9,515,819</u>	
	<u>\$ 3,274,964</u>			<u>\$ 2,389,192</u>			<u>\$ 35,739,212</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2017

	Working Cash Fund Budget	Working Cash Fund Actual	Actual Over (Under) Budget
Revenues:			
Local governmental sources			
Property taxes	\$ -	\$ -	\$ -
Tuition chargeback	-	-	-
Other	-	-	-
Total local government sources	-	-	-
State governmental sources	-	-	-
Federal governmental sources	-	-	-
Student tuition and fees	-	-	-
Sales, services and rental of facilities	-	-	-
Investment earnings	60,000	93,051	33,051
Other sources	-	-	-
Contingency	-	-	-
Total revenues	60,000	93,051	33,051
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	60,000	93,051	33,051
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ 60,000	93,051	\$ 33,051
Fund balance			
Beginning		\$ 13,238,255	
Ending		\$ 13,331,306	

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, 2017

	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	180,320	185,650	5,330
Sales, services and rental of facilities	2,194,240	2,195,816	1,576
Investment earnings	1,000	545	(455)
Other sources	37,208	47,667	10,459
Contingency	100,000	-	(100,000)
Total revenues	2,512,768	2,429,678	(83,090)
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	2,458,452	2,437,964	(20,488)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	100,000	-	(100,000)
Total expenditures	2,558,452	2,437,964	(120,488)
Excess (deficiency) of revenues over expenditures	(45,684)	(8,286)	37,398
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	\$ (45,684)	(8,286)	\$ 37,398
Fund balance			
Beginning		\$ 377,799	
Ending		\$ 369,513	

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, 2017

	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	180,320	185,650	5,330
Sales, services and rental of facilities	2,194,240	2,195,816	1,576
Investment earnings	1,000	545	(455)
Other sources	37,208	47,667	10,459
Contingency	100,000	-	(100,000)
Total revenues	2,512,768	2,429,678	(83,090)
Expenditures:			
Current			
Salaries	444,075	406,603	(37,472)
Benefits	88,192	82,960	(5,232)
Contractual Services	116,976	76,537	(40,439)
Supplies & Materials	1,632,726	1,699,294	66,568
Conference & Meeting	150,368	149,792	(576)
Fixed Charges	-	-	-
Utilities	-	-	-
Capital Outlay	-	-	-
Other	26,115	22,778	(3,337)
Contingency	100,000	-	(100,000)
Total expenditures	2,558,452	2,437,964	(120,488)
Excess (deficiency) of revenues over expenditures	(45,684)	(8,286)	37,398
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Bond & Debt Certificate Proceeds	-	-	-
Bond premium	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	\$ (45,684)	(8,286)	\$ 37,398
Fund balance			
Beginning		<u>377,799</u>	
Ending		<u>369,513</u>	

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.



Quad-Cities Campus

6600 34th Avenue
Moline, Illinois 61265
309-796-5000

East Campus

26230 Black Hawk Road
Galva, Illinois 61434
309-854-1700