



Black
Hawk College

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2021

ILLINOIS COMMUNITY COLLEGE
DISTRICT #503

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

2021





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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the
Fiscal Year Ended June 30, 2021**

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

March 7, 2022

To the Citizens of Black Hawk College:

The Annual Comprehensive Financial Report of Black Hawk College, Community College District No. 503, for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and operations results of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission, vision, and goals have been included. In addition, this letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditor's report and focuses on current activities, accounting changes, and currently known facts.

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

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

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

Improving Life Through Learning

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

College Profile

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

Black Hawk College operates two primary campuses as well as other instructional centers throughout the District and serves a population of approximately 250,000. 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 5.7%, which is lower than the national rate of 5.9% as of the end of June 2021. The state unemployment rate was 7.2% in June 2021. While still higher than recent history, unemployment rates have been coming back down since June 30, 2020.

The District's principal employers are presented in the statistical section of this report. The Quad-Cities area is considered a diverse business region and the long-term economic outlook for the region and the College is viewed as stable. Furthermore, while the district as a whole has not been immune to recent economic forces, property values have increased each year over a ten year period. State funding continues to be a concern as budgeted state expenditures still exceed the incoming revenue despite increased state tax revenues.

Mission, Vision, and Goals

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

OUR MISSION is to

- Inspire students
- Develop talent and
- Strengthen communities

OUR STRATEGIC PRIORITIES are:

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

To do this, we will:

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

- Foster an equitable and inclusive learning and student support environment.
- Identify and close equity gaps in student retention, persistence and program completion rates.

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

To do this, we will:

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

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

To do this, we will:

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

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

To do this, we will:

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

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

To do this, we will:

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

Local Economy

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

Tuition and fee revenues accounted for approximately 29.5% of total general fund revenue earned in fiscal year 2021. As illustrated in the Statistical section of this document, total credit hours for all categories, which includes both restricted and unrestricted hours, decreased by 15.1% or 12,497.5 total credit hours in fiscal year 2021. Enrollment was budgeted to decrease by 7.5% in fiscal year 2022. Preliminary results for fiscal year 2022 Fall semester indicate enrollment decreased by 5.6% credit hours when compared to fiscal year 2020 Fall semester on tenth day.

State funding, which accounted for approximately 13.5% of total general fund revenue earned, continues to be a concern for the College as the level of College appropriations from state funding continues to decline. As enrollment in community colleges across the State of Illinois have declined, the College still anticipates State funding levels to remain flat for fiscal year 2023. There is an ongoing awareness that the state continues to operate with an unbalanced operating budget and the unfunded liabilities continue to grow. State operating and equalization grants continue to be an important part of funding Black Hawk College operations.

Property taxes, which accounted for approximately 31.7% of total general fund revenue earned, are levied each year for all taxable real property in the District on the basis of the equalized assessed property values (EAV). Assessed values are established by each of the nine respective counties within the district. The subsequent property taxes are billed and collected by each county. Property tax revenue continues to hold relatively stable as equalized assessed values in the District have steadily been increasing over the past ten years despite the uncertain national economic climate and subsequent impact on property values. The College is indirectly entered into tax abatement agreements with developers in the form of tax incremental financing (TIF) incentive payments intended to stimulate economic development within a TIF district. The immediate impact of a TIF district on the College results in a loss of property tax revenue during the duration of a TIF agreement. Once the TIF agreement expires, the expectation is that the EAV will have increased due to the increased economic development therefore creating an opportunity for more tax revenue for the College in future years. The total tax revenue lost in the 2020 tax year due to TIF agreements in place equals 7% of total tax extensions as of June 30, 2021.

Financial Planning

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

- Supplementing lost enrollment revenue with Higher Education Emergency Relief Funds (HEERF) funding

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

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

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

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

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

Internal Controls

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

Budgetary Controls

The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the budgeted amount) is established at the fund level. The College maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year-end unless extenuating circumstances exist. Statements of budgetary comparison are presented in the Management Information section of this document.

Fund Balance Policy

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

This policy requires the College to maintain an unrestricted General Fund ending fund balance of an amount between seventeen (17) and forty (40) percent of expenses in these funds, which traditionally includes the Education and Operations & Maintenance funds. The Auxiliary fund has recently been added to the General Fund calculation as any short-coming from Auxiliary is supported by General Fund operations. If the ending general fund balance falls below the target range, the College is required to replenish the ending general fund balance within two (2) years. If the ending general fund balance exceeds the target range, the College shall first, allow the President to expend the excess funds on capital expenses after considering recommendations from the President's Cabinet and second, review additional investment options that would allow the College to earn a greater rate of return.

As of June 30, 2021, the General Fund ending fund balance, including Auxiliary, is 55.1% of fiscal year 2021 expenses.

Risk Management

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

Other Information

- Independent audit State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli, LLP was selected by the College to perform the fiscal year 2021 audit. The auditor's report on the financial statements and schedules is unqualified and is included in the financial section of this report.
- Awards Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk College for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 12th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial

report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

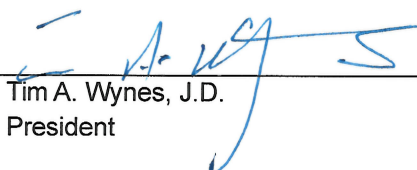
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the College has received the GFOA Distinguished Budget Presentation Award for fiscal years 2009 through fiscal year 2017. The GFOA budget award process changed and was renamed to "Award for Best Practices in Community College Budgeting" in 2018. The College received an award for the 2019 and 2020 budgets under this new program. The GFOA budget award process and title changed again for the fiscal year 2021 application. The new award was named back to "Distinguished Budget Presentation Award" and the College received this award for the 2021 budget. The GFOA evaluation and response to the 2022 budget application is still pending at the time of this letter.

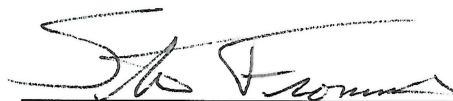
- Acknowledgements We wish to thank the members of the Board of Trustees for their interest and support in conducting District financial operations to the degree of excellence necessary for continuance of operations in a responsible manner.

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


Respectfully submitted,



Tim A. Wynes, J.D.
President



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



Dena M. Grunewald
Director of Accounting



Illinois Community College District No. 503

Board of Trustees



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Moline
Board Chair



Kimberly D. Goodley
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Executive Administration



Tim A. Wynes
President



Dr. Amy M. Maxeiner
Vice President for Instruction



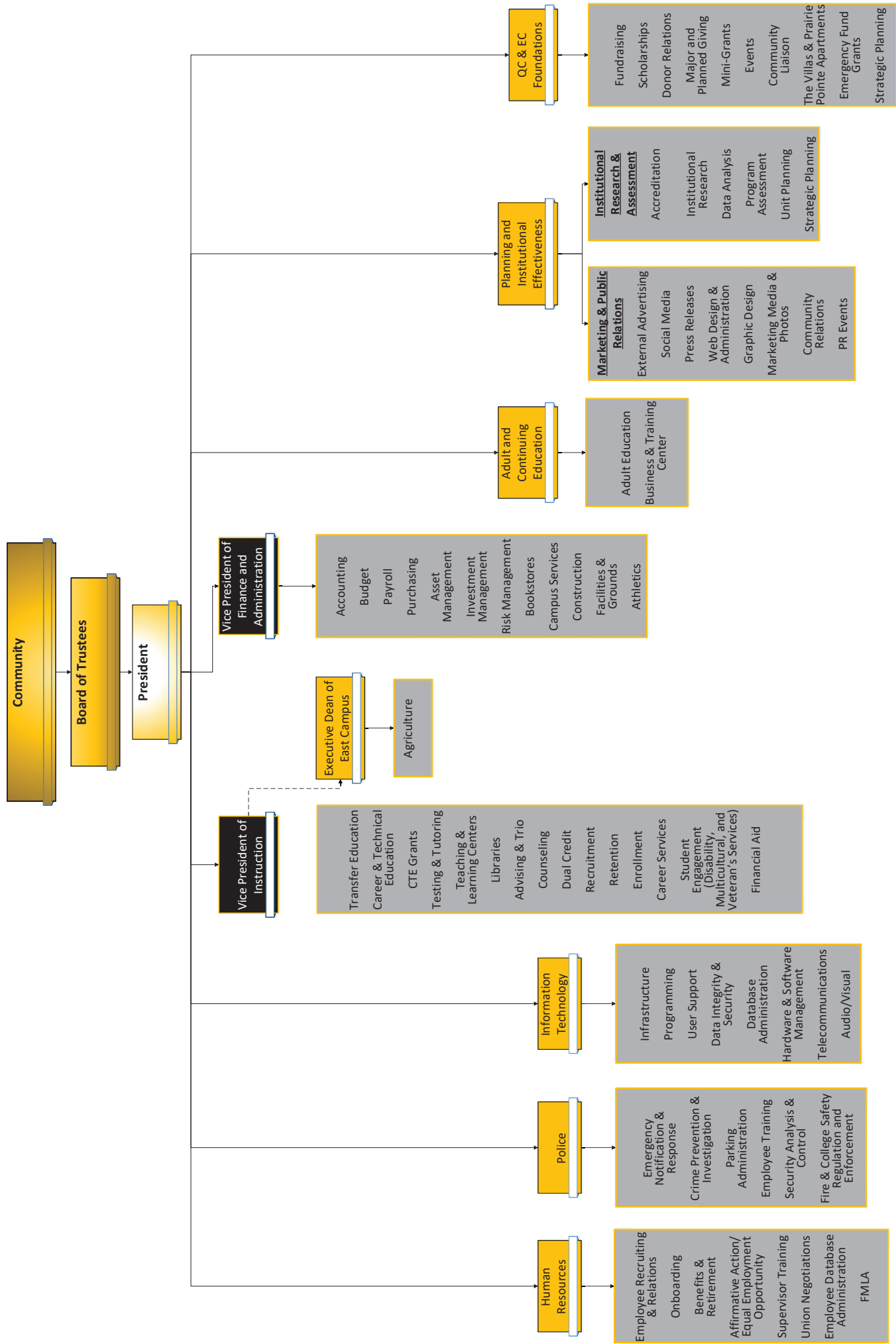
Steven J. Frommelt
Vice President for Finance and
Administration and Board Treasurer



Kathy M. Malcolm
Executive Director of Planning
and Institutional Effectiveness



Stacey L. Cary
Director of Human Resources





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Black Hawk College
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principle

The College adopted GASB Statement No.84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
March 7, 2022

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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) Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the College's financial activity during the fiscal years ended June 30, 2021 and June 30, 2020. 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, 2021, the College recorded total operating revenues of \$7,476,473 and total operating expenses of \$54,712,170. The difference produced an operating loss of \$47,235,697. Net non-operating revenue of \$60,576,966 offsets this loss and results in an overall increase in net position of \$13,341,269.

Non-operating revenue included local property taxes of \$24,145,463, state grants and contracts of \$21,049,016, federal grants and contracts of \$12,252,303, and other net miscellaneous revenue of \$3,130,184. Within the state grants and contracts non-operating revenue line, the SURS and CIP contributions provided by the state, on behalf of the College, to the State University Retirement System (SURS) totaled \$13,577,116. The comparable contribution by the state to SURS and CIP for the fiscal year ended June 30, 2020, was \$13,483,398.

Operating revenue accounted for 10.8% of the College's total revenue, while non-operating revenues accounted for the other 89.2% of the College's total revenue. Operating revenue consisted of tuition and fees, net of financial aid awards, totaling \$6,412,494 and sales, services, and rentals of facilities revenues totaling \$1,063,979.

Operating expenses accounted for 98.2% of the College's total expenses, while non-operating expenses accounted for the remaining 1.8%. The SURS and CIP on-behalf contributions provided by the state as well as the OPEB expense was allocated among the existing functions of operating expenses and decreased by \$437,861 from fiscal year 2020. Total operating expenses, excluding OPEB expense, SURS on-behalf expense, and CIP on-behalf expense, decreased by 2.0% in fiscal year 2021 from prior year.

Overall, the College's financial position remains strong at the end of fiscal year 2021 while operating in a climate of reduced state funding and reduced enrollment which impacts tuition and future state appropriations. Data related to enrollment, credit hour, and state funding trend information are available in the Statistical section of this document. Additionally, overall actual fiscal year 2021 results compared to budget were favorable. Details by fund can be found in the Management Information section of this document.

Long-Term Debt

The College did not issue any additional long-term debt during fiscal year 2021. The unused legal debt capacity of the College is currently \$89,257,921, which represents 2.875% of the assessed valuation of the College's district less the \$33,287,022 in outstanding debt. See Note 8 regarding Long-Term Liabilities in the Notes to the Financial Statements for further information.

Economic Factors

Unemployment rates, both locally and nationally, have fluctuated dramatically due to the COVID-19 pandemic. While unemployment rate has improved since June 30, 2020, rates are still high. Additional information regarding unemployment rate trends can be found in the Statistical section of this document.

Property tax revenue accounts for 39.2% of total non-operating revenue and is a direct result of Equalized Assessed Valuations (EAV) in the district. While some districts have experienced sizable decreases in EAV over the past few years, the Black Hawk College district EAV continues to grow each year as overall property values continue to increase. Additional information regarding EAV and estimated actual property values within the district can be found in the Statistical section of this document.

Management's Discussion and Analysis

The State of Illinois has approved an annual budget. While new state revenues have been identified, cash outflow demands still exceed sources of cash and it was assumed the state would borrow money or transfer funds to meet the shortage. While the College remains optimistic the State of Illinois will continue to support higher education, an on-going financial pattern of spending more than what is generated is not sustainable. State support is critical to maintain college operations. The state political environment has changed since the budget impasse of 2016 and 2017 as the governor's office is now aligned with state legislators allowing more measures to move forward including the support of higher education.

Declining enrollment continues to be the trend with a 15.1% decrease in fiscal year 2021 compared to a 6.3% decrease during fiscal year 2020. Fall enrollment for fiscal year 2022 declined by 5.6% from fiscal year 2021 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.

Lost revenue directly correlated to the COVID-19 virus and related shut-downs caused enrollment declines for the College which have been off-set with Higher Education Emergency Relief Fund (HEERF) funding received during fiscal year 2021. HEERF support was a one-time event and will not be a recurring source of cash inflow.

Given the decreased enrollment trend in recent years, the College Administration and Board of Trustees have taken measures to identify opportunities for growth. In the last few fiscal years, completed new construction includes the Health Sciences Center at the Quad-Cities Campus, the Welding and Skilled Trades Center in Kewanee, and the Veterinary Sciences Center at the Galva (East) Campus. Completed renovation projects includes the Outreach Center in the Quad-Cities and Buildings 1 and 2 at East Campus. During fiscal year 2019, East Campus added new stables and re-established another practice arena while the Quad-Cities campus constructed an addition to Building 1 and renovation of existing classrooms to create larger, collaborative learning classroom spaces. All of these renovations and additions will increase enrollment capacity, thus providing a greater opportunity for generating credit hours. In addition to capital development, the Board of Trustees has designated operating funds to be used for faculty and staff development as well as new program development.

Other Significant Financial Factors

The Board of Trustees adopts tuition and fee rates each February with the adopted rates becoming effective for the summer, fall, and spring semesters of the upcoming fiscal year. Tuition rates for fiscal year 2021 remained the same from fiscal year 2020 rates. Fiscal year 2022 tuition rates have been approved to remain the same as fiscal year 2021 rates. Tuition rates for 2023 have not yet been determined. With the uncertainty created by the COVID-19 pandemic on the college budget as well as every other organization and personal budget of students, the college is aware of the importance of keeping tuition as affordable as possible. Without a significant increase in enrollment, an adjustment to account for changes in auxiliary service revenue and new state mandates (i.e. change in minimum wage) will be required. Additional information regarding the tuition and fee rate trend is provided in the Statistical section of this document.

The Board of Trustees adopts the annual tax levy by January of each year for tax revenues to be received during the upcoming fiscal year. The fiscal year 2021 tax levy increased 1.0% over fiscal year 2020 primarily due to the increase in EAV throughout the district. While it will need to be revisited, the desire is to keep the tax levy steady for 2022. Additional information regarding tax levy trend is provided in the Statistical section.

Comparative Net Position – Fiscal Years 2020 and 2019

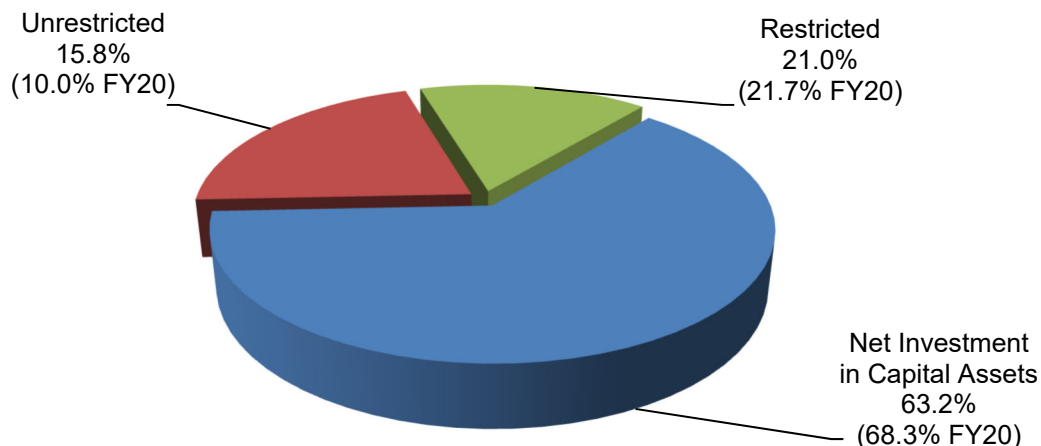
	2021	2020	Increase (Decrease)	Percent Change
Current Assets	\$ 83,923,806	\$ 73,148,014	\$ 10,775,792	14.7%
Capital Assets, net of depreciation	105,104,968	106,243,990	(1,139,022)	-1.1%
Total Assets	\$ 189,028,774	\$ 179,392,004	\$ 9,636,770	5.4%
Deferred Outflows of Resources	\$ 336,354	\$ 394,479	\$ (58,125)	-14.7%
Current Liabilities	\$ 8,170,396	\$ 8,408,216	\$ (237,820)	-2.8%
Non-Current Liabilities	46,838,849	53,737,173	(6,898,324)	-12.8%
Total Liabilities	\$ 55,009,245	\$ 62,145,389	\$ (7,136,144)	-11.5%
Deferred Inflows of Resources	\$ 19,526,624	\$ 16,153,104	\$ 3,373,520	20.9%
Net Position				
Net Investment in Capital Assets	\$ 72,599,855	\$ 69,088,597	\$ 3,511,258	5.1%
Restricted	24,108,398	22,353,543	1,754,855	7.9%
Unrestricted	18,121,006	10,045,850	8,075,156	80.4%
Total Net position	\$ 114,829,259	\$ 101,487,990	\$ 13,341,269	13.1%

The College had a net position at the beginning of the fiscal year, as restated, totaling \$101,487,990. The increase in net position of \$13,341,269 brought the total net position at the end of fiscal year 2021 to \$114,829,259.

The most notable changes in the balance sheet for fiscal year 2021 include an increase of 14.7% in current assets as well as a decrease of 14.7% in deferred outflows of resources. There was also a decrease of 12.8% in non-current liabilities. The increase in current assets relates to receiving Federal Higher Education Emergency Relief Funds (HEERF) during FY21. Receiving these funds produced both an increase in cash as well as an increase in Federal grant receivable. The decrease in deferred outflows of resources is due to the fluctuations reported in OPEB plan for the current year. The change in non-current liabilities relates to paying down the principal on outstanding bonds with no new bond issues in fiscal year 2021.

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 2021



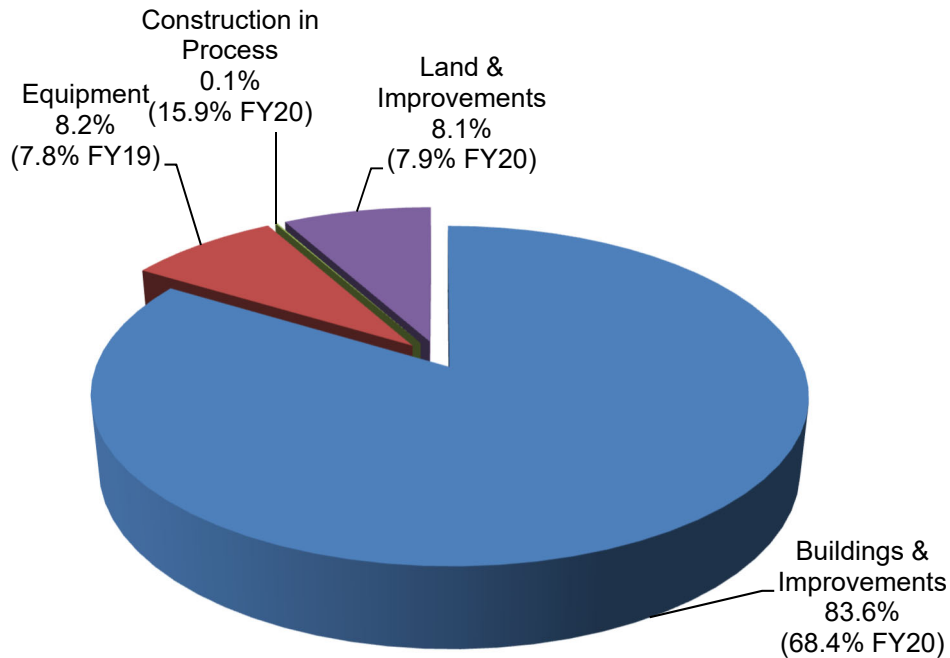
Comparison of Net Capital Assets Fiscal Years 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Capital Assets				
Land and Improvements	\$ 11,835,214	\$ 11,355,803	\$ 479,411	4.2%
Building and Improvements	120,941,428	97,663,222	23,278,206	23.8%
Equipment	11,648,171	11,071,025	577,146	5.2%
Construction in Progress	140,253	22,764,356	(22,624,103)	-99.4%
Total Capital Assets	\$ 144,565,066	\$ 142,854,406	\$ 1,710,660	1.2%
Less Accumulated Depreciation	39,460,098	36,610,416	2,849,682	7.8%
Net Capital Assets	\$ 105,104,968	\$ 106,243,990	\$ (1,139,022)	-1.1%

As of June 30, 2021, the College has recorded \$144,565,066 invested in capital assets, \$39,460,098 in accumulated depreciation and \$105,104,968 in net capital assets.

Total Capital Assets increased \$1,710,660 or 1.2% and Net Capital Assets decreased \$1,139,022 or 1.1%. This change is a result of finishing many of the construction projects district-wide during fiscal year 2021. The College's current bonding strategy continues to allow investment in facilities, technology, and improvements. The expectation exists that Net Capital Assets will increase in future years as a result. For further information, see Note 5 - Changes in Capital Assets and Note 8 - Long-Term Liabilities in the Notes to Financial Statements.

Capital Assets - Fiscal Year 2021



Revenues, Expenses & Changes in Net Position For the Fiscal years ending June 30, 2021 and 2020

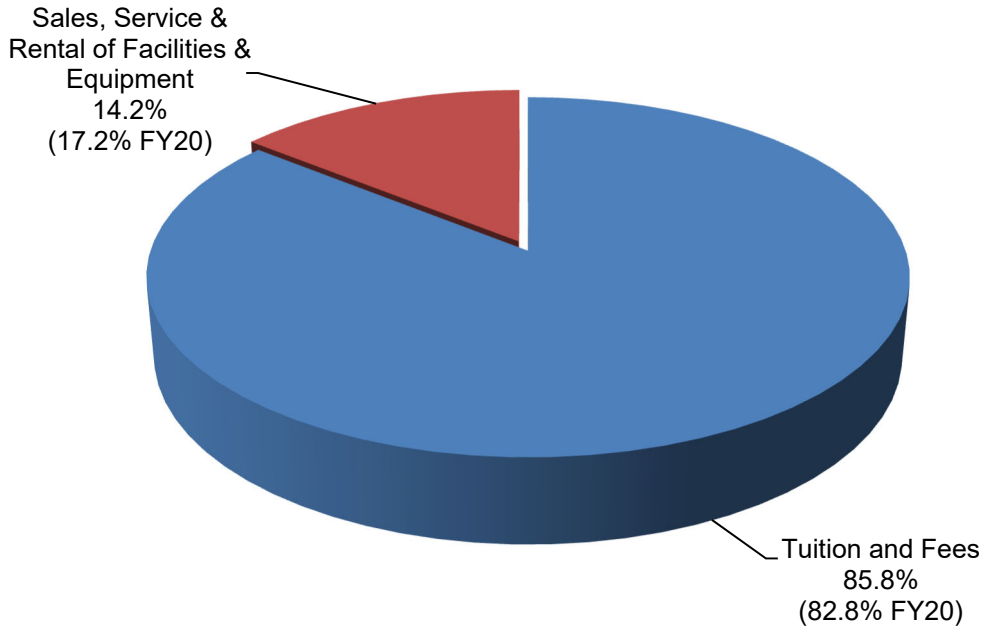
	2021	2020	Increase (Decrease)	Percent Change
Operating Revenue:				
Tuition and Fees	\$ 6,412,494	\$ 7,299,079	\$ (886,585)	-12.1%
Sales, Services and Rentals	1,063,979	1,638,525	(574,546)	-35.1%
Other	-	-	-	0.0%
Total Operating Revenue	\$ 7,476,473	\$ 8,937,604	\$ (1,461,131)	-16.3%
Less: Operating Expenses	54,712,170	56,876,494	(2,164,324)	-3.8%
Operating Income (Loss)	\$ (47,235,697)	\$ (47,938,890)	\$ 703,193	-1.5%
Non-operating Revenue:				
State Grants & Contracts	\$ 21,049,016	\$ 21,167,329	\$ (118,313)	-0.6%
Federal Grants & Contracts	12,252,303	7,911,547	4,340,756	54.9%
Property Taxes	24,145,463	23,354,222	791,241	3.4%
Other Income	3,130,184	2,177,341	952,843	43.8%
Total Non-operating Revenue:	\$ 60,576,966	\$ 54,610,439	\$ 5,966,527	10.9%
Change in Net Position	\$ 13,341,269	\$ 6,671,549	\$ 6,669,720	100.0%
Net Position, Beginning of Year, As Restated	101,487,990	94,816,441	6,671,549	7.0%
Net Position, End of Year	\$ 114,829,259	\$ 101,487,990	\$ 13,341,269	13.1%

Total operating revenue and total operating expenses decreased for fiscal year 2021 when compared to fiscal year 2020.

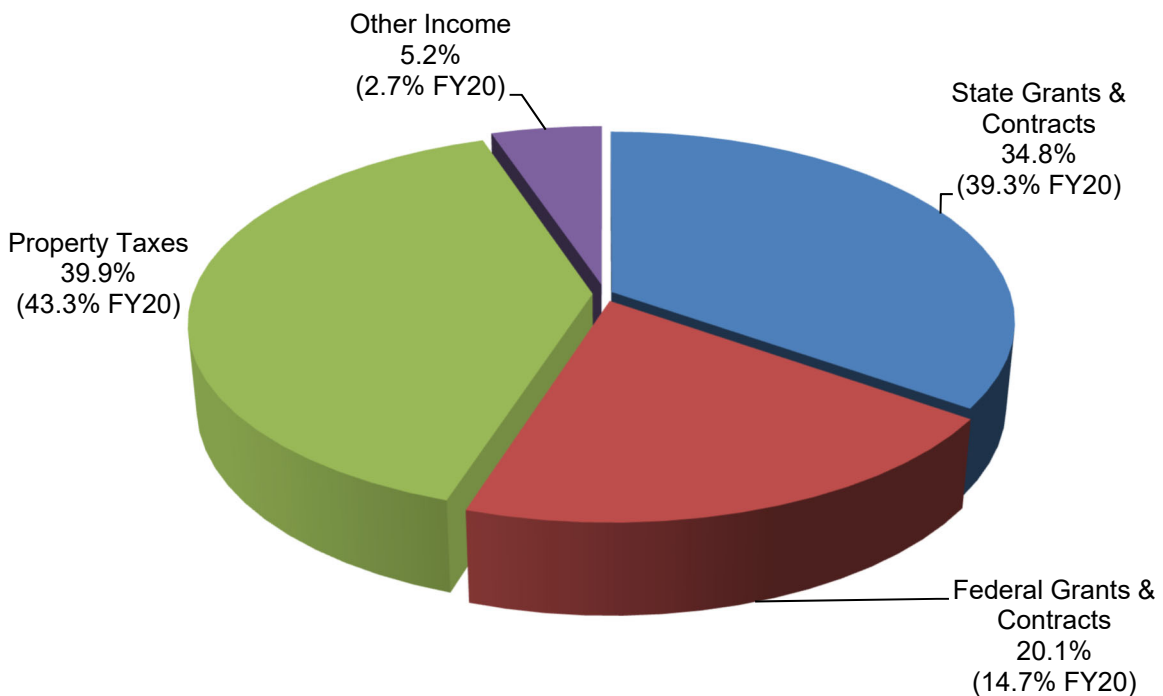
Tuition and fees decreased \$886,585 or 12.1% from fiscal year 2020 to fiscal year 2021. The decrease is attributable to a decline in enrollment. Sales, services, and rental revenue decreased during fiscal year 2021 at 35.1%. The decrease is a result of COVID-19 related campus restrictions which resulted in limited in person classes, canceled events and decline in Bookstore sales. Some of this decrease in sales, services and rentals due to COVID-19 was able to be reimbursed through the CARES Act Federal grants.

Total non-operating revenue increased by \$5,966,527. Federal grants and contracts increased by \$4,340,756 from fiscal year 2020 due new awards related to the CARES Act from Department of Education. Lastly, an increase of \$952,843 in other income for fiscal year 2021 occurred primarily due to GASB 84 changes where the agency fund activity is now reported on the statement of revenue and expenditures.

Operating Revenues - Fiscal Year 2021



Non-Operating Revenues - Fiscal Year 2021



Comparison of Operating Expenses Fiscal Years 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Operating Expenses:				
Instruction	\$ 16,367,722	\$ 16,604,364	\$ (236,642)	-1.4%
Academic Support	6,294,005	6,434,686	(140,681)	-2.2%
Student Services	4,453,541	4,592,178	(138,637)	-3.0%
Public Service / Continuing Ed.	1,326,057	1,805,061	(479,004)	-26.5%
Institutional Support	10,309,024	12,097,709	(1,788,685)	-14.8%
Auxiliary Services	2,035,307	2,132,268	(96,961)	-4.5%
Scholarships, student grants and waivers	4,719,833	2,799,051	1,920,782	68.6%
Depreciation	2,948,259	2,747,583	200,676	7.3%
Loss on Disposal of Equipment	17,703	10,108	7,595	75.1%
Operations of Physical Facilities	6,240,719	6,822,414	(581,695)	-8.5%
Total Operating Expenses	\$ 54,712,170	\$ 56,045,422	\$ (1,333,252)	-2.4%

Operating expenses for fiscal year 2021 decreased by 2.4% from fiscal year 2020. The SURS and CIP on-behalf contribution provided by the state increased to \$13,577,116 compared to \$13,483,398 in fiscal year 2020. This \$93,718 increase of SURS and CIP on-behalf contribution expense, \$567,579 decrease in OPEB expense, plus a net \$859,391 decrease in all other expenses creates a net operating expense decrease of \$1,333,252 for the fiscal year 2021 when compared to fiscal year 2020. See Notes 6 and 7 in the Notes to Financial Statements for additional information related to OPEB and SURS and CIP Pension Plan contributions.

Public Service / Continuing Education decreased by \$479,004 due to decrease in salaries from limited programs and services being offered due to COVID restrictions.

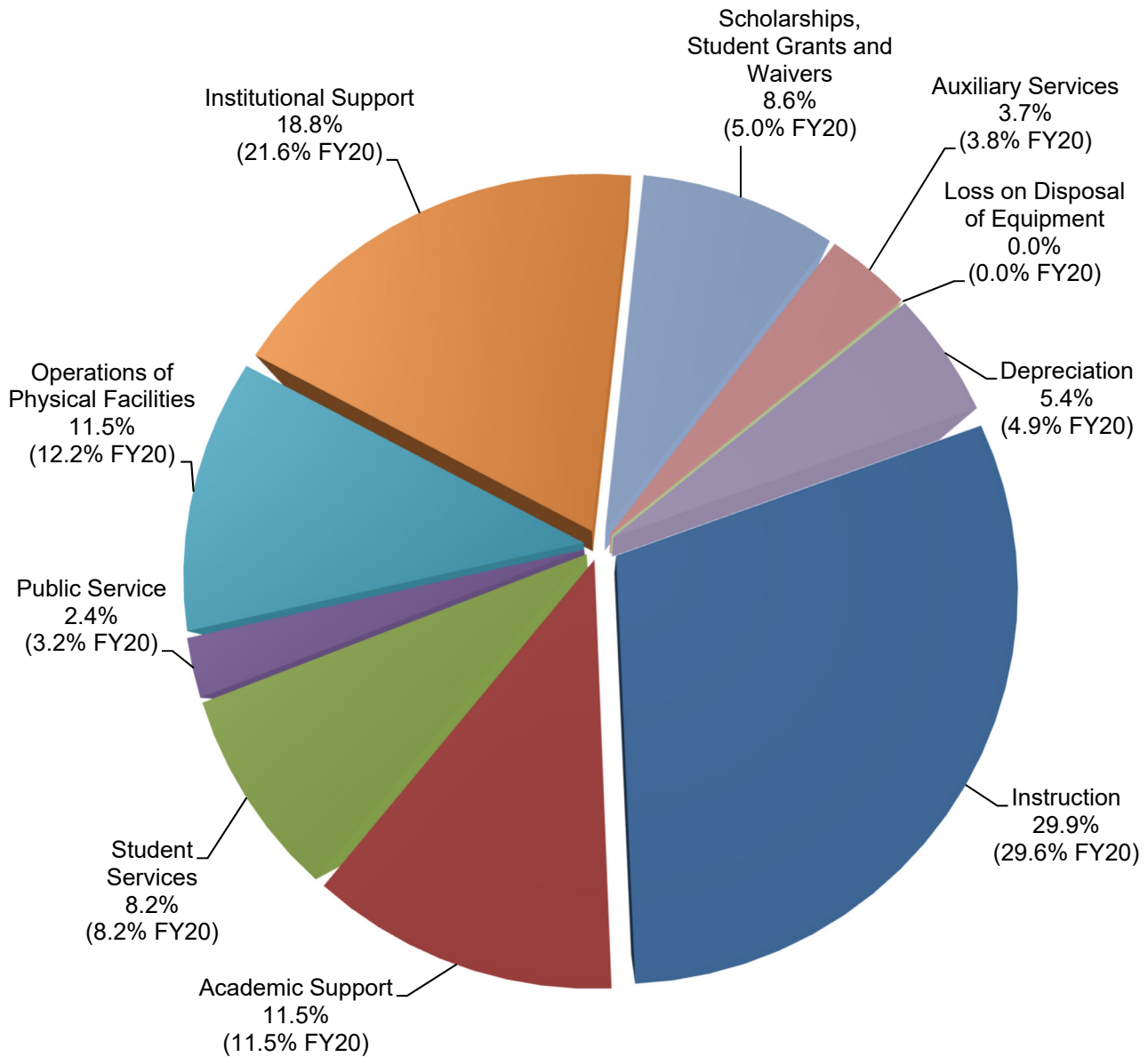
Institutional support decreased by \$1,788,685 largely due to decrease in SURS & CIP on-behalf contribution expense, decrease in health insurance costs and an decrease in technology purchases compared to prior year.

Scholarships, student grants, and waivers increased 68.6% due to the Higher Education Emergency Relief Funds student portion grants spent during fiscal year 2021.

Management's Discussion and Analysis

The following graphic illustration shows the operating expenses by program for fiscal year 2021 by percentage of the total with the comparable percentage for fiscal year 2020 in parenthesis. For both years, the largest percentage of College money was spent on Instruction.

Operating Expenses - Fiscal Year 2021



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, 2021**

	Primary	Component Units	
	Government	Black Hawk College Foundation	Black Hawk East College Foundation
Assets			
Current Assets:			
Cash and cash equivalents	\$ 60,541,630	\$ 515,538	\$ 503,167
Investments	-	6,174,530	3,148,805
Receivables:			
Property taxes, net of allowance \$96,906, \$0 and \$0, respectively	14,125,996	-	-
Federal government claims	7,041,331	-	-
State of Illinois claims	613,871	-	-
Student tuition and fees, net of allowance \$278,970, \$0 and \$0, respectively	316,873	-	-
Other, net of allowance \$0, \$196 and \$48,000, respectively	126,575	1,168,193	49,534
Inventory	526,864	-	-
Prepaid expenses	630,666	-	581
Total current assets	83,923,806	7,858,261	3,702,087
Noncurrent Assets:			
Capital assets:			
Land	1,032,464	45,000	-
Construction and Equipment in process	140,253	-	-
Building, improvements and equipment, net of accumulated depreciation \$39,460,098, \$0 and \$1,319,892, respectively	103,932,251	-	1,257,928
Total capital assets, net of depreciation	105,104,968	45,000	1,257,928
Total noncurrent assets	105,104,968	45,000	1,257,928
Total assets	189,028,774	7,903,261	4,960,015
Deferred Outflows of Resources			
Deferred Outflows of SURS Pension expense	84,974	-	-
Deferred Outflows of OPEB expense	251,380	-	-
Total deferred outflows of resources	336,354	-	-
Liabilities			
Current Liabilities:			
Accounts payable	712,427	230,947	6,242
Accrued liabilities:			
Payroll	830,862	-	-
Early retirement	169,274	-	-
Accrued vacation	240,576	-	-
Other	113,832	-	-
Unearned revenues:			
Grants and restricted funds	28,564	-	-
Notes and bonds due in less than one year	5,673,815	-	-
Other liabilities	401,046	-	-
Total current liabilities	8,170,396	230,947	6,242
Noncurrent Liabilities:			
Early retirement	1,055,692	-	-
Accrued vacation	721,726	-	-
Notes and bonds payable in more than one year	27,613,207	-	-
OPEB	17,448,224	-	-
Total noncurrent liabilities	46,838,849	-	-
Total liabilities	55,009,245	230,947	6,242
Deferred Inflows of Resources			
Property Taxes	12,113,219	-	-
Grants and restricted funds	24,640	-	-
OPEB	5,076,949	-	-
Unearned Revenues	2,311,816	-	-
Total deferred inflows of resources	19,526,624	-	-
Net Position/Net Assets (Deficit)			
Net Investment in capital assets	72,599,855	45,000	1,257,928
Restricted		6,919,048	3,445,866
Audit	244,397	-	-
Liability, Protection and Settlement	6,112,947	-	-
Working Cash	10,194,190	-	-
Bond & Interest	3,267,826	-	-
Operations & Maintenance, Restricted	3,812,453	-	-
Agency	476,585	-	-
Unrestricted	18,121,006	708,266	249,979
Total net position/net assets	\$ 114,829,259	\$ 7,672,314	\$ 4,953,773

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, 2021

	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	\$ 6,412,494	\$ -	\$ -
Sales, service and rental of facilities and equipment	1,063,979	-	-
Total operating revenues	7,476,473	-	-
Operating expenses:			
Instruction	16,367,722	-	-
Academic support	6,294,005	-	-
Student services	4,453,541	-	-
Public service	1,326,057	-	-
Auxiliary services	2,035,307	-	-
Institutional support	10,309,024	151,178	325,701
Scholarships, student grants and waivers	4,719,833	168,032	248,589
Operation of physical facilities	6,240,719	-	-
Loss on disposal of buildings and equipment	17,703	-	-
Depreciation and amortization	2,948,259	-	77,810
Total operating expenses	54,712,170	319,210	652,100
Operating (loss)	(47,235,697)	(319,210)	(652,100)
Non-operating revenues (expenses):			
Property taxes	24,145,463	-	-
Personal property replacement taxes	2,043,762	-	-
State government sources	21,049,016	-	-
Federal government sources	12,252,303	-	-
Investment earnings	371,200	1,105,767	623,701
Other sources	1,723,627	353,584	615,948
Interest expense	(1,008,405)	-	-
Total non-operating revenues (expenses)	60,576,966	1,459,351	1,239,649
Change in net position/net assets	13,341,269	1,140,141	587,549
Net position/net assets:			
Beginning, as restated	101,487,990	6,532,173	4,366,224
Ending	\$ 114,829,259	\$ 7,672,314	\$ 4,953,773

See Notes to Financial Statements.

Black Hawk College
Illinois Community College District #503

Statement of Cash Flows
Year Ended June 30, 2021

	Primary Government
	Black Hawk College
Cash Flows from Operating Activities:	
Tuition and fees	\$ 7,029,244
Payments to employees	(19,578,184)
Payments to suppliers	(32,877,433)
Sales, service, and rental of facilities and equipment	1,055,006
Net cash provided by (used in) operating activities	<u>(44,371,367)</u>
Cash Flows from Non-Capital Financing Activities:	
State and federal grants and contracts	31,499,253
Personal property replacement taxes	2,043,762
Property taxes	24,201,471
Net cash provided by non-capital financing activities	<u>57,744,486</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(1,972,278)
Principal paid on debt	(5,455,030)
Interest paid on debt	(1,008,405)
Net cash provided by (used in) capital and related financing activities	<u>(8,435,713)</u>
Cash Flows from Investing Activities	
Interest received	371,200
Net cash provided by (used in) investing activities	<u>371,200</u>
Net increase (decrease) in cash	5,308,606
Cash and cash equivalents:	
Beginning, as restated	55,233,024
Ending	<u>\$ 60,541,630</u>
Reconciliation of Operating Loss to Net Cash (Used in) Operating Activities:	
Operating loss	<u>\$ (47,235,697)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	2,948,259
Loss on disposal of equipment	17,703
Changes in assets and liabilities:	
(Increase) decrease in receivables	607,777
(Increase) decrease in inventory	108,078
(Increase) decrease in prepaid expenses	(58,143)
(Increase) decrease in deferred outflows	2,873
Increase (decrease) in accounts payable	(906,902)
Increase (decrease) in accrued expenditures	16,023
Increase (decrease) in other liabilities	128,662
Total adjustments	<u>2,864,330</u>
Net cash provided by (used in) operating activities	<u>\$ (44,371,367)</u>
Noncash, Capital and Related Financing Activities:	
SURS contribution paid by state	\$ 13,517,628
OPEB CIP contribution paid by state	59,488
OPEB expense	(125,600)
Purchase of capital assets on account	(145,338)
	<u>\$ 13,306,178</u>

See Notes to Financial Statements.

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

**Statement of Fiduciary Net Position
June 30, 2021**

	Voluntary Employees' Benefit Association (VEBA) Health Benefit Plan
Assets	
Cash	\$ 1,202,593
Liabilities	
Claims payable	605,000
Due to others	-
Total liabilities	605,000
Net Position, unrestricted	\$ 597,593

See Notes to Financial Statements.

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021**

Additions:	
Employer paid premiums	\$ 4,108,181
Grant paid premiums	237,399
Employee paid premiums	888,475
Investment earnings	7,996
Total additions	\$ 5,242,051
Deductions:	
Health and dental claims	4,926,953
Administrative	652,902
Total deductions	\$ 5,579,855
Change in net position	(337,804)
Net position:	
Beginning	935,397
Ending	\$ 597,593

See Notes to Financial Statements.

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Notes to Financial Statements

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies

Organization:

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

Significant Accounting Policies:

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

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

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

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

During the fiscal year ended June 30, 2021, the Black Hawk College Foundation and the Black Hawk East Foundation distributed \$156,242 and \$128,111, respectively, to the College for both restricted and unrestricted purposes.

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued):

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

The College has a fiduciary fund type. Fiduciary fund types are used to account for fiduciary activities (e.g. assets held on behalf of outside parties, including other governments). The College has the following fiduciary fund type:

Pension (and other employee benefit) trust fund – is the fund type for the College's health benefit plan and is accounted for in essentially the same manner as the business-type activities, using the same measurement focus and basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer made a formal commitment to provide the contributions. Claims payable are recognized when due and payable in accordance with the terms of the health plan. The fund accounts for the assets of the Voluntary Employees' Beneficiary Association (VEBA). The VEBA was established under Section 501(C)(9) of the Internal Revenue Code. The trust provides for payment of health (medical, dental, and vision) claims and health plan administrative and other directly related costs. This fiduciary fund is not considered a fiduciary component unit due to the College board overseeing the administration of VEBA assets and plan policies. A separate audit report is issued annually for the VEBA plan as of December 31 and is available in the Finance Department, 6600 34th Avenue, Moline, IL 61265.

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

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

**Black Hawk College
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Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

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

Property taxes: Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2020 levy. Property tax revenue recorded on the financial statements relates to the 2019 and 2020 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 2020 or 2021, respectively, and are collected by the county collectors in the College District who in turn remit to the College its respective share. An allowance is provided for uncollectible taxes.

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

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

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

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

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

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

**Black Hawk College
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Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded for the year ended June 30, 2021.

Investments: Investments are stated at fair value.

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Operation and Significant Accounting Policies (Continued)

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

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

Note 2. Cash and Investments

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

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

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

- Dividends-bearing share accounts, share certificate accounts of a credit union with its principal office located in Illinois and insured by applicable law.
- Funds managed, operated, and administered by a bank.

At June 30, 2021, the College's cash and cash equivalents balances are as follows:

Depository accounts, checking and certificates of deposit	\$ 60,503,635
Petty cash	<u>37,995</u>
Total cash and cash equivalents	\$ 60,541,630
Fiduciary funds	<u>1,202,593</u>
Total cash and cash equivalents	\$ 61,744,223
Less: Petty cash	<u>(37,995)</u>
Total carrying amount of deposits	<u><u>\$ 61,706,228</u></u>

As of June 30, 2021, the carrying amount of the College's deposits totaled \$61,706,228 with a bank balance of \$61,812,664. Of the \$61,812,664 bank balance, \$60,267,158 was covered by federal depository insurance and an Irrevocable Standby Letter of Credit as collateral held by the College's agent in the College's name. As of June 30, 2021, funds in the amount of \$1,545,506 were exposed to custodial credit risk as they were uninsured and uncollateralized. Full collateralization was rectified on July 8, 2021. The College has no foreign currency risk for deposits at year end.

As of June 30, 2021, the College did not hold any investments.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the change in market interest rates. The College tries to match its maturities on investments with expected cash flows. As of June 30, 2021, 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

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

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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, 2021, there are no investments with custodial credit risk as all investments are insured via an Irrevocable Standby Letter of Credit.

Foreign Currency Risk:

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

Note 3. State of Illinois Claims Allowance

In 2009, \$1 million from the Illinois Jobs Now! initiative was identified for the College through the Illinois Department of Commerce and Economic Opportunity (DCEO) for sustainability projects at the Quad-Cities campus (section 335 of P.A. 096-0039). In response, the College moved forward with the construction of the Sustainable Technologies building using bond funds as well as the anticipated DCEO funds. This project was completed in 2013. As of June 30, 2021, the \$1 million had still not been received by the College from DCEO. While the funding was included in the State of Illinois fiscal year 2021 appropriations, the college is waiting on notification from DCEO as to acceptance and payment. The College has created a 100% allowance against the \$1 million receivable on the financial statements and intends to continue conversations with state representatives in effort to collect these funds.

Note 4. Liability, Protection, & Settlement Fund Expenditures

The College had the following Liability, Protection, & Settlement Fund expenditures for the year ended June 30, 2021:

Security	\$ 918,031
Risk management & loss prevention	292,914
Insurance	692,154
Legal services	113,114
Security related salaries & benefits	<u>395,536</u>
Total Liability, Protection & Settlement Fund expenditures	<u>\$2,411,749</u>

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

Notes to Financial Statements

Note 5. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions and Transfers	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 1,032,464	\$ -	\$ -	\$ 1,032,464
Construction in process	22,764,356	1,133,514	(23,757,617)	140,253
Total capital assets not being depreciated	23,796,820	1,133,514	(23,757,617)	1,172,717
Capital assets being depreciated:				
Buildings and improvements	97,663,222	-	23,278,206	120,941,428
Land improvements	10,323,339	-	479,411	10,802,750
Equipment	11,071,025	693,426	(116,280)	11,648,171
Total capital assets being depreciated	119,057,586	693,426	23,641,337	143,392,349
Less accumulated depreciation for:				
Buildings and improvements	27,297,882	1,953,635	-	29,251,517
Land improvements	2,089,921	207,225	-	2,297,146
Equipment	7,222,613	787,399	(98,577)	7,911,435
Total accumulated depreciation	36,610,416	2,948,259	(98,577)	39,460,098
Total capital assets being depreciated, net	82,447,170	(2,254,833)	23,739,914	103,932,251
Total capital assets, net	\$ 106,243,990	\$ (1,121,319)	(17,703)	\$ 105,104,968

Note 6. Other Post-Employment Benefits

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

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

**Black Hawk College
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Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

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

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

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

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

Net OPEB Liability:

The net OPEB liability was measured as of June 30, 2020. At June 30, 2020, CIP reported a net OPEB liability of \$1,822,763,538.

Employer Proportionate Share of Net OPEB Liability:

The amount of the proportionate share of the net OPEB liability to be recognized for the College is \$17,448,224 or 0.9572%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0265%. The proportionate share of the State's net OPEB liability associated with the College is \$17,448,189. The total proportionate share of the net OPEB liability associated with the College is \$34,896,413. The net OPEB liability and total OPEB liability as of June 30, 2020, was determined based on the June 30, 2019, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2020.

OPEB Expense:

At June 30, 2020, CIP reported a collective net OPEB expense of \$38,455,955.

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2020. As a result, the College recognized OPEB income of \$125,600 for its proportionate share of OPEB expense for the fiscal year ended June 30, 2021. In addition, the College recognized an additional \$59,488 as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

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

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods. Black Hawk College's Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 158,502	\$ 976,542
Changes in assumption	-	2,789,332
Net difference between projected and actual earnings on OPEB plan investments	-	739
Changes in proportion and differences between employer contributions and share of contributions	5,524	1,310,336
Total deferred amounts to be recognized in pension expense in future periods	164,026	5,076,949
OPEB contributions made subsequent to the measurement date	87,354	-
Total	\$ 251,380	\$ 5,076,949

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

Year ended June 30:	Net Deferred Inflows of Resources
2022	\$ (818,821)
2023	(818,821)
2024	(818,821)
2025	(818,821)
2026	(818,821)
2027	(818,818)
Total	\$ (4,912,923)

Employer Deferral of Fiscal Year 2020 OPEB Expense

The College paid \$87,354 CIP contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the OPEB liability date of June 30, 2020, and are recognized as Deferred Outflows of Resources as of June 30, 2021.

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

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation for all plan years
Healthcare cost trend rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

Discount Rate: Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.13% as of June 30, 2019, and 2.45% as of June 30, 2020. The decrease in the single discount rate from 3.13% to 2.45% caused the total OPEB liability to increase by approximately \$152.7 million from 2019 to 2020.

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

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate: The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 2.45%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (3.45%) or lower (1.45%) than the current rate:

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Illinois Community College District #503**

Notes to Financial Statements

Note 6. Other Post-Employment Benefits (Continued)

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Single Discount Rate Assumption			
		Current Single Discount	
	1% Decrease	Rate Assumption	1% Increase
	(-1.45%)	(-2.45%)	(-3.45%)
Net OPEB liability	\$ 19,880,962	\$ 17,448,224	\$ 15,350,370

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Healthcare Cost Trend Rate Assumption			
		Healthcare Cost	
	1% Decrease (a)	Trend	1% Increase (b)
		Rates Assumption	
Net OPEB liability	\$ 14,457,600	\$ 17,448,224	\$ 21,415,146

- (a) One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.
- (b) One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Note 7. Defined Benefit Pension Plan

General Information about the Pension Plan

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

**Black Hawk College
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Notes to Financial Statements

Note 7. Pension Plan (Continued)

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 six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2020 can be found in the SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions: The State 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 within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 2021, respectively, was 13.02% and 12.70% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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

Net Pension Liability:

The net pension liability (NPL) was measured as of June 30, 2020. At June 30, 2020, SURS reported a NPL of \$30,619,504,321.

Employer Proportionate Share of Net Pension Liability:

The amount of the proportionate share of the NPL to be recognized for the College is \$0. The proportionate share of the State's NPL associated with the College is \$123,023,928 or 0.4018%. The College's proportionate share changed by (0.0162%) from 0.4180% since the last measurement date on June 30, 2019. This amount is not recognized in the College's financial statement. The NPL and total pension liability as of June 30, 2020 was determined based on the June 30, 2019 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 2020.

Pension Expense:

At June 30, 2020, SURS reported a collective net pension expense of \$3,364,411,021.

Employer Proportionate Share of Pension Expense:

The employer proportionate share of collective pension is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in

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

Notes to Financial Statements

Note 7. Pension Plan (Continued)

the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020. As a result, the College recognized revenue and pension expense of \$13,517,628 from this special funding situation during the fiscal year ended June 30, 2021.

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

Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 170,987,483	\$ -
Changes in assumption	473,019,629	-
Net difference between projected and actual earnings on pension plan investments	474,659,178	-
Total	\$ 1,118,666,290	\$ -

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
2021	\$ 435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
2025	-
Thereafter	-
Total	\$ 1,118,666,290

College Deferral of Fiscal Year 2021 Contributions:

The College paid \$84,974 in federal, trust or grant contributions during the year ended June 30, 2021. These contributions were made subsequent to the pension liability measurement date of June 30, 2020, and are recognized as deferred outflows of resources as of June 30, 2021.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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

Notes to Financial Statements

Note 7. Pension Plan (Continued)

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 consultants and actuary.

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	44.0%	6.67%
Stabilized Growth		
Credit Fixed Income	14.0	2.39
Core Real Assets	5.0	4.14
Options Strategies	6.0	4.44
Non-Traditional Growth		
Private Equity	8.0	9.66
Non-Core Real Assets	3.0	8.70
Inflation Sensitive		
U.S TIPS	6.0	0.13
Principal Protection		
Core Fixed Income	8.0	(0.45)
Crisis Risk Offset		
Systematic Trend Following	2.1	2.16
Alternative Risk Premia	1.8	1.60
Long Duration	2.1	0.86
Total	100.0%	4.84%
Inflation		2.25
Expected arithmetic return		7.09%

Discount Rate: A single discount rate of 6.49% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 2.45% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Notes to Financial Statements

Note 7. Pension Plan (Continued)

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.49%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.49%	Current Single Discount Rate Assumption 6.49%	1% Increase 7.49%
\$ 36,893,469,884	\$ 30,619,504,321	\$ 25,441,837,592

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

Note 8. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Bonds Payable	\$ 37,495,000	\$ -	\$(4,995,000)	\$ 32,500,000	\$ 5,315,000
Unamortized premium	1,247,052	-	(460,030)	787,022	358,815
Accrued vacation	864,573	962,302	(864,573)	962,302	240,576
Early retirement	1,373,134	169,274	(317,442)	1,224,966	169,274
OPEB	18,578,409	164,026	(1,294,211)	17,448,224	-
Total	\$ 59,558,168	\$ 1,295,602	\$(7,931,256)	\$ 52,922,514	\$ 6,083,665

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2021, are as follows:

Year Ending June 30:	Principal	Interest	Total
2022	1,050,000	486,228	1,536,228
2023	1,100,000	435,165	1,535,165
2024	1,150,000	390,640	1,540,640
2025	1,190,000	352,308	1,542,308

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

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

2026	1,225,000	311,688	1,536,688
2027-2031	6,720,000	962,550	7,682,550
2032-2033	2,980,000	90,150	3,070,150
Total	\$ 15,415,000	\$ 3,028,729	\$ 18,443,729

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

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of June 30, 2021, are as follows:

Year Ending June 30:	Principal	Interest	Total
2022	4,265,000	747,625	5,012,625
2023	4,555,000	527,125	5,082,125
2024	4,850,000	292,000	5,142,000
2025	3,415,000	85,375	3,500,375
Total	\$ 17,085,000	\$ 1,652,125	\$ 18,737,125

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$4,262,432,791 less outstanding debt. As of June 30, 2021, the College had \$89,257,921 remaining legal debt margin.

Note 9. Early Retirement and Voluntary Separation Plans

Effective May 1, 1983, the College has offered a variety of Early Retirement and Voluntary Separation plans for eligible employees. Eligibility and benefits for each plan vary by year of retirement and by the classification of employee (faculty, staff, collectively bargained).

Benefit Provisions

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

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

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

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

Notes to Financial Statements

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

Funding Policy

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

Statement of Actuarial Assumptions and Methods

Plan Sponsor

Black Hawk College

Statement of Assumptions

The assumptions disclosed are for the fiscal year ending June 30, 2021.

Actuarial Cost Method

Costs are determined using Projected Unit Credit Actuarial Cost Method

Asset Valuation Method

Market Value

Discount Rate

3.50%

Projected Salary Increases

Not applicable

Mortality

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

Turnover

Not applicable; this analysis valued retirees only

Retirement Rates

Not applicable; this analysis valued retirees only

Expense

None

Spousal Rate

Where no information is provided:

75% of current male retirees are married at retirement

75% of current female retirees are married

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

Health Care Trend Rate

Year	Medical/Rx	Dental	Vision
2021	6.5%	4.0%	3.0%
2022	6.0%	4.0%	3.0%
2023	5.5%	4.0%	3.0%
2024	5.0%	4.0%	3.0%
2025	4.5%	4.0%	3.0%
2026+	4.0%	4.0%	3.0%

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

Notes to Financial Statements

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

Medical/Rx Costs

The following chart shows the monthly contribution rates for the 2020-2021 Plan Year

Coverage	Retiree	Spouse
Medical/Rx Under 65	\$ 796.65	\$ 1,049.46
Medical/Rx Over 65	\$ 355.03	\$ 489.37

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 2020-2021 Plan Year

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

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

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

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

Notes to Financial Statements

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

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

Life Insurance

Not valued in this analysis

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

	Medical/Rx	Dental	Vision	Total
Number of Retirees Covered	24	24	21	24
Number of Spouses Covered	17	16	14	17
Total Liability	\$1,125,778	\$ 87,577	\$ 11,611	\$1,224,966
Expected Payments Next Twelve Months	\$ 153,875	\$ 12,948	\$ 2,451	\$ 169,274

The recorded liability for these plans is \$1,224,966 as of June 30, 2021.

Note 10. Risk Management and Insurance

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

The College self-insures for employee medical, dental, and vision coverage through a Voluntary Employees' Beneficiary Association (VEBA). Self-insurance is in effect with a stop loss insurance arrangement that includes a \$145,000 maximum aggregate eligible claims expense per participant per year as well as a maximum aggregate benefit (in excess of the annual aggregate deductible per policy term) of \$1,000,000. Coverage from a reinsurer is maintained for claims in excess of the specific and aggregate stop/loss amount. All claim handling procedures are performed by an independent claims administrator.

The College establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. At June 30, 2021, the amount of these liabilities was \$605,000. The following represents changes in those liabilities for the College during the past three years:

	<i>Beginning of Fiscal Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>Balance at Fiscal Year- End</i>
FY2019	\$ 550,000	\$ 5,897,300	\$ 5,667,300	\$ 780,000
FY2020	\$ 780,000	\$ 5,617,224	\$ 5,947,224	\$ 450,000
FY2021	\$ 450,000	\$ 5,341,340	\$ 5,186,340	\$ 605,000

Note 11. Deferred Inflows of Resources

The \$24,640 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.

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Illinois Community College District #503**

Notes to Financial Statements

Note 12. Restricted Net Position

The College restricted net position is comprised of the following at June 30, 2021:

Restricted for:	
Audit	\$ 244,397
Liability, Protection and Settlement	6,112,947
Working Cash	10,194,190
Bond & Interest	3,267,826
Operations & Maintenance, Restricted	3,812,453
Agency	476,585
	<u>\$ 24,108,398</u>

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

Note 13. Commitments

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

As of June 30, 2021, the College had 2 active construction contracts. The remaining commitment on these contracts as of June 30, 2021, was approximately \$2,900,000.

Note 14. Tax Abatements

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

The College is indirectly entered into tax abatement agreements with developers in the form of tax incremental financing (TIF) incentive payments intended to stimulate economic development within a TIF district. The immediate impact of a TIF district on the College results in a loss of property tax revenue during the duration of a TIF agreement. Once the TIF agreement expires, the expectation is that the EAV will have increased due to the increased economic development therefore creating an opportunity for more tax revenue for the College in future years. The total tax revenue lost in the 2020 tax year due to TIF agreements in place equals \$1,717,326 as of June 30, 2021.

**Black Hawk College
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Notes to Financial Statements

Note 15. Restatement

As a result of the implementation of GASB Statement No. 84, the Agency fund beginning net position and the cash and cash equivalents beginning balance on the cash flow statement was restated.

	Agency Fund	Cash and Cash equivalents, Cash Flow Statement	Net Position
Balance at July 1, 2020, as previously reported	\$0	\$54,845,828	\$101,100,794
Add beginning agency fund balances	387,196	387,196	387,196
Balance at July 1, 2020, as restated	<u>\$387,196</u>	<u>\$55,233,024</u>	<u>\$101,487,990</u>

Note 16. Component Unit Footnotes

Black Hawk College Foundation Notes to Financial Statements

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

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

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

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

Basis of Accounting

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

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

Fund Accounting

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

means by which spending activities are controlled.

Net Assets

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

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

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

Inclusion in College Financial Statements

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

Cash and Cash Equivalents

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

Investments

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

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

Use of Estimates

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Promises To Give

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

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. As of June 30, 2021 there were promises to give less allowance to the Foundation in the amount of \$ 906,552.

Contribution Revenue

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

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

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

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

Donated Services and Materials

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Donated services are recognized in the financial statements, if the services (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. For the year ending June 30, 2021 the Foundation received in-kind donations of miscellaneous items and supplies valued at \$3,975 and contributed services from a related party of \$ 130,772. These amounts are included in the financial statements as in-kind revenues and in-kind expenses.

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

Functional Expenses Allocation Method

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

Change in Accounting Policy

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework*. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. Organizations should consider the level of detail, the amount of emphasis, the degree of aggregation or disaggregation, and whether other information may be required for financial statement users to evaluate the quantitative information disclosed in complying with the disclosure requirements. There was no change in opening balances of net assets and no prior period results were restated.

Pending Accounting Pronouncements

On February 25, 2016, the FASB issued ASU 2016-02: *Leases*. When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases as well as finance leases. This standard is effective for financial statement issued for annual periods beginning after December 15, 2021. The Foundation is evaluating what impact this new standard will have on its financial statements.

In September 2020, the FASB issued ASU 2020-07: Not-for-Profit Entities (Topic 958): *Presentation and Disclosure Not-for-Profit Entities for Contributed Nonfinancial Assets*. When this standard is adopted, Not-for-Profit entities will be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures regarding contributed nonfinancial assets. The Foundation is evaluating what impact this new standard will have on its financial statements.

**Black Hawk College
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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 2 Investments:

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

Investments are composed of the following as of June 30, 2021:

	Cost	Fair Value
Exchange-traded & closed-ended funds	\$1,413,615	\$1,897,865
Mutual funds	3,739,634	4,276,665
Total investments	5,153,249	6,174,530
Money market funds (cash equivalents)	20,427	20,427
Total investments and money markets	\$5,173,676	\$6,194,957

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

	Cost	Fair Value	Excess of Fair Value Over (Under) Cost
Balance at end of year	\$5,153,249	\$6,174,530	\$1,021,281
Balance at beginning of year	4,788,490	5,080,678	292,188
Increase in unrealized appreciation			729,093
Realized net income (loss) for the year			259,475
Total net gain for the year			\$988,568

Note 3 Fair Value Measurement:

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

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021.

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

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

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

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis at June 30, 2021:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Exchange-traded & closed ended	\$1,897,865	\$1,897,865	\$ -	\$ -
Mutual funds	4,276,665	4,276,665	-	-
Beneficial interest in:				
Perpetual trust ¹	104,387	-	-	104,387
Charitable trust ¹	146,054	-	-	146,054
Total	\$6,424,971	\$6,174,530	\$ -	\$ 250,441

¹ Included in Other receivables on the statement of net position/net assets.

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

Changes in assets measured on a recurring basis using significant unobservable inputs (Level 3 inputs) for the year ending June 30, 2021:

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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

	Beneficial Interest in Perpetual Trust	Beneficial Interest in Charitable Trust
June 30, 2020	\$86,054	\$114,341
Change in value	23,263	31,713
Fees	(58)	-
Distributions	(4,872)	-
June 30, 2021	<u>\$ 104,387</u>	<u>\$ 146,054</u>

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

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

As of June 30, 2021				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trust	\$104,387	Market approach	Fair value of assets contributed to trust	N/A
Beneficial interest in charitable trust	\$146,054	Present value of future cash flows	Fair value of assets contributed to trust	N/A

Note 4 Endowment Funds:

The Foundation's endowment consists of approximately 70 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$ -	\$6,919,048	\$6,919,048
Board-designated endowment funds	453,383	-	453,383
Total	<u>\$453,383</u>	<u>\$6,919,048</u>	<u>\$7,372,431</u>

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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Changes in endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assts, beginning of year	\$378,012	\$5,902,368	\$6,280,380
Contributions	-	127,192	127,192
Special Events	-	550	550
In-kind revenues	-	3,850	3,850
Change in value of beneficial interest	-	47,221	47,221
Interest and dividend income	12,975	103,946	116,921
Other income	-	21,784	21,784
Internal Scholarship Program Admin Fee	(4,903)	(37,397)	(42,300)
Net unrealized and realized gain (loss) on investments	67,299	909,239	976,538
Amounts released from restriction	-	(159,705)	(159,705)
Total	\$453,383	\$6,919,048	\$7,372,431

Note 5 Beneficial Interest in Trusts:

The Foundation established the Black Hawk College Foundation Community Endowment Challenge Fund with The Moline Foundation in 2017 for the benefit of the Foundation. The fund agreement allows the use of the fund's principal and income in accordance with The Moline Foundation's spending policy for endowed funds for supporting of Black Hawk College Foundation. The fund is held and invested by The Moline Foundation, which were contributed by the Foundation, and is reported at fair value as beneficial interest in perpetual trust in the statement of financial position in the amount of \$ 104,387 as of June 30, 2021. Distributions and changes in fair value are recognized in the statement of activities and changes in net assets.

The Foundation is the beneficiary of a charitable remainder trust that was created independently by donors and are administered by outside agents designated by the donors. Therefore, the Foundation has neither possession nor control over the assets of the trust. At the date the Foundation received notice of a beneficial interest, a contribution with donor restrictions was recorded in the statements of activities and changes in net assets, and a beneficial interest in charitable trusts held by others was recorded in the statements of financial position at fair value using present value techniques. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position in the amount of \$ 146,054 as of June 30, 2021.

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

Note 6 Pledges Receivable:

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. An allowance has been set up in the amount of \$196 for uncollectible pledges. The breakdown of pledges receivable as of June 30, 2021 is as follows:

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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Due in one year or less	\$1,748
Due beyond one year	1,000,000
Less unamortized discount	(95,000)
Less allowance for uncollectible pledges	(196)
<hr/>	
Donation receivables	\$906,552
<hr/>	

Note 7 Refundable Advance:

During 2021, the Foundation received a \$200,000 donor restricted donation that is considered conditional. The contribution relates to an educational program that Black Hawk College has not yet implemented. The Foundation will have to return the donation if the College decides not to start this new education program. Since the donation is conditioned on future uncertain events, it is not recognized as donation revenue until donor conditions are met. Cash received from the donor in advance of the conditions being met totaled \$200,000, are recorded as refundable advances in the statement of net position, and will subsequently be recognized as donation revenue when donor conditions are met.

Note 8 Income Taxes:

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

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

Note 9 Related Parties:

The Foundation expends funds either directly to or for the indirect benefit of Black Hawk College, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year, \$ 106,655 was expended for scholarships, \$1,718 expended for student emergency fund grants, and \$ 47,870 was expended for grants. As of June 30, 2021, the Foundation had payables to the College in the amount of \$19,797.

The College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not-for-Profit Entities: Services Received from Employees of an Affiliate" that includes \$130,772 on the financial statements as donation and the related in-kind expenses for the personnel and operating costs incurred by the College on the Foundation's behalf.

Note 10 Ground Lease:

The Foundation has a ground lease with The Villas at Black Hawk LLC with the initial term running through December 31, 2053, with two additional 10-year options for a cumulative possible extension of 20 years. This lease states basic rent shall be paid in the form of a housing scholarship credit, to

**Black Hawk College
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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

be divided and allocated at Black Hawk College Foundation’s discretion, equal to the value of the annual rental cost of two bedrooms in a four-bedroom unit. The housing scholarship credits shall be given by The Villas at Black Hawk LLC to Black Hawk College students each lease year. The outstanding balance of basic rent due in housing scholarship credits from The Villas at Black Hawk LLC equals \$11,150 on June 30, 2021. During fiscal year 2021, \$11,860 in housing scholarship credits were received by Black Hawk College students and an additional housing scholarship credit balance due from The Villas at Black Hawk LLC for the upcoming fiscal year will be in the amount of \$11,150.

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

Note 11 Net Assets with Donor Restrictions:

Net assets with donor restrictions are available as of June 30, 2021 for the following purposes:

Scholarship	\$6,518,819
Library	19,337
Grants to College	137,239
Student Emergency Fund	17,890
Specific programs	50,631
Scholarships or grants	33,146
Other	141,986
<hr/>	
Total	\$6,919,048

Note 12 Net Assets Released:

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

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2021 as follows:

Scholarship	\$103,105
Student emergency grants	1,718
Grants	50,914
Fundraising and special events	100
Miscellaneous	3,868
<hr/>	
Total	\$159,705

Note 13 Commitments:

As of June 30, 2021, the Foundation has not committed to paying any scholarships awarded for Fall 2021.

**Black Hawk College
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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 14 Subsequent Events:

The Foundation evaluated its June 30, 2021 financial statements for subsequent events through October 21, 2021, the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

Note 15 Liquidity

The Foundation strives to maintain liquid financial assets to meet the short-term needs of the Foundation. Financial assets in excess of daily cash requirements are invested to earn more revenue. Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of June 30, 2021:

**Black Hawk College
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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Financial assets available within one year and free of donor restrictions:	
Cash and cash equivalents:	
Cash	\$135,744
Cash equivalents	646
Board-designated endowment	200,000
Board-designated earnings	253,383
Pledge Receivables, no purpose restrictions	800
Investments	75,570
	<hr/>
	666,143
Financial Assets with liquidity restrictions greater than one year:	
Beneficial interest in perpetual trust (Moline Foundation)	47,369
	<hr/>
Financial assets available for expenditure, subject to restrictions:	
Cash and cash equivalents:	
Cash	294,411
Cash equivalents	3,070
Assets-in kind	50
Receivables	381
Investments	262,875
Beneficial interest in perpetual trust (Moline Foundation)	57,018
Beneficial interest in charitable trust (Saffield)	146,054
	<hr/>
	763,859
Financial assets held as board-designated term endowment (quasi-endowments)	
	<hr/>
	146,894
Financial assets subject to donor-imposed endowment restrictions:	
Cash and cash equivalents:	
Cash	64,956
Cash equivalents	16,711
Endowed pledge receivables and other receivables	371
Investments	5,235,807
	<hr/>
	5,317,845
Non-cash assets:	
Land	45,000
Scholarship receivable from Villas	11,150
Endowed pledge receivable (only enforceable if funds are available when donor passes away)	905,000
	<hr/>
	961,220
Total financial assets	<hr/>
	\$7,903,261

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Black Hawk East College Foundation Notes to Financial Statements

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

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

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

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

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

Principles of Consolidation

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

Basis of Accounting

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

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

Fund Accounting

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

means by which spending activities are controlled.

Net Assets

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

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

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

Inclusion in College Financial Statements

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

Cash and Cash Equivalents

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

Promises To Give

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

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. As of June 30, 2021 there were promises to give to the Foundation of \$25,667 (see Note 5).

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Investments

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

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

Capital Assets

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

Contribution Revenue

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

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

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

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

Donated Services and Materials

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Donated services are recognized in the financial statements, if the services (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. For the year ending June 30, 2021 the Foundation received in-kind donations of equipment and miscellaneous items valued at \$110,050 and contributed services from a related party of \$92,136. These amounts are included in the financial statements as in-kind revenues and in-kind expenses.

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

Use of Estimates

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

Change in Accounting Policy

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework*. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. Organizations should consider the level of detail, the amount of emphasis, the degree of aggregation or disaggregation, and whether other information may be required for financial statement users to evaluate the quantitative information disclosed in complying with the disclosure requirements. There was no change in opening balances of net assets and no prior period results were restated.

Pending Accounting Pronouncements

On February 25, 2016, the FASB issued ASU 2016-02: *Leases*. When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases as well as finance leases. This standard is effective for financial statement issued for annual periods beginning after December 15, 2021. The Foundation is evaluating what impact this new standard will have on it financial statements.

In September 2020, the FASB issued ASU 2020-07: *Not-for-Profit Entities (Topic 958): Presentation and Disclosure Not-for-Profit Entities for Contributed Nonfinancial Assets*. When this standard is adopted, Not-for-Profit entities will be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures regarding contributed nonfinancial assets. The Foundation is evaluating what impact this new standard will have on its financial statements.

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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 2 Investments:

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

Investments are composed of the following as of June 30, 2021:

	Cost	Fair Value
Certificates of deposit	\$316,711	\$316,711
Fixed income	10,000	10,025
Mutual funds	1,539,317	2,589,359
Stock	1,182	25,603
Annuity	207,107	207,107
	<u>\$2,074,317</u>	<u>\$3,148,805</u>

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

	Cost	Fair Value	Excess of Fair Value Over (Under) Cost
Balance at end of year	\$2,074,317	\$3,148,805	\$1,074,488
Balance at beginning of year	1,777,207	2,251,971	<u>474,764</u>
Increase in unrealized appreciation			599,724
Realized net gain for the year			<u>1,808</u>
Total net gain for the year			<u><u>\$601,532</u></u>

Note 3 Fair Value:

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

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

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

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Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

liability.

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

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

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis at June 30, 2021:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificates of deposit	\$316,711	\$0	\$ 316,711	\$0
Fixed income	10,025	0	10,025	0
Mutual funds	2,589,359	2,589,359	0	0
Stocks	25,603	25,603	0	0
Annuity	207,107	0	207,107	0
Total	\$3,148,805	\$2,614,962	\$ 533,843	\$0

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the year ended June 30, 2021.

Note 4 Endowment Funds:

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

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

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

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

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

The endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Net Assets With Restrictions
<u>Donor-restricted endowment funds</u>	<u>\$ 3,445,866</u>

Changes in endowment net assets as of June 30, 2021 are as follows:

	Net Assets With Restrictions
Endowment net assets, beginning of year	\$2,981,818
Contributions and fundraising income	128,442
Interest and dividend income	18,645
Net unrealized gain(loss) on investments	548,037
Transfer out	(69,732)
Amounts released from restriction	(161,344)
<u></u>	<u>\$3,445,866</u>

Note 5 Pledge Receivables:

Unconditional promises are included in the consolidated financial statements as pledge receivables and revenue of the appropriate net asset category. The Foundation evaluates receivable balances and establishes an allowance for doubtful accounts, based on age of the receivables, collections and current economic considerations. Accounts receivable are written off against the allowance for uncollectible pledges when all reasonable collection efforts have been exhausted. The breakdown of pledge receivables as of June 30, 2021 is as follows:

Due in one year or less	\$39,917
Due in one to five years	3,750
	43,667
<u>Less allowance for uncollectible pledges</u>	<u>(18,000)</u>
<u>Pledge receivables</u>	<u>\$25,667</u>

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 6 Other Receivables:

Rent receivables for student housing are included in the consolidated financial statements as other receivables. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on student attributes. The other receivables as of June 30, 2021 are \$53,867 and an allowance has been set up in the amount of \$30,000 for estimated uncollectible receivables.

Note 7 Income Taxes:

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

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

Note 8 Related Parties:

The Foundation expends funds either directly to or for the indirect benefit of Black Hawk East College, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year, \$124,563 was expended for scholarships and \$3,548 was expended for grants. As of June 30, 2021, the Foundation had payables to the College in the amount of \$1,717.

The College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not-for-Profit Entities: Services Received from Employees of an Affiliate" that includes \$92,136 on the consolidated financial statements as in-kind income and the related in-kind expenses for the personnel costs incurred by the College on the Foundation's behalf.

Note 9 Capital Assets:

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

	Cost 6/30/2020	Additions	Retirements	Cost 6/30/2021
Land	\$363,232	\$0	\$0	\$363,232
Building and improvements	1,922,913	10,478	0	1,933,391
Equipment, furniture and appliances	280,444	753	0	281,197
	2,566,589	11,231	0	2,577,820
Less accumulated depreciation	(1,242,082)	(77,810)	0	(1,319,892)
Total, net of accumulated depreciation	\$1,324,507	\$ (66,579)	\$0	\$1,257,928

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

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 10 Concentrations of Risk:

At year end, the carrying amount of the Foundation's deposits in checking, money market, and savings was \$503,167 and the bank balance was \$508,112. Of the bank balance, \$313,722 was covered by federal depository insurance and \$194,390 was uninsured.

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

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

Note 11 Net Assets Released:

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

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2021 as follows:

Scholarship	\$124,563
Grants	10,396
Fundraising	6,109
Administrative	11,444
Investment fees	8,832
<u>Total</u>	<u>\$161,344</u>

Note 12 Net Assets with Restrictions:

Net assets with restrictions are available as of June 30, 2021 for the following purposes:

Scholarship, special projects and grants	\$3,397,713
Capital campaign	48,153
<u>Total</u>	<u>\$3,445,866</u>

Note 13 Agri-Business Club Alumni Agreement:

The Foundation entered into an agreement on April 26, 2011 with Black Hawk East Agri-Business Club Alumni (ABCA) to further both of the parties' missions for the education programs at Black Hawk College's East Campus. ABCA funds with the Foundation as of June 30, 2021 are \$193,381.

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

Notes to Financial Statements

Note 16. Component Unit Footnotes (continued)

Note 14 Subsequent Events:

The Foundation has evaluated subsequent events through September 15, 2021, which is the date these consolidated financial statements were issued. All subsequent events requiring recognition as of June 30, 2021 have been incorporated herein.

Note 15 Liquidity:

At this time, the Foundation does not have a liquidity management plan. The Foundation reviews cash balances at their Finance Committee meetings, at least once per year, but usually more often. As of June 30, 2021, the Foundation had enough cash to cover expenses for approximately 7.5 months. The Finance Committee's goal is to never have cash balances fall below the amount needed to finance expenses for 90 days. Financial assets in excess of daily cash requirements are invested to earn more revenue. Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the consolidated statement of financial position date, comprise the following as of June 30, 2021:

Cash and cash equivalents	\$503,167
Investments	1,782,246
Other receivables	23,867
Pledges receivables	21,917
<hr/>	
Total	\$2,331,197
<hr/>	

Note 17. Pending Accounting Pronouncements

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 June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

Notes to Financial Statements

Note 18. Pending Accounting Pronouncements (Continued)

GASB Statement No. 92, Omnibus 2020, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 93, Replacement of Interbank Offered Rates, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

Note 19. Risk and Uncertainties

Specific to the College, COVID-19 impacted various aspects of operations and financial results for the year ended June 30, 2021, including charges for services and tax revenues. Management believes the College has taken appropriate actions in response to the pandemic. However, the full impact of COVID-19 remains unknown and cannot be reasonably estimated as these events are still developing.

Note 20. Subsequent Event

The College has evaluated subsequent events through March 7, 2022 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2021 have been incorporated herein with the exception of a \$1,947,030 contract signed with Crawford Company for the purchase and installation of generators across the District.

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, 2020

SCHEDULE OF SHARE OF NET PENSION LIABILITY							
BLACK HAWK COLLEGE	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
(a) Proportionate Percentage of the Collective Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with the College	\$ 117,152,029	\$ 118,843,678	\$ 126,703,122	\$ 115,964,513	\$ 119,573,827	\$ 120,049,898	\$ 123,023,928
Total (b) + (c)	\$ 117,152,029	\$ 118,843,678	\$ 126,703,122	\$ 115,964,513	\$ 119,573,827	\$ 120,049,898	\$ 123,023,928
Employer Defined Benefit Covered Payroll	\$ 19,512,271	\$ 18,035,229	\$ 17,584,276	\$ 16,035,416	\$ 15,496,618	\$ 15,061,369	\$ 14,832,131
Proportion of Collective Net Pension Liability associated with the College as a percentage of Defined Benefit Covered Payroll	600.40%	658.95%	720.55%	723.18%	771.61%	797.07%	829.44%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%

Fiscal Year 2020 Total DB Covered Payroll: \$14,206,662

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

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 2021 Total DB Contributions: \$1,145,821
Fiscal Year 2021 Total SMP Contributions: \$377,334

See Accompanying Notes to Required Supplementary Information

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

Required Supplementary Information (RSI)

OPEB Information for the Year Ended June 30, 2020

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

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

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

See Accompanying Notes to Required Supplementary Information

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

Notes to Required Supplementary Information (RSI)

Note 1. Changes of Pension benefit terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

Note 2. Changes of Pension assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017, was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

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

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2020.

Note 4. Changes of OPEB Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2019. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2018:

- The discount rate was changed from 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2019.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2020;
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed;
- Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year end 2021; and
- Healthcare plan participation rates by plan were updated based on observed experience.

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Statistical Section (Unaudited)

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Statistical Narrative

This section of the College's annual comprehensive 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

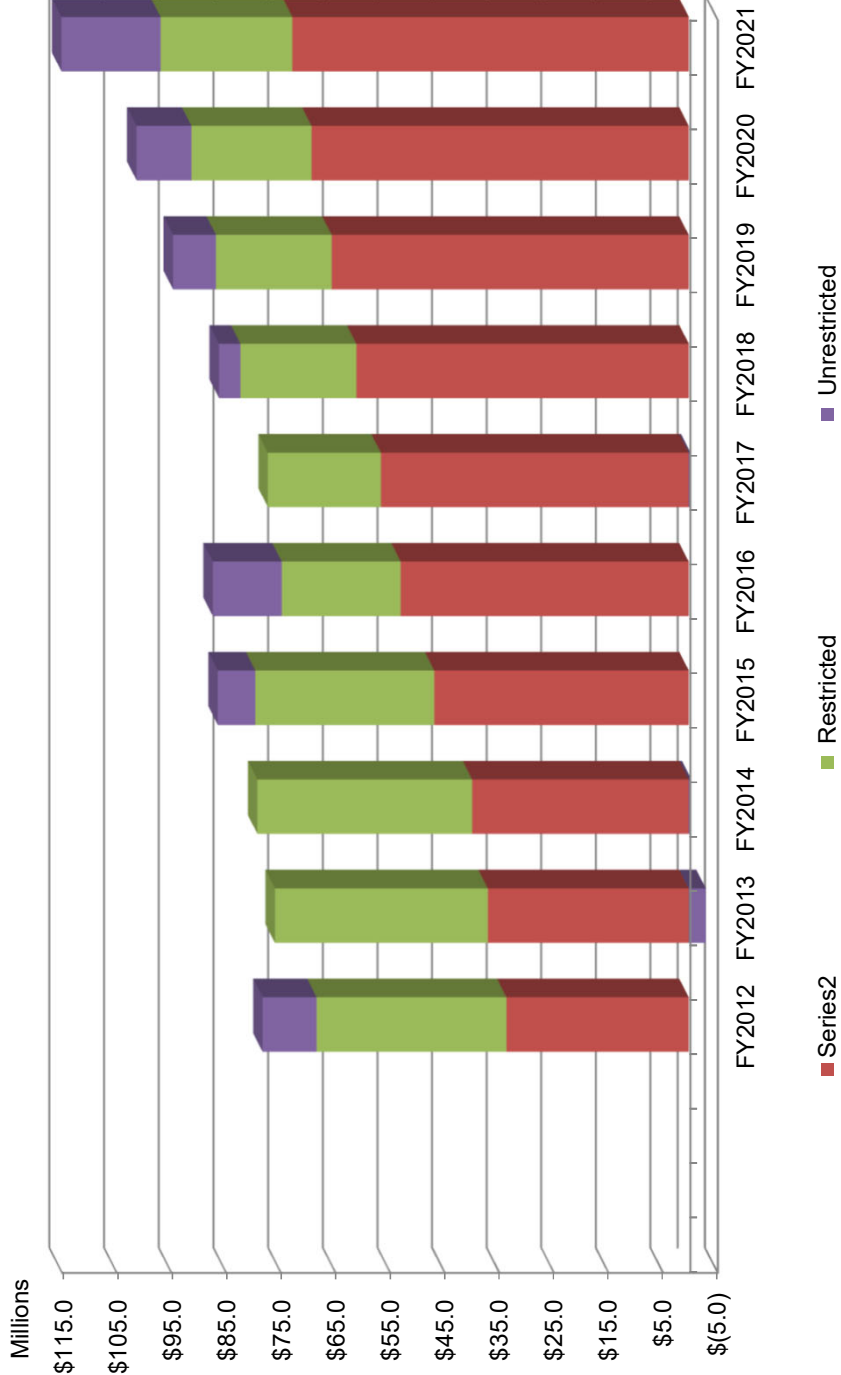
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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

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

**Schedule of Net Position by Component
FY2012 through FY2021**

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net investment in capital assets	\$ 33,387,782	\$ 36,808,792	\$ 39,682,320	\$ 46,629,046	\$ 52,790,893	\$ 56,423,039	\$ 60,892,637	\$ 65,410,549	\$ 69,088,597	\$ 72,599,855
Restricted	34,787,857	38,975,554	39,325,155	32,748,174	21,743,611	20,665,256	21,223,578	21,178,705	21,966,347	24,108,398
Unrestricted	9,871,444	(3,108,137)	(463,684)	6,860,226	12,612,715	(275,854)	3,905,446	7,835,509	10,045,850	18,121,006
Total net position	\$ 78,047,083	\$ 72,676,209	\$ 78,543,791	\$ 86,237,446	\$ 87,147,219	\$ 76,812,441	\$ 86,021,661	\$ 94,424,763	\$ 101,100,794	\$ 114,829,259



Source: College audited financial statements.

Note:

1. In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impact.
2. In fiscal year 2021, GASB 84 was implemented in FY2021. The College did not restate prior year amounts on this table.

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

**Schedule of Changes in Net Position
FY2012 through FY2021**

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Operating Revenues:										
Student tuition and fees, net of allowance	\$ 6,609,902	\$ 7,613,048	\$ 7,624,251	\$ 7,900,764	\$ 8,229,163	\$ 7,892,417	\$ 9,662,882	\$ 8,601,924	\$ 7,299,079	\$ 6,412,494
Sales, service, and rental of facilities	2,481,502	2,236,204	2,233,506	2,430,045	3,105,311	3,057,200	1,650,722	1,655,925	1,511,592	1,063,979
Tuition chargeback	-	-	-	-	-	3,291	-	-	-	-
SURS contribution provided by state	5,373,730	7,535,508	8,068,818	-	-	-	-	-	-	-
Other operating revenue	2,486	-	-	-	-	-	-	-	-	-
Total operating revenue	14,467,620	17,384,760	17,926,575	10,330,809	11,334,474	10,952,908	11,313,604	10,257,849	8,810,671	7,476,473
Operating expenses:										
Instruction	13,973,024	19,814,071	18,609,563	15,128,229	17,724,388	26,967,368	17,334,662	16,774,426	16,604,364	16,367,722
Academic support	5,127,170	6,244,734	6,272,580	5,874,310	5,983,041	8,645,553	6,125,203	6,049,316	6,434,686	6,294,005
Student services	3,485,166	4,265,652	4,300,131	4,210,904	4,549,668	7,062,263	4,578,630	4,657,028	4,592,178	4,453,541
Public service	1,977,739	1,879,087	2,122,000	2,477,612	2,086,257	2,443,828	1,964,151	1,922,837	1,805,061	1,326,057
Auxiliary services	3,706,401	3,823,167	3,765,785	3,617,263	3,002,230	3,175,143	2,517,809	2,281,350	2,132,268	2,035,307
Institutional support	9,215,268	10,346,257	9,025,272	7,732,965	8,651,774	11,570,659	9,645,521	10,501,177	12,097,709	10,309,024
Scholarships, student grants and waivers	2,747,946	2,401,499	2,615,325	2,665,004	2,925,053	2,760,799	2,861,182	2,387,028	2,799,051	4,719,833
SURS contribution provided by state	5,373,730	-	-	-	-	-	-	-	-	-
Operation of physical facilities	4,920,249	4,232,592	5,346,628	8,948,305	6,308,416	9,238,103	6,010,698	6,276,854	6,822,414	6,240,719
Loss on disposal of equipment	5,451	16,664	762,732	-	2,869	138,692	58,088	164,089	10,108	17,703
Depreciation	1,419,276	1,601,385	1,740,162	1,830,003	2,065,643	2,372,917	2,584,543	2,744,079	2,747,583	2,948,259
Total operating expenses	51,951,420	54,625,108	54,560,178	52,484,595	53,299,339	74,375,325	53,680,487	53,758,184	56,045,422	54,712,170
Operating (loss)	(37,483,800)	(37,240,348)	(36,633,603)	(42,153,786)	(41,964,865)	(63,422,417)	(42,366,883)	(43,500,335)	(47,234,751)	(47,235,697)
Non-operating revenues (expenses)										
Property taxes	19,171,402	19,119,399	19,462,491	19,623,307	20,316,292	21,077,895	22,304,048	23,116,343	23,354,222	24,145,463
Personal property taxes	1,317,537	1,346,184	1,361,828	1,464,594	1,340,818	1,480,910	1,219,068	1,356,578	1,466,854	2,043,762
State government sources	10,578,684	9,562,931	10,192,344	19,205,104	13,134,693	23,427,506	20,838,529	20,344,690	21,167,329	21,049,016
Federal government sources	10,875,102	10,099,071	9,995,924	9,290,411	7,733,197	7,431,615	7,234,806	6,501,114	7,911,547	12,252,303
Investment earnings	1,118,105	848,082	286,520	259,842	232,346	394,887	908,951	1,372,995	807,639	371,200
Other sources	1,046,866	1,281,102	2,025,129	832,131	838,648	823,466	447,739	495,300	357,667	1,723,627
Interest expense	(578,513)	(778,726)	(923,106)	(827,948)	(721,356)	(1,548,640)	(1,377,038)	(1,283,583)	(1,154,476)	(1,008,405)
Total non-operating revenues (expenses)	43,529,183	41,478,043	42,401,130	49,847,441	42,874,638	53,087,639	51,576,103	51,903,437	53,910,782	60,576,966
Change in net position	\$ 6,045,383	\$ 4,237,695	\$ 5,767,527	\$ 7,693,655	\$ 909,773	\$ (10,334,778)	\$ 9,209,220	\$ 8,403,102	\$ 6,676,031	\$ 13,341,269

Note:

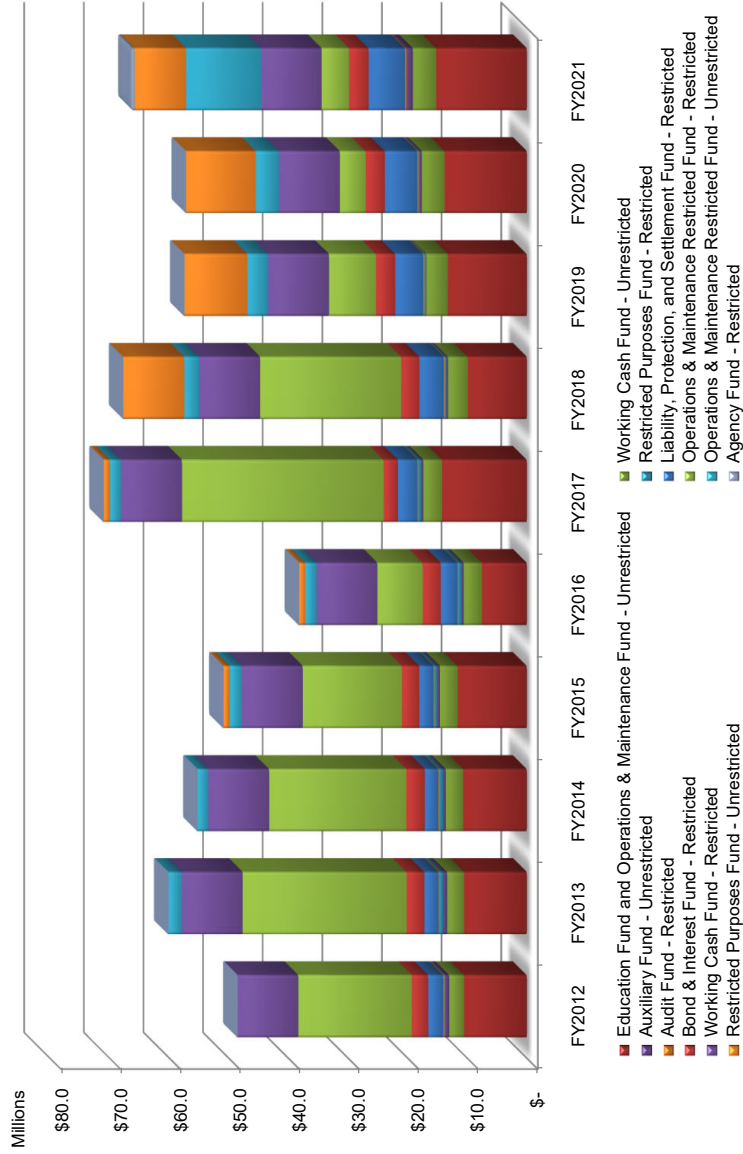
1. Beginning FY2013 SURS contribution provided by state allocated among existing operating expense functions.
2. Beginning FY2015, SURS contribution provided by state included as a non-operating revenue under State government sources.
3. In fiscal year 2018, GASB 75 was implemented retroactively to fiscal year 2017 which included a \$19,635,594 OPEB liability impac
4. In fiscal year 2021, GASB 84 was implemented in FY2021. The College did not restate prior year amounts on this table

Source: Black Hawk College Audited Financial Statements

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

**Schedule of Fund Balance by Fund
FY2012 through FY2021**

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Education Fund and Operations & Maintenance Fund - Unrestricted	\$ 10,512,321	\$ 10,512,321	\$ 10,682,400	\$ 11,591,965	\$ 7,534,940	\$ 14,204,789	\$ 9,898,492	\$ 13,235,799	\$ 13,787,583	\$ 15,185,898
Working Cash Fund - Unrestricted	2,496,165	2,848,633	2,912,562	2,978,247	3,044,065	3,137,116	3,317,332	3,624,068	3,830,983	3,925,260
Auxiliary Fund - Unrestricted	702,675	711,344	477,896	458,386	377,799	369,513	279,543	40,420	379,093	1,068,531
Restricted Purposes Fund - Restricted	94,284	495,369	632,447	487,716	556,420	523,904	280,533	262,322	171,637	-
Restricted Purposes Fund - Unrestricted	-	-	-	1,000,000	1,000,000	1,000,000	10,240,000	10,530,635	11,674,278	8,644,844
Agency Fund - Restricted	-	-	-	-	-	-	-	-	-	476,585
Audit Fund - Restricted	211,908	200,222	135,278	113,676	104,536	106,656	157,198	203,058	179,564	244,397
Liability, Protection, and Settlement Fund - Restricted	2,521,853	2,402,140	2,265,040	2,386,897	2,798,225	3,274,964	4,070,362	4,701,821	5,454,491	6,112,947
Bond & Interest Fund - Restricted	2,721,899	2,973,723	3,079,546	2,909,841	3,048,701	2,389,192	3,071,627	3,196,333	3,208,268	3,267,826
Operations & Maintenance Restricted Fund - Restricted	19,043,923	27,508,249	23,018,654	16,655,854	7,581,975	33,826,596	23,636,027	7,915,013	4,344,856	4,594,362
Operations & Maintenance Restricted Fund - Unrestricted	-	2,254,612	1,808,396	2,065,594	1,933,844	1,912,616	2,520,099	3,502,622	3,908,770	12,540,984
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	\$ 48,499,018	\$ 60,100,803	\$ 55,206,409	\$ 50,842,366	\$ 38,174,695	\$ 70,939,536	\$ 67,665,403	\$ 57,406,281	\$ 57,133,713	\$ 66,255,824



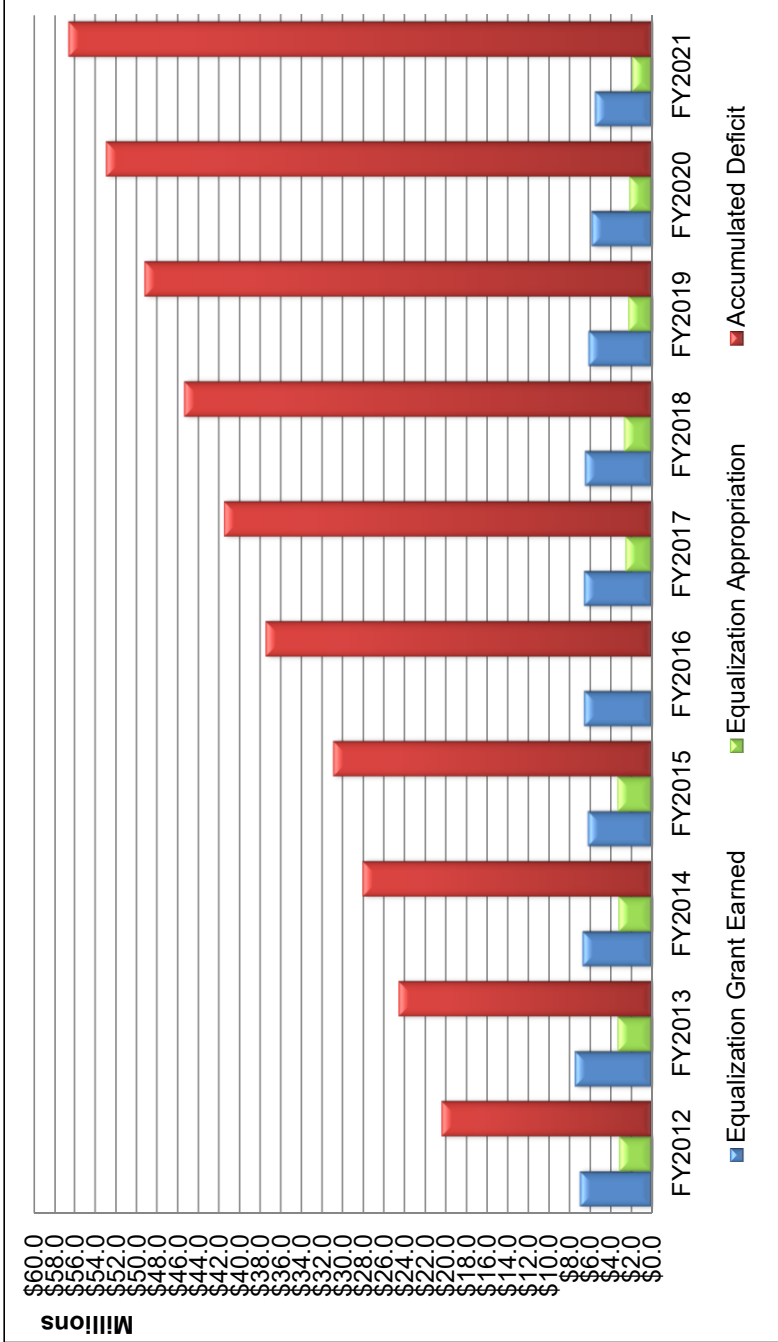
Source: College audited financial statements.

Note:

1. Excludes Investment in Plant and General Long Term Debt funds.
2. In fiscal year 2021, GASB 84 was implemented in FY2021. The College did not restate prior year amounts on this table.

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

**State Equalization Grant Funding History & Accumulated Deficit
FY2012 through FY2021**

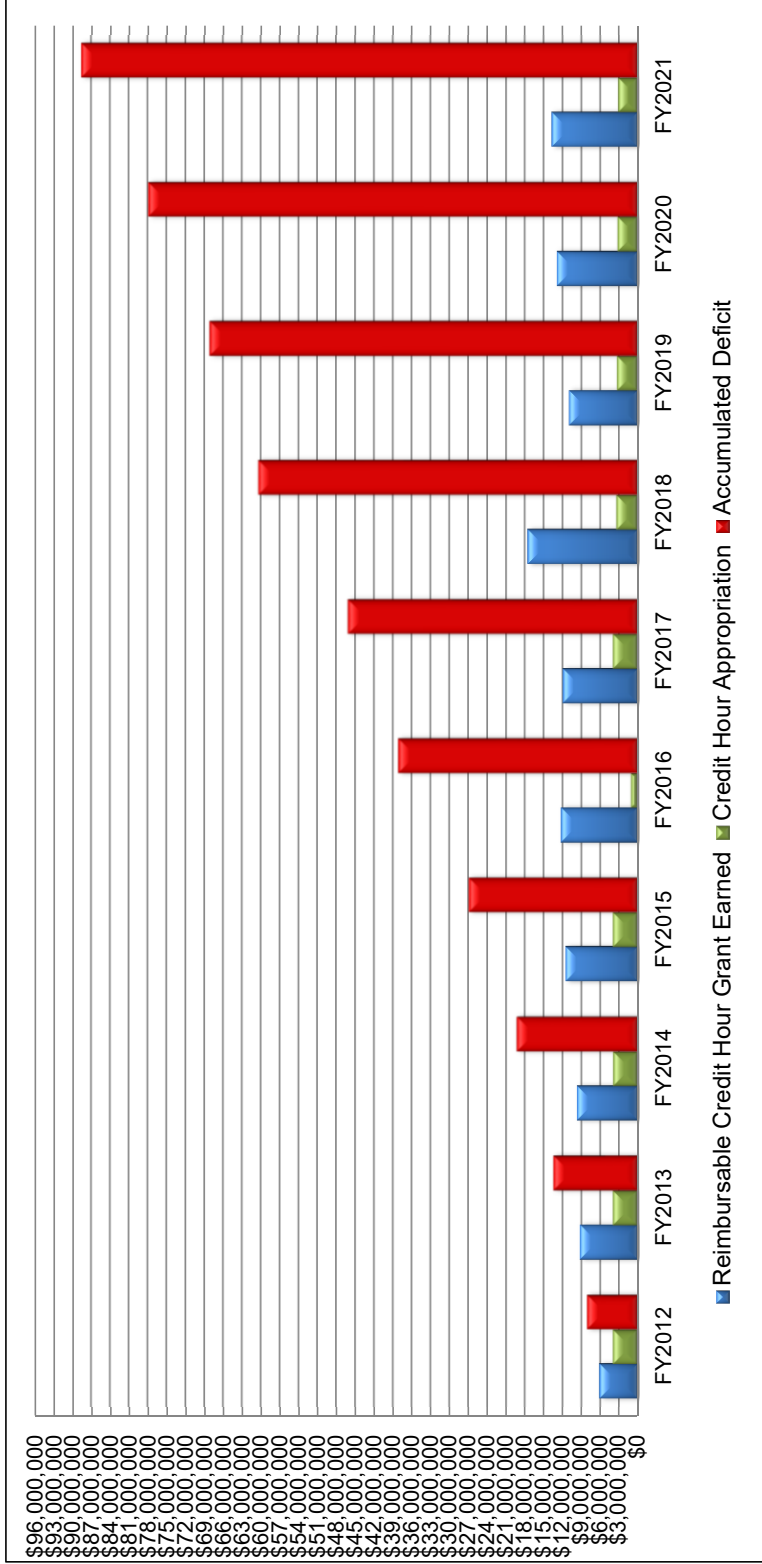


	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Equalization Grant Earned	\$ 7,028,293	\$ 7,500,478	\$ 6,768,524	\$ 6,238,384	\$ 6,614,329	\$ 6,614,579	\$ 6,509,795	\$ 6,183,772	\$ 5,901,276	\$ 5,567,779
Equalization Appropriation	3,187,173	3,348,294	3,264,676	3,387,065	50,000	2,566,390	2,684,210	2,304,020	2,194,790	1,920,695
Annual Deficit	(3,841,120)	(4,152,184)	(3,503,848)	(2,851,319)	(6,564,329)	(4,048,189)	(3,825,585)	(3,879,752)	(3,706,486)	(3,647,084)
Accumulated Deficit	\$ 20,426,731	\$ 24,578,915	\$ 28,082,763	\$ 30,934,082	\$ 37,498,411	\$ 41,546,600	\$ 45,372,185	\$ 49,251,937	\$ 52,958,423	\$ 56,605,507
Percentage Received	45.35%	44.64%	48.23%	54.29%	0.76%	38.80%	41.23%	37.26%	37.19%	34.50%

Source: ICCB System's Operating Budgets

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

**State Credit Hour Grant Funding History & Accumulated Deficit
FY2012 through FY2021**



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Reimbursable Credit Hour Grant Earned	\$ 6,125,709	\$ 9,276,633	\$ 9,701,085	\$ 11,564,377	\$ 12,262,006	\$ 11,950,503	\$ 17,568,916	\$ 11,001,848	\$ 12,931,395	\$ 13,723,440
Credit Hour Appropriation	3,923,273	3,917,264	3,897,853	3,919,294	1,051,469	3,919,661	3,365,310	3,249,820	3,150,010	3,069,520
Annual Deficit	(2,202,436)	(5,359,369)	(5,803,232)	(7,645,083)	(11,210,537)	(8,030,842)	(14,203,606)	(7,752,028)	(9,781,385)	(10,653,920)
Accumulated Deficit	\$ 8,139,006	\$ 13,498,375	\$ 19,301,607	\$ 26,946,690	\$ 38,157,227	\$ 46,188,069	\$ 60,391,675	\$ 68,143,703	\$ 77,925,088	\$ 88,579,008
Percentage Received	64.05%	42.23%	40.18%	33.89%	8.58%	32.80%	19.15%	29.54%	24.36%	22.37%

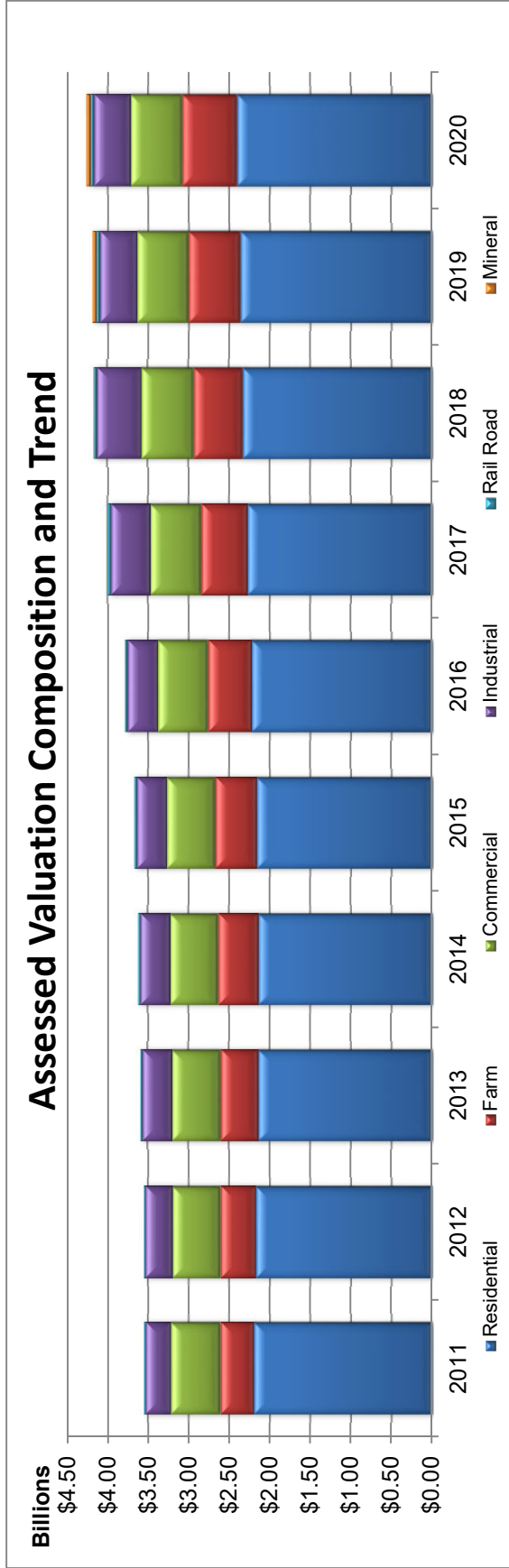
Source: ICCB System's Operating Budgets

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

Assessed and Estimated Actual Value of Taxable Property
Tax Levy Years 2011 through 2020

Assessed Valuation by Property Type

Levy year	Residential	Farm	Commercial	Industrial	Rail Road	Mineral	Total Assessed Valuation	Estimated Actual Value
2011	2,199,256,948	412,091,076	608,557,475	315,981,890	14,957,174	-	3,550,844,563	10,653,599,049
2012	2,175,310,702	435,606,505	591,923,037	335,445,784	18,466,435	-	3,556,752,463	10,671,324,521
2013	2,141,816,213	462,208,844	597,985,340	365,445,765	23,880,009	-	3,591,336,171	10,775,086,022
2014	2,141,894,538	492,617,957	592,749,727	366,962,987	25,739,504	-	3,619,964,713	10,860,980,237
2015	2,164,451,362	509,654,871	595,261,473	372,791,730	26,582,115	-	3,668,741,551	11,007,325,386
2016	2,226,812,309	537,527,465	615,974,154	376,403,368	29,962,823	6,955	3,786,687,074	11,361,197,342
2017	2,276,564,797	567,769,167	631,128,767	485,464,991	33,563,507	6,955	3,994,498,184	11,984,693,021
2018	2,331,168,336	602,148,998	644,837,721	549,430,491	35,551,679	6,955	4,163,144,180	12,490,681,608
2019	2,368,596,491	637,343,558	636,347,261	461,265,646	39,688,165	48,568,905	4,191,810,026	12,576,687,747
2020	2,406,998,220	672,438,696	641,303,150	447,906,353	45,900,429	47,885,943	4,262,432,791	12,788,577,231



- 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 2020 is the most current information available
 3. The total direct rate applied to tax year 2020 is \$0.5682.

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 2011 through 2020

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
2011	2012	3,550,844,563	0.5369	19,064,484	6,573,422	34%	12,462,381	19,035,803	100%
2012	2013	3,556,752,463	0.5403	19,217,134	6,378,931	33%	12,755,585	19,134,516	100%
2013	2014	3,591,336,171	0.5427	19,490,182	6,877,997	35%	12,469,656	19,347,653	99%
2014	2015	3,619,964,713	0.5485	19,855,507	6,971,526	35%	12,833,852	19,805,378	100%
2015	2016	3,668,741,551	0.5598	20,537,616	8,164,466	40%	12,245,978	20,410,444	99%
2016	2017	3,786,687,074	0.5718	21,666,808	8,518,863	39%	13,170,108	21,688,971	100%
2017	2018	3,994,498,184	0.5676	22,662,281	9,105,488	40%	13,460,606	22,566,094	100%
2018	2019	4,163,144,180	0.5632	23,442,470	9,158,500	39%	13,787,659	22,946,159	98%
2019	2020	4,191,810,026	0.5714	23,992,675	9,831,580	41%	14,082,113	23,913,693	100%
2020	2021	4,262,432,791	0.5682	24,226,437	10,003,535	41%	-	10,003,535	41%

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 2020 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 2011 through 2020

Taxing Districts	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018	Tax Year 2019	Tax Year 2020
Black Hawk College District No. 503	\$ 0.5369	\$ 0.5403	\$ 0.5427	\$ 0.5485	\$ 0.5598	\$ 0.5718	\$ 0.5676	\$ 0.5632	\$ 0.5714	\$ 0.5682
Rock Island County	0.8684	0.8872	1.0184	1.0596	1.2480	1.2466	1.2436	1.2400	1.3296	1.3042
South Moline Township	0.1318	0.1358	0.1304	0.1244	0.1232	0.1192	0.1162	0.1154	0.1164	0.1131
Road & Bridge - South Moline Township	0.0085	0.0093	0.0152	0.0160	0.0116	0.0118	0.0116	0.0117	0.0175	0.0184
Road & Bridge - City of Moline	0.0043	0.0047	0.0047	0.0048	0.0052	0.0054	0.0054	0.0057	0.0000	0.0000
South Moline Township Cemetery	0.0038	0.0038	0.0040	0.0040	0.0040	0.0032	0.0032	0.0028	0.0000	0.0000
City of Moline	1.9744	2.0268	2.0500	2.0638	2.0782	2.0854	2.0742	2.0602	2.0554	2.0177
School District No. 40	5.0600	5.0590	5.1090	5.1120	5.1594	5.1498	5.1094	5.0318	5.0438	5.0410
Forest Preserve	0.0944	0.0974	0.1148	0.1190	0.1230	0.1246	0.1236	0.1274	0.1306	0.1313
Metropolitan Airport Authority	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0756	0.0748	0.0733	0.0721
Metropolitan Transit Authority	0.1872	0.1948	0.2054	0.2082	0.2086	0.2056	0.2120	0.1952	0.1958	0.2000
Total	\$ 8.9447	\$ 9.0341	\$ 9.2696	\$ 9.3353	\$ 9.5960	\$ 9.5984	\$ 9.5424	\$ 9.4282	\$ 9.5338	\$ 9.4660

Notes:

- 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)
 - For tax year 2019, the Rock Island County tax rate report combined the City of Moline Road & Bridge with the City of Moline tax rate. The South Moline Township Cemetery was combined with the South Moline Township tax rate.
- Source: Rock Island County Clerk's Office

Taxing Districts	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018	Tax Year 2019	Tax Year 2020
Black Hawk College District No. 503	\$ 0.5372	\$ 0.5406	\$ 0.5344	\$ 0.5485	\$ 0.5492	\$ 0.5723	\$ 0.5676	\$ 0.5627	\$ 0.5720	\$ 0.5682
Henry County	0.9270	0.9316	0.9004	0.9198	0.9567	0.9423	0.9425	0.8792	0.8605	0.8432
Kewanee Township	0.1774	0.1789	0.1832	0.1835	0.1855	0.1813	0.1804	0.1778	0.1698	0.1757
Kewanee Township Road District	0.2167	0.2168	0.2173	0.2173	0.2174	0.2170	0.2175	0.2177	0.2173	0.2180
City of Kewanee	2.4857	2.6888	2.8057	2.8519	2.8652	2.8526	2.8265	2.9276	2.9234	3.1200
Kewanee Park District	1.0692	1.0891	1.1188	1.1229	1.3777	1.3869	1.4099	1.3973	1.3756	1.4344
Kewanee Library District	0.7680	0.8065	0.7493	0.7286	0.7140	0.7039	0.7083	0.7168	0.7181	0.7288
Kewanee Airport	0.0123	0.0131	0.0133	0.0133	0.0134	0.0131	0.0129	0.0127	0.0124	0.0126
Kewanee School District No. 229	4.3535	4.0950	4.0929	4.2893	4.5990	4.5703	4.5863	4.5924	4.5442	4.5849
Kewanee Fire District	0.6254	0.6294	0.6988	0.6974	0.7023	0.7041	0.7087	0.6952	0.6759	0.6625
Total	\$ 11.1724	\$ 11.1898	\$ 11.3141	\$ 11.5725	\$ 12.1804	\$ 12.1438	\$ 12.1606	\$ 12.1794	\$ 12.0692	\$ 12.3483

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

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

Principal Taxpayers
Most recent Year and Ten Years Ago

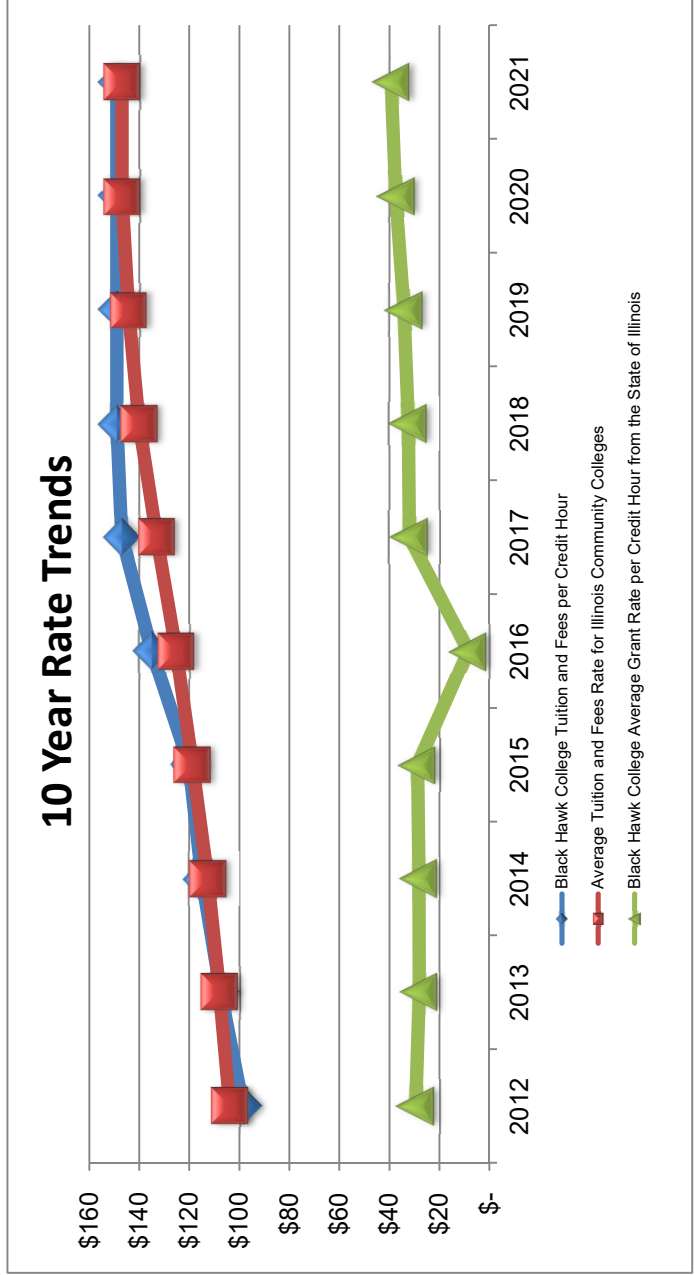
Taxpayer	2011			2020			
	Equalized Assessed Valuation	County	Percent of District's EAV	Taxpayer	Equalized Assessed Valuation	County	Percent of District's EAV
Common Wealth Edison	\$ 150,000,000	Rock Island	4.22%	Exelon	\$ 246,147,980	Rock Island	5.77%
Deere & Company	\$ 29,735,851	Rock Island	0.84%	Deere & Company	\$ 58,781,625	Rock Island	1.38%
Patriot Renewable Fuels, LLC.	\$ 22,949,484	Henry	0.65%	Bishop Hill Energy	\$ 39,130,248	Henry	0.92%
DNC Gaming/Jumer's Casino	\$ 22,519,448	Rock Island	0.63%	Patriot Renewable Fuels, LLC.	\$ 23,057,823	Henry	0.54%
Big River Resources Galva LLC	\$ 21,944,880	Henry	0.62%	DNC Gaming	\$ 20,690,599	Rock Island	0.49%
SDG Macerich/Southpark Mall	\$ 15,831,750	Rock Island	0.45%	Metro Air	\$ 12,733,525	Rock Island	0.30%
Modern Woodmen of America	\$ 9,633,672	Rock Island	0.27%	Minnesota Mining	\$ 11,193,529	Rock Island	0.26%
Thoms-Proestler Co.	\$ 5,643,419	Rock Island	0.16%	Modern Woodment of American	\$ 10,592,675	Rock Island	0.25%
Fed Ex Freight	\$ 5,025,042	Rock Island	0.14%	Big River Resources	\$ 9,783,890	Henry	0.23%
Walmart-Siivis	\$ 4,895,401	Rock Island	0.14%	Macerich Southpark Mall	\$ 9,546,958	Rock Island	0.22%
	\$ 288,178,947		8.12%		\$ 441,658,852		10.36%

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

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

Mandatory Tuition and Fees
FY2012 through FY2021

Fiscal Year	Black Hawk College Tuition and Fees per Credit Hour	Average Tuition and Fees Rate for Illinois Community Colleges	Black Hawk College Average Grant Rate per Credit Hour from the State of Illinois	Black Hawk College Total Unrestricted and Restricted Credit Hours
2012	98.50	103.89	29.49	137,989
2013	107.50	107.89	28.09	135,791
2014	115.00	112.65	28.25	129,755
2015	120.00	118.77	28.74	120,297
2016	135.00	125.27	8.57	107,308
2017	147.00	133.07	32.11	100,858
2018	149.00	140.15	32.45	93,328
2019	149.00	144.36	34.28	88,088
2020	149.00	147.01	37.40	82,494
2021	149.00	147.01	39.29	69,997



Source: College records and ICCB Tuition and Fee data.

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

Ratio of Outstanding Debt by Type
FY2012 through FY2021

Fiscal Year	General		Installment Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Total Outstanding Debt Per Capita
	Obligation Bonds						
2012	17,740,000	-	-	17,740,000	10,653,599,049	0.167%	79.49
2013	33,557,258	-	-	33,557,258	10,671,324,521	0.314%	149.75
2014	28,299,231	-	-	28,299,231	10,775,086,022	0.263%	119.88
2015	32,649,100	-	-	32,649,100	10,860,980,237	0.301%	127.64
2016	27,277,322	-	-	27,277,322	11,007,325,386	0.248%	106.73
2017	53,357,758	-	-	53,357,758	11,361,197,342	0.470%	210.47
2018	49,050,054	-	-	49,050,054	11,984,693,021	0.409%	197.27
2019	43,992,054	-	-	43,992,054	12,490,681,608	0.352%	174.46
2020	38,742,052	-	-	38,742,052	12,576,687,747	0.308%	156.28
2021	33,287,022	-	-	33,287,022	12,788,577,231	0.260%	134.28

Notes:

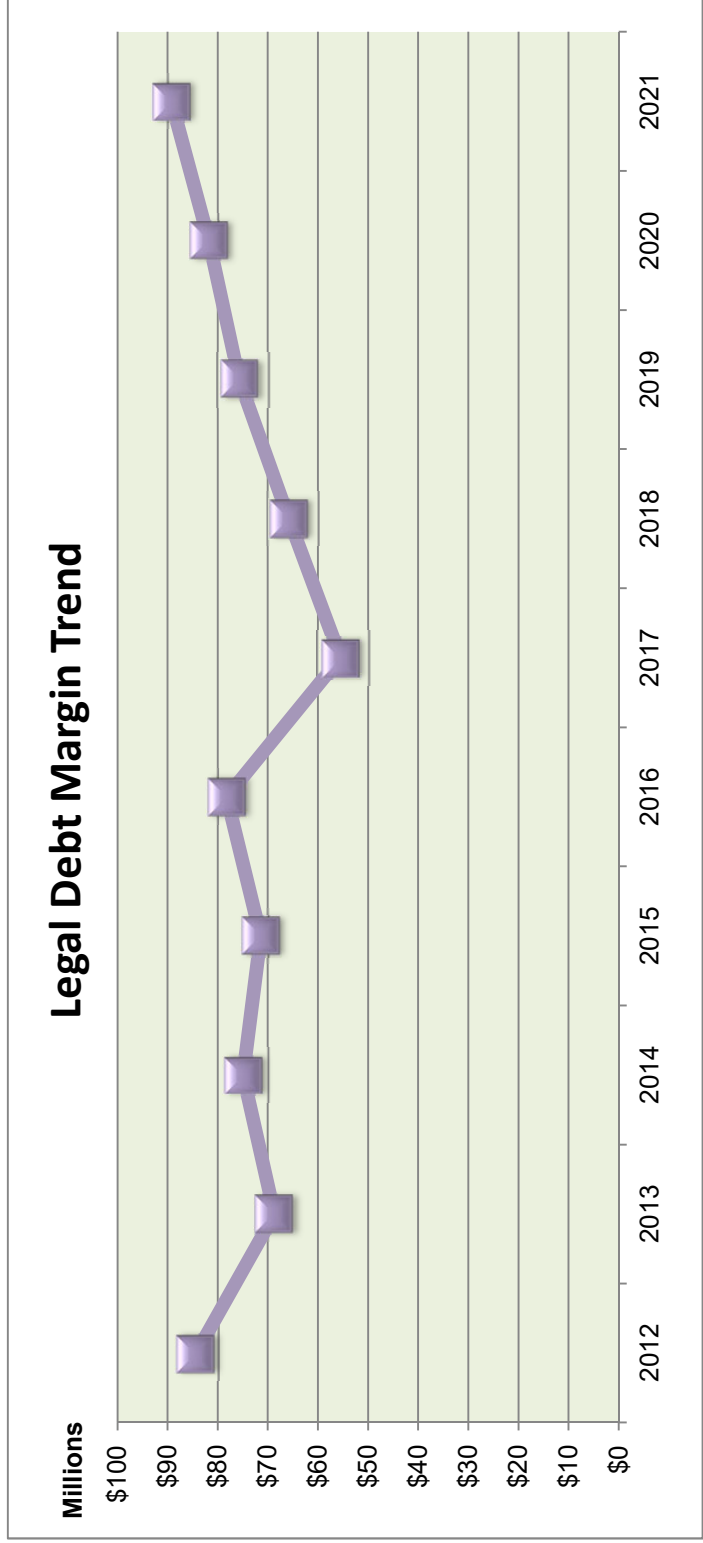
1. Details of the College's outstanding debt can be found in the notes to the financial statements.
2. Total Outstanding Debt Per Capita is calculated by using the 2010 U.S. Census or the most recent American Community Survey population for each of the nine counties, included either in part or whole, 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
FY2012 through FY2021

Fiscal Year	Assessed Value	Debt Limit: 2.875% of Assessed Value	Less applicable Debt: General Obligation Bonds	Legal Debt Margin
2012	3,550,844,563	102,086,781	17,740,000	84,346,781
2013	3,556,752,463	102,256,633	33,557,258	68,699,375
2014	3,591,336,171	103,250,915	28,299,231	74,951,684
2015	3,619,964,713	104,073,985	32,649,100	71,424,885
2016	3,668,741,551	105,476,320	27,277,322	78,198,998
2017	3,786,687,074	108,867,253	53,357,758	55,509,495
2018	3,994,498,184	114,841,823	49,050,054	65,791,769
2019	4,163,144,180	119,690,395	43,992,054	75,698,341
2020	4,191,810,026	120,514,538	38,742,052	81,772,486
2021	4,262,432,791	122,544,943	33,287,022	89,257,921



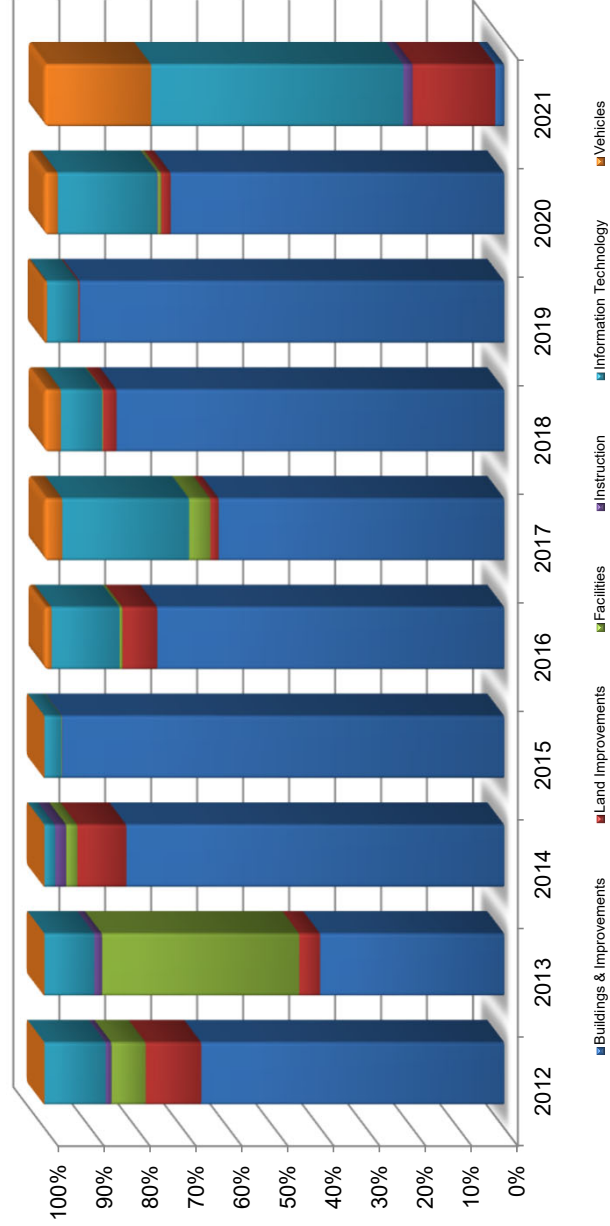
Sources: Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark and Whiteside County Clerk's Offices and College records

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

Use of Bond Issuance Proceeds
FY2012 through FY2021

Purpose	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings & Improvements	\$ 4,379,666	\$ 3,567,963	\$ 4,159,615	\$ 14,027,532	\$ 7,047,573	\$ 2,923,612	\$ 8,284,703	\$ 14,436,690	\$ 2,637,893	\$ 11,009
Land Improvements	803,531	404,588	538,514	7,117	706,336	85,630	292,003	54,501	75,231	100,516
Facilities	494,661	3,821,944	122,738	15,566	57,498	216,835	16,927	3,267	27,585	-
Instruction	83,700	151,212	122,476	-	-	-	-	-	5,941	11,582
Information Technology	883,528	962,605	116,314	531,481	1,383,178	1,298,852	879,140	1,053,149	783,378	307,372
Vehicles	-	-	-	-	143,487	181,040	350,379	85,558	105,231	129,936
Total	\$ 6,645,086	\$ 8,908,312	\$ 5,059,657	\$ 14,581,696	\$ 9,338,072	\$ 4,705,969	\$ 9,823,152	\$ 15,633,165	\$ 3,635,259	\$ 560,415

Bond Proceeds Usage

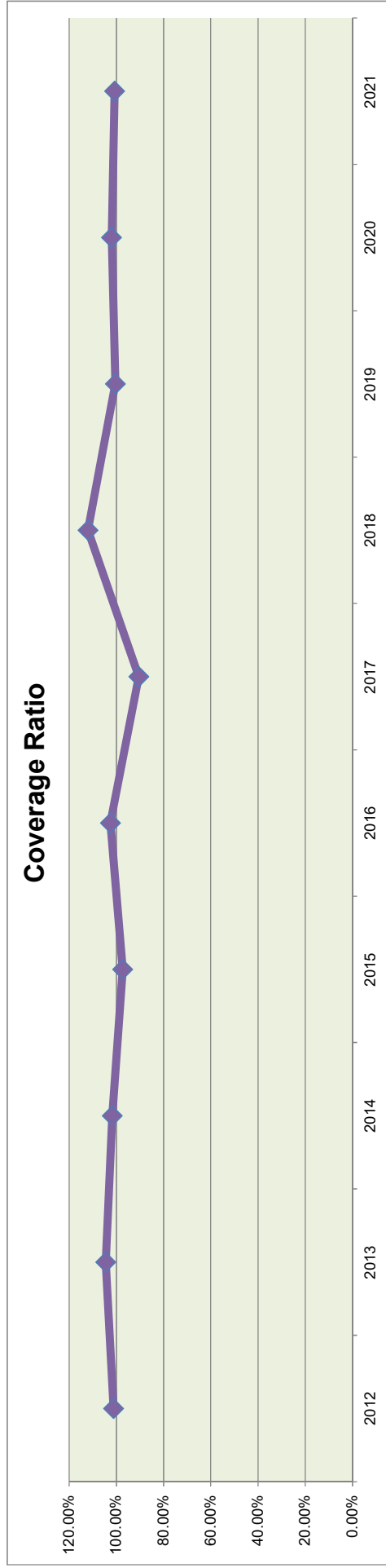


The College issued new bonds during fiscal years 2004, 2006, 2008, 2010, 2013, 2015 and 2017.
Source: College records

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

Schedule of Bond Coverage
FY2012 through FY2021

Fiscal Year	2008 Bonds		2010 Bonds		2013 Bonds		2015 Bonds		2017 Bonds		Coverage Ratio		
	Property Taxes Collected	Interest Earned	Net Revenue Available for Debt Service	Principal	Interest	Principal	Interest	Principal	Interest	Principal		Interest	Total
2012	5,452,397	48,280	5,500,677	3,000,000	50,000	1,860,000	528,513	-	-	-	-	5,438,513	101.14%
2013	5,912,910	135	5,913,045	-	-	5,025,000	419,263	216,257	-	-	-	5,660,520	104.46%
2014	6,278,922	9,034	6,287,956	-	-	5,150,000	296,366	734,767	-	-	-	6,181,133	101.73%
2015	6,166,578	9,505	6,176,083	-	-	5,300,000	145,242	729,996	-	-	-	6,344,789	97.34%
2016	6,237,631	9,256	6,246,887	-	-	2,285,000	28,313	729,996	-	-	-	6,093,134	102.52%
2017	6,272,429	12,414	6,284,843	-	-	835,000	706,251	706,251	-	-	-	6,943,852	90.51%
2018	6,344,289	23,678	6,367,977	-	-	875,000	665,045	665,045	-	-	-	5,684,741	112.02%
2019	6,336,494	47,066	6,383,560	-	-	915,000	625,995	625,995	-	-	-	6,358,895	100.39%
2020	6,516,228	36,514	6,552,742	-	-	960,000	581,465	581,465	-	-	-	6,423,840	102.01%
2021	6,520,323	13,837	6,534,160	-	-	1,000,000	534,916	534,916	-	-	-	6,484,041	100.77%



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)	\$27,395,000	100.00%	\$27,395,000
Henderson County	0	2.10%	0
Knox County	0	2.12%	0
Rock Island Forest Preserve District	0	100.00%	0
Metropolitan Airport Authority	0	95.02%	0
Hammond Henry Hospital	0	95.50%	0
Illini Hospital	0	69.70%	0
Village of Andalusia	0	100.00%	0
Village of Atkinson	0	96.35%	0
Village of Cambridge	0	99.48%	0
Village of Coal Valley	0	95.46%	0
City of Colona	0	99.44%	0
City of East Moline	0	95.51%	0
City of Geneseo	0	99.53%	0
Village of Hampton	0	85.14%	0
City of Kewanee	0	100.00%	0
Village of Milan	300,000	95.70%	287,114
Village of Orion	42,130,000	100.00%	42,130,000
City of Rock Island	0	99.42%	0
City of Silvis	53,645,000	100.00%	53,645,000
City of Toulon	205,000	100.00%	205,000
Kewanee Park District	820,000	100.00%	820,000
Cambridge Fire Protection District	895,000	100.00%	895,000
Hampton School District Number 29	260,000	100.00%	260,000
Silvis School District Number 34	2,450,000	96.06%	2,353,504
Carbon Cliff School District Number 36	999,000	100.00%	999,000
East Moline School District Number 37	26,730,000	100.00%	26,730,000
Colona School District Number 190	750,000	100.00%	750,000
United Township High School District Number 30	0	100.00%	0
Moline School District Number 40	19,820,000	100.00%	19,820,000
Rock Island School District Number 41	21,080,000	100.00%	21,080,000
Riverdale School District Number 100	2,780,000	100.00%	2,780,000
Stark Community Unit School District Number 100	14,320,900	100.00%	14,320,000
Sherrard Community Unit School District Number 200	3,615,000	92.67%	3,349,989
Community Unit School District Number 208	7,965,000	0.16%	12,747
Orion Community Unit School District Number 223	900,000	100.00%	900,000
Galva Community Unit School District Number 224	1,241,100	100.00%	1,241,100
Alwood Community Unit School District Number 225	1,360,000	100.00%	1,360,000
Annawan Community Unit School District Number 226	470,000	88.69%	416,865
Cambridge Com. Unit School District Number 227	1,331,800	93.73%	1,248,327
Geneseo Community Unit School District Number 228	22,018,327	99.05%	21,809,153
Kewanee Community Unit School District Number 229	1,515,000	88.33%	1,338,182
Wethersfield Com. Unit School District Number 230	1,100,000	93.08%	1,023,914
RKR Community Unit School District Number 300	6,880,000	100.00%	6,880,000
Mercer Community Unit School District Number 404	3,659,300	100.00%	3,659,300
Total Overlapping General Obligation Bonded Debt			\$257,709,195

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

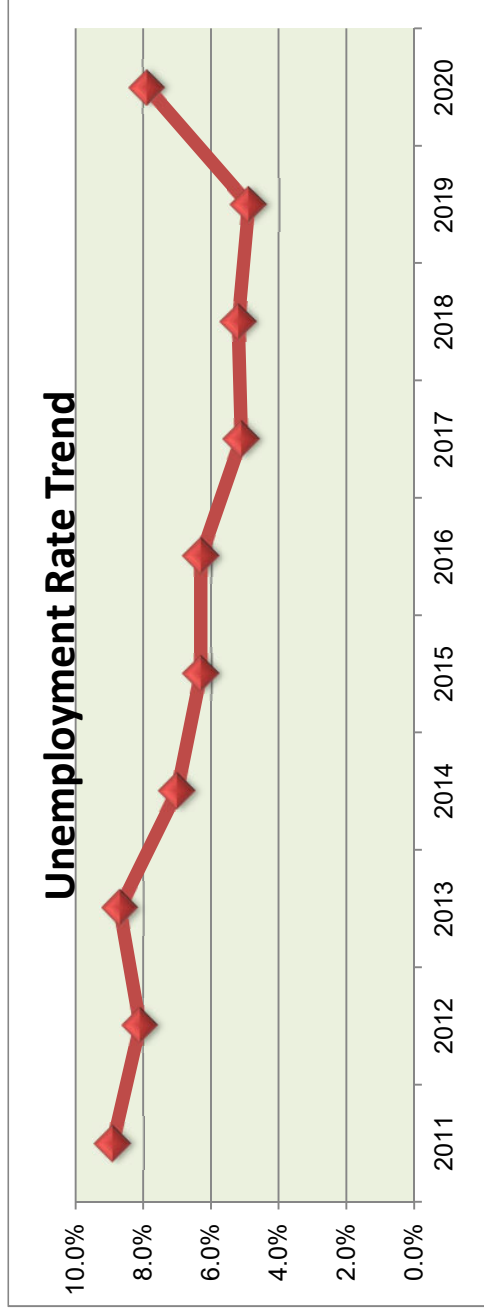
(1) Does not include alternative revenue bonds.

(2) Percentages based on 2020 EAVs, the most recent available.

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

Demographic and Economic Statistics
Calendar Years 2011 through 2020

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	385,206	14,770,835	38,345	8.9%
2012	383,740	14,883,036	38,784	8.1%
2013	382,236	15,252,968	39,905	8.7%
2014	380,352	14,914,277	39,212	7.0%
2015	378,352	15,045,886	39,767	6.3%
2016	375,211	15,301,930	40,782	6.3%
2017	373,712	15,971,486	43,100	5.1%
2018	370,569	16,264,065	43,687	5.2%
2019	367,157	16,428,906	44,368	4.9%
2020	363,661	N/A	N/A	7.9%



- Notes:
1. Population reported above is the total population for all nine counties
 2. 2008-2012 Per Capita Personal Income is calculated by taking the average of nine counties. 2013 - 2017 was calculated by taking the sum of all 9 counties personal income estimates multiplied by 1,000, then dividing this amount by the total population of the District.
 3. N/A = Information Not Available at time of report

Sources: U.S. Bureau of Economic Analysis
Average unemployment rate from Illinois Department of Employment Security
U.S. Census Bureau - Quick Facts and Vintage 2020

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

Principal Employers
FY2011 compared to FY2020

Rock Island County				
2011		2020		
Employer	Product/Service	Approx. # of Employees	Percentage of Total Employment	Employer
Rock Island Arsenal	Defense Manufacturing	7,900	11.32%	Deere & Company
Deere & Company	Agriculture & Construction Equipment	5,800	8.31%	Rock Island Arsenal
Trinity Regional Health System	Healthcare	2,573	3.69%	Trinity-Unity Point (all regional locations)
Tyson Fresh Meats	Food Processing	2,500	3.58%	Tyson Fresh Meats
Group O Companies	Supply Chain Management and Logistics	1,100	1.58%	Moline Community School District #40
Genesis Health System	Healthcare	970	1.39%	XPAC
Black Hawk College District #503	Community College	825	1.18%	Hy-Vee (all RI County locations)
XPAC	Supply Chain Management and Logistics	800	1.15%	Walmart (all RI County locations)
Exelon	Energy Generation	700	1.00%	Black Hawk College District #503
Kone, Inc.	Elevator & Escalator Manufacturing	665	0.95%	Augustana College
Total Employed Labor Force - Rock Island County		69,763		Total Employed Labor Force - Rock Island County
Total Unemployed - Rock Island County		6,474		Total Unemployed - Rock Island County

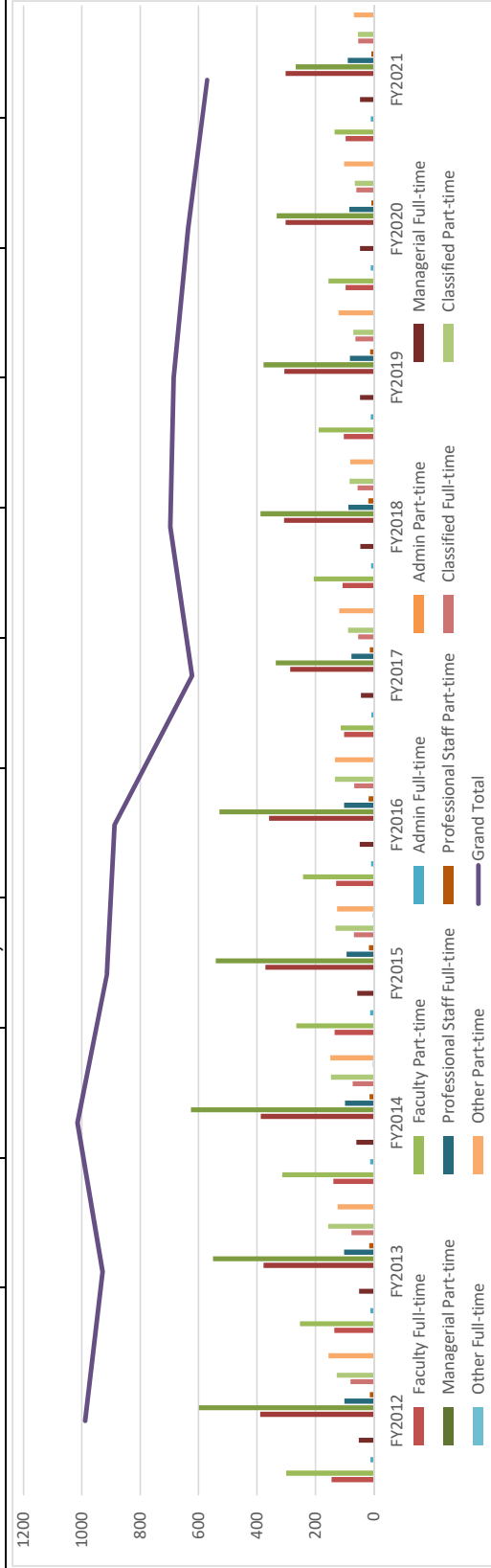
Henry County				
2011		2020		
Employer	Product/Service	Employees	Percentage of Total Employment	Employer
Kewanee Hospital	Healthcare	300	1.22%	Great Dane Trailers
Walmart	Retail	300	1.22%	School Teachers (for Henry County school districts)
Kewanee Youth Center	Youth Center	300	1.22%	Kewanee City Government (parks, health department, and prison)
Peterson Healthcare, Inc.	Nursing home/assisted living facilities	280	1.14%	Hammond-Henry Hospital
Great Dane Trailers	Semi-truck Trailer Manufacturing	250	1.02%	Walmart Supercenter
Total Employed Labor Force - Henry County		24,508		Total Employed Labor Force - Henry County
Total Unemployed - Henry County		2,085		Total Unemployed - Henry County

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

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

Faculty and Staff Headcount
FY2012 through FY2021

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Faculty										
Faculty Full-time	145	136	139	135	130	102	107	103	97	97
Faculty Part-time	300	253	314	266	243	114	206	189	156	135
Administrators										
Admin Full-time	12	12	13	13	10	9	10	11	11	11
Admin Part-time	0	0	0	0	0	0	0	0	0	0
Managerial										
Managerial Full-time	52	51	60	57	49	44	47	48	48	48
Managerial Part-time	2	1	2	1	0	0	0	0	0	0
Professional Staff										
Professional Staff Full-time	101	102	99	94	102	77	88	82	84	90
Professional Staff Part-time	14	16	15	17	18	14	19	13	9	9
Classified Staff										
Classified Full-time	80	77	73	69	68	54	56	63	60	54
Classified Part-time	127	157	147	132	134	89	83	71	66	55
Other										
Other Full-time	0	0	4	4	0	1	0	3	3	3
Other Part-time	156	124	149	126	134	119	81	121	102	69
Total Employees										
Full-time	390	378	388	372	359	287	308	307	303	303
Part-time	599	551	627	542	529	336	389	378	333	268
Grand Total	989	929	1,015	914	888	623	697	685	636	571

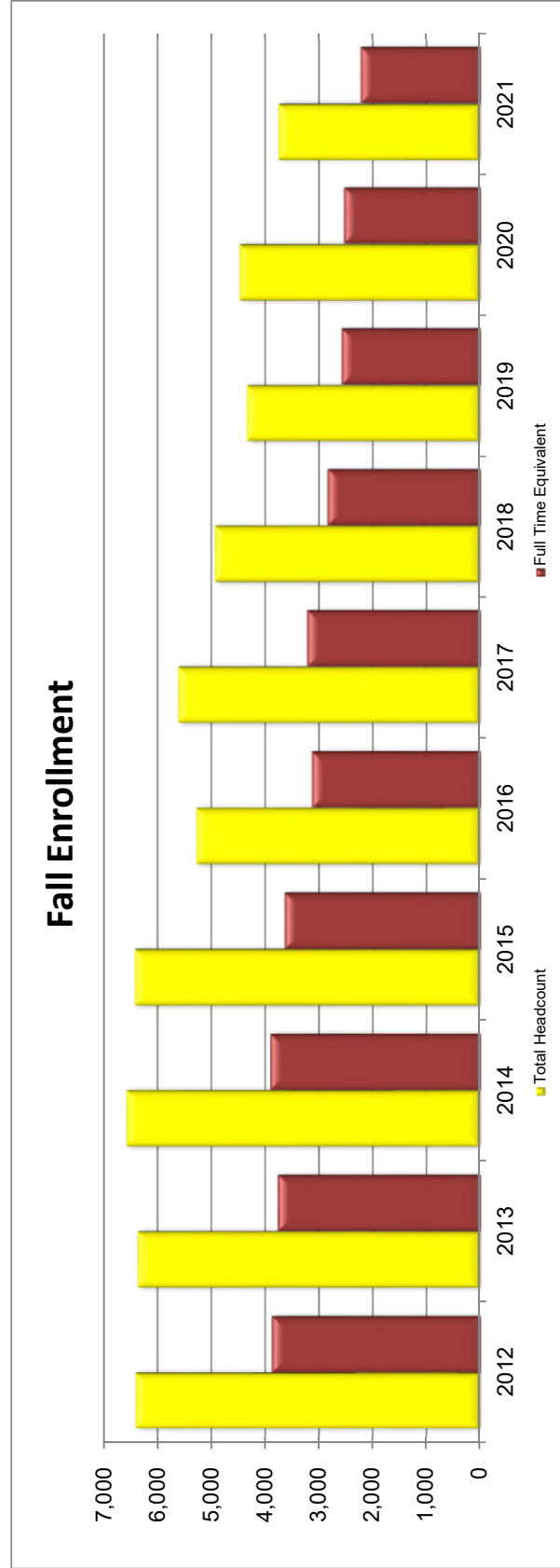


Source: BHC Budget & Accounting Manager

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

Student Enrollment Demographic Statistics
FY2012 through FY2021

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	
2012	3,872	6,403	2,539	3,864	2,732	3,671	3,425	1,174	286	1,250	268	NR	27.3
2013	3,761	6,360	2,594	3,766	2,631	3,729	2,150	921	373	1,949	304	663	27.2
2014	3,902	6,574	2,666	3,908	2,581	3,993	1,857	974	297	2,369	308	769	27.2
2015	3,635	6,416	2,629	3,678	2,346	3,961	1,510	912	365	2,269	271	1,089	26.2
2016	3,126	5,271	2,172	3,099	2,019	3,252	1,697	928	232	1,260	216	938	25.2
2017	3,215	5,613	2,369	3,244	2,009	3,604	1,952	1,587	237	510	242	1,085	25.5
2018	2,835	4,926	2,004	2,922	1,753	3,173	1,738	1,293	213	470	365	847	25.5
2019	2,577	4,333	1,700	2,633	1,625	2,708	1,580	917	167	425	320	924	24.5
2020	2,533	4,472	1,746	2,726	1,562	2,910	1,567	1,037	183	395	253	1,037	24.6
2021	2,222	3,743	1,374	2,369	1,366	2,377	1,352	758	113	184	270	1,066	23.0



Source: ICCB E1 Report
NR = Not Recorded

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

Financial Aid Recipients
FY2012 through FY2021

Type of Aid	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Federal Aid										
College Work Study	97	93	103	93	73	68	71	67	67	28
PELL Grant	3,015	2,679	2,509	2,356	1,944	1,787	1,742	1,456	1,451	1,197
SEOG	248	405	796	336	298	387	319	320	314	185
Stafford Loan - subsidized	722	775	645	569	453	403	383	325	307	242
Stafford Loan - unsubsidized	334	668	592	486	428	450	420	356	308	256
PLUS (Parent) Student Loan	15	12	13	14	14	16	13	18	21	18
Chapter 33 (a GI Bill fund)	79	69	78	75	77	88	94	67	65	54
Other Federal Military/Veteran's Aid ¹	-	-	-	-	-	104	75	77	67	79
Emergency Federal Aid										
CARES HEERF Grant - Student portion	-	-	-	-	-	-	-	-	759	1,469
Emergency SEOG (SEOGE)	-	-	-	-	-	-	-	-	1	162
State Aid										
MAP Grant	1,136	914	799	740	494	694	672	654	839	811
IL Veterans Grant (IVG)	134	131	104	81	73	60	34	27	22	12
National Guard	43	36	27	17	17	21	25	23	31	18
POW/MIA Dependents	5	5	6	7	6	5	3	4	4	8
DORS	29	28	32	45	49	48	37	22	21	27
Policeman/Fireman Dependents Grant	1	-	-	-	-	-	-	1	-	-
Local Aid										
Private Grant/Scholarship	293	263	251	264	277	239	215	255	257	232
Achievement Awards	320	321	354	324	286	258	250	271	246	232
Foundation Scholarships	205	221	228	247	268	245	266	526	489	342
Donor Scholarships	25	26	107	56	17	12	9	24	30	24
TOTAL	6,701	6,646	6,644	5,710	4,774	4,885	4,628	4,493	5,299	5,396

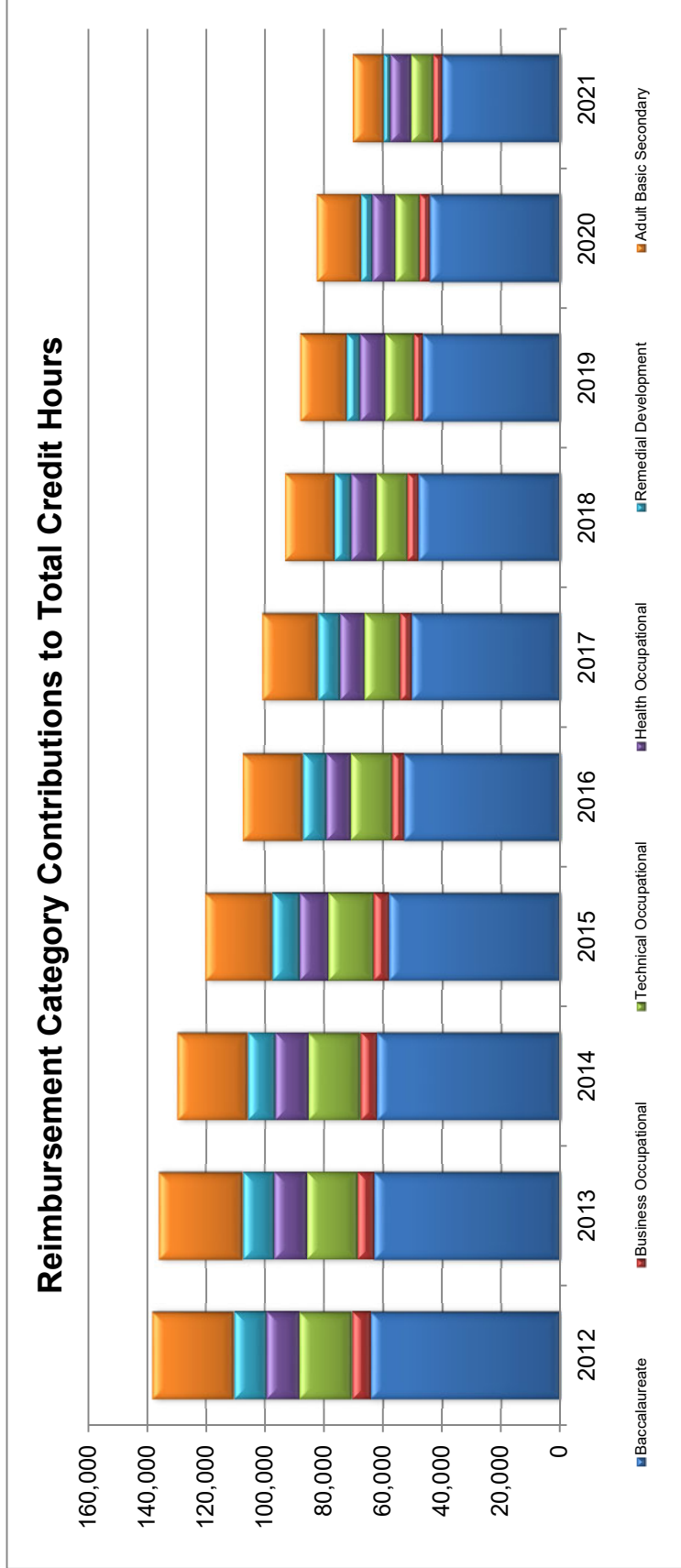
*FY2021 totals reflect YTD payments through 07/07/2021, and does not include any further disbursements and adjustments which may occur after this date.
 Note 1: Other Federal Military/Veteran's Aid has begun to be included in the FY2017 reporting. It includes Chapter 30 - Montgomery GI Bill Active Duty, Chapter 31 - Vocational Rehabilitation, Chapter 35 - Survivors' & Dependents' Assistance, Chapter 1606 - Montgomery GI Bill Selected Reserve, and Chapter 1607 - Reserve Educational Assistance Program

Source: BHC Financial Aid Database and BHC Veterans Services.

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

Credit Hours Eligible for Funding by Illinois Community College Board Reimbursement Categories
FY2012 through FY2021

Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% Change 2012 vs 2021
Baccalaureate	64,300.2	63,117.0	62,224.2	58,180.8	52,849.3	50,448.9	48,077.4	46,553.2	44,301.3	39,994.4	-37.80%
Business Occupational	6,177.5	5,660.4	5,604.5	5,161.9	4,095.5	3,882.9	3,770.1	3,177.0	3,505.3	3,140.7	-49.16%
Technical Occupational	17,967.3	17,165.0	17,687.1	15,326.4	13,994.2	12,020.8	10,505.7	9,610.5	8,139.0	7,390.1	-58.87%
Health Occupational	11,028.1	11,012.9	11,236.6	9,826.1	8,322.5	8,444.7	8,623.7	8,577.0	7,731.0	6,891.1	-37.51%
Remedial Development	10,915.0	10,521.0	9,149.0	9,051.0	7,763.0	7,289.0	5,573.0	4,495.0	3,979.0	2,275.0	-79.16%
Adult Basic Secondary	27,600.5	28,314.9	23,853.8	22,751.2	20,283.9	18,771.4	16,778.1	15,674.9	14,838.6	10,305.4	-62.66%
Total	137,988.6	135,791.2	129,755.2	120,297.4	107,308.4	100,857.7	93,328.0	88,087.6	82,494.2	69,996.7	-49.27%



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
FY2012 through FY2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings - Permanent	19	21	21	21	23	25	25	25	25	25
Total acres (includes parking lots)	271.9	272.8	273.0	275.2	273.0	231.6*	231.6	231.6	231.2	231.2
Net Assignable Square Feet:										
Classrooms and general use	74,429	78,033	75,935	80,797	86,218	84,681	84,611	75,906	80,209	80,209
Laboratory	131,001	137,122	140,870	138,268	154,546	149,537	152,377	153,071	162,525	162,525
Office	61,536	62,340	69,080	70,640	77,523	74,924	73,126	71,548	71,176	71,176
Study	24,873	24,873	24,873	20,095	20,043	25,776	28,784	27,170	28,191	28,191
Special use (Athletics, PE)	45,448	45,569	44,887	44,887	44,887	45,485	49,387	49,387	56,453	56,453
General use (Theater)	34,437	35,193	34,005	34,101	38,875	41,003	41,049	40,523	40,622	40,622
Support functions	32,401	33,357	35,210	36,882	39,730	40,980	38,378	45,847	48,139	48,139
Unassigned	-	-	2,719	3,363	940	-	-	2,245	-	-
Total	404,125	416,487	427,579	429,033	462,762	462,386	467,712	465,697	487,315	487,315

Parking capacity:

On campus parking spots	1,920	1,935	2,004	2,004	2,004	2,191	2,191	2,191	2,365	2,365
Acres	21	21	22	22	22	22	22	22	22	22

Source: FY11-19, Illinois Community College Board (ICCB) Data and Characteristics book, Tables V-1 and V-4. As of FY20, BHC is no longer required to report facilities and grounds square footages to ICCB. FY20 & FY21 information obtained from BHC Facilities Supervisors.

* Acres owned by the East Campus Foundation were removed from the total in FY2017

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

Miscellaneous Statistics
Year ended June 30, 2021

Year Founded	1946	
District Data	214,239	
Population (approximation)		
Communities served include:		
Aledo	Cordova	Reynolds
Alpha	East Moline	Rock Island
Andalusia	Erie	Seaton
Andover	Galva	Sherrard
Annawan	Geneseo	Silvis
Atkinson	Hampton	Toulon
Bishop Hill	Hillsdale	Viola
Cambridge	Hoophole	Woodhull
Carbon Cliff	Joy	Wyoming
Coal Valley	Keithsburg	
Colona	Kewanee	
Accreditation	LaFayette	
The Higher Learning Commission	Matherville	
(Formerly North Central Association of Colleges and Schools)	Milan	
Next accreditation visit	Mineral	
	Moline	
	Neponset	
	New Boston	
	New Windsor	
	Orion	
	Port Byron	
	Rapids City	
		December
		2022
Degree and Certificates Awarded in Fiscal Year 2021		
Associate in Arts		245
Associate in Science		69
Associate in Liberal Studies		0
Associate in Applied Science		165
Associate in Fine Arts		0
Certificates		170

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

ICCB Supplemental Information

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

Equalized Assessed Valuations and Tax Collections

	Tax Levy Year		
	2020	2019	2018
Equalized assessed valuations:			
Bureau County	\$ 31,103,239	\$ 29,221,017	\$ 27,325,344
Henderson County	3,536,161	3,359,101	3,138,676
Henry County	987,490,121	969,898,511	1,003,037,367
Knox County	17,457,879	16,613,261	15,733,195
Marshall County	131,953	128,042	123,605
Mercer County	296,789,793	281,487,771	272,725,669
Rock Island County	2,726,322,088	2,700,541,797	2,659,684,614
Stark County	121,379,066	116,022,868	109,568,133
Whiteside County	78,222,491	74,537,658	71,807,577
	<u>\$ 4,262,432,791</u>	<u>\$ 4,191,810,026</u>	<u>\$ 4,163,144,180</u>
Tax rates (per \$100 of assessed valuation):			
Education Fund	0.1193	0.1200	0.1190
Operations and Maintenance Fund	0.0696	0.0700	0.0694
Bond and Interest Fund	0.1537	0.1547	0.1572
Liability, Protection, and Settlement Fund	0.0726	0.0713	0.0650
Audit Fund	0.0030	0.0030	0.0026
Operations and Maintenance, restricted	0.0497	0.0500	0.0496
Equity	0.1003	0.1024	0.1004
	<u>0.5682</u>	<u>0.5714</u>	<u>0.5632</u>
Tax extensions:			
Education Fund	\$ 7,787,342	\$ 7,754,666	\$ 7,580,381
Operations and Maintenance Fund	4,542,824	4,526,975	4,438,452
Bond and Interest Fund	6,554,276	6,496,668	6,544,437
Liability, Protection, and Settlement Fund	3,095,151	2,989,911	2,705,901
Audit Fund	127,868	125,735	108,232
Operations and Maintenance, restricted	2,118,976	2,098,720	2,065,067
	<u>\$ 24,226,437</u>	<u>\$ 23,992,675</u>	<u>\$ 23,442,470</u>
Less tax collections (cumulative through June 30, 2021):			
Education Fund	\$ 3,215,349	\$ 7,712,960	\$ 7,420,406
Operations and Maintenance Fund	1,876,000	4,519,273	4,344,360
Bond and Interest Fund	2,706,306	6,480,285	6,405,514
Liability, Protection, and Settlement Fund	1,278,120	2,982,345	2,648,392
Audit Fund	52,812	125,413	105,694
Operations and Maintenance, restricted	874,948	2,093,417	2,021,795
	<u>\$ 10,003,535</u>	<u>\$ 23,913,693</u>	<u>\$ 22,946,159</u>
Taxes receivable:			
Tax receivable	\$ 14,222,902	\$ 78,981	\$ 475,114
Written off	-	16,991	(404,787)
Allowance for uncollectible taxes	(96,906)	(95,972)	(70,327)
	<u>\$ 14,125,996</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes receivable by fund:			
Education Fund	\$ 4,540,844	\$ -	\$ -
Operations and Maintenance Fund	2,648,653	-	-
Bond and Interest Fund	3,821,753	-	-
Liability, Protection, and Settlement Fund	1,804,650	-	-
Audit Fund	74,545	-	-
Operations and Maintenance, restricted	1,235,551	-	-
	<u>\$ 14,125,996</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of extensions collected	<u>41.29%</u>	<u>99.67%</u>	<u>97.88%</u>

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

Schedule of Legal Debt Margin

Legal Debt Margin

Assessed valuation, 2020 levy	<u>\$ 4,262,432,791</u>
Debt limit, 2.875% of assessed valuation	\$ 122,544,943
Bonded indebtedness	<u>(33,287,022)</u>
Legal debt margin	<u><u>\$ 89,257,921</u></u>

**CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2022**

College or District Name: BLACK HAWK COLLEGE

District #: 503

ALL FISCAL YEAR 2021 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	\$ 23,689,122
2. Operations and Maintenance Fund	\$ 3,751,778
3. Public Building Commission Operation and Maintenance Fund	\$ -
4. Bond and Interest Fund	\$ -
5. Public Building Commission Rental Fund	\$ -
6. Restricted Purposes Fund	\$ 11,549,092
7. Audit Fund	\$ 62,927
8. Liability, Protection, and Settlement Fund	\$ 2,411,749
9. Auxiliary Enterprises Fund (subsidy only)	\$ -
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	\$ 41,464,669
11. Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) from Sources other than State and Federal Funds	\$ 2,108,835
12. TOTAL COSTS INCLUDED (line 10 plus line 11)	\$ 43,573,503
13. Total certified semester credit hours for FY 2021	69,996.70
14. PER CAPITA COST (line 12 divided by line 13)	\$ 622.51
15. All FY 2021 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	\$ 14,433,896
16. FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)	\$ 206.21
17. District's average ICCB grant rate (excluding equalization grants) for FY 2022	\$ 38.70
18. District's student tuition and fee rate per semester credit hour for FY 2022	\$ 149.00
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	\$ 228.60

Approved: 
Chief Fiscal Officer

Feb 23, 2022
Date

Approved: 
Chief Executive Officer

Feb 23, 22
Date

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ICCB Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 1 - All Funds Summary
Year ended June 30, 2021

	Education Fund	Operation and Maintenance Fund	Bond & Interest Fund
Fund balance, beginning, as restated	\$ 8,480,274	\$ 5,307,309	\$ 3,208,268
Revenues:			
Local tax revenue	7,826,598	4,543,548	6,509,956
All Other Local Revenue	1,839,185	204,577	-
ICCB grants	4,799,182	491,123	-
All other state revenue	-	-	-
Federal revenue	4,635,752	106,183	-
Student tuition and fees	11,366,392	28,365	-
On-Behalf CIP	-	-	-
On-Behalf SURS	-	-	-
All other revenue	637,973	247,334	13,837
Total revenues	31,105,082	5,621,130	6,523,793
Expenditures:			
Instruction	10,115,281	-	-
Academic support	3,201,959	-	-
Student services	2,351,635	-	-
Public service/continuing education	281,725	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	3,798,275	-
Institutional support	5,825,742	-	6,464,235
Scholarships, student grants and waivers	2,253,280	-	-
Total expenditures	24,029,622	3,798,275	6,464,235
Net transfers	(5,800,000)	(1,700,000)	-
Fund balance, end of year	\$ 9,755,734	\$ 5,430,164	\$ 3,267,826

Operations and Maintenance - Restricted	Auxiliary Enterprises Fund	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
\$ 8,253,626	\$ 379,093	\$ 11,845,915	\$ 14,025,173	\$ 179,564	\$ 5,454,491	\$ 57,133,713
2,103,818	-	-	-	126,493	3,035,050	24,145,463
-	-	-	-	-	-	2,043,762
-	-	738,772	-	-	-	6,029,077
140,253	-	1,302,570	-	-	-	1,442,823
-	1,180,903	6,329,465	-	-	-	12,252,303
-	139,974	513,310	-	-	-	12,048,041
-	-	59,488	-	-	-	59,488
-	-	13,517,628	-	-	-	13,517,628
56,975	1,017,116	304,849	94,277	1,267	35,155	2,408,783
2,301,046	2,337,993	22,766,082	94,277	127,760	3,070,205	73,947,368
-	-	6,292,313	-	-	-	16,407,594
-	-	3,168,905	-	-	-	6,370,864
-	-	2,115,536	-	-	-	4,467,171
-	-	1,045,370	-	-	-	1,327,095
-	1,648,555	315,146	-	-	-	1,963,701
1,392,290	-	1,489,532	-	-	918,031	7,598,128
307,372	-	2,995,063	-	62,927	1,493,718	17,149,057
-	-	7,764,952	-	-	-	10,018,232
1,699,662	1,648,555	25,186,817	-	62,927	2,411,749	65,301,842
8,280,336	-	(780,336)	-	-	-	-
\$ 17,135,346	\$ 1,068,531	\$ 8,644,844	\$ 14,119,450	\$ 244,397	\$ 6,112,947	\$ 65,779,239

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Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 2 - Summary of Capital Assets and Long-Term Debt
Year ended June 30, 2021

	Capital Asset/ Long-Term Debt June 30, 2020	Additions	Deletions and Transfers	Capital Asset/ Long-Term Debt June 30, 2021
Capital Assets:				
Land	\$ 11,355,803	-	\$ 479,411	\$ 11,835,214
Building and improvements	97,663,222	-	23,278,206	120,941,428
Equipment	11,071,025	693,426	(116,280)	11,648,171
Other	22,764,356	1,133,514	(23,757,617)	140,253
	<u>142,854,406</u>	<u>1,826,940</u>	<u>(116,280)</u>	<u>144,565,066</u>
Accumulated depreciation	(36,610,416)	(2,948,259)	98,577	(39,460,098)
Total capital assets	<u>\$ 106,243,990</u>	<u>\$ (1,121,319)</u>	<u>\$ (17,703)</u>	<u>\$ 105,104,968</u>
Long-Term Debt:				
Bonds payable	\$ 37,495,000	-	\$ (4,995,000)	\$ 32,500,000
Other Fixed Liabilities	18,578,409	164,026	(1,294,211)	17,448,224
Total long-term debt	<u>\$ 56,073,409</u>	<u>\$ 164,026</u>	<u>\$ (6,289,211)</u>	<u>\$ 49,948,224</u>

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures
Year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source:			
Local government:			
Local taxes	\$ 7,826,598	\$ 4,543,548	\$ 12,370,146
Corporate personal property replacement tax	1,839,185	204,577	2,043,762
Chargeback revenue	-	-	-
	9,665,783	4,748,125	14,413,908
State government:			
ICCB base operating grant	2,578,397	491,123	3,069,520
ICCB equalization grant	1,920,695	-	1,920,695
ICCB - Career and Technical Education	300,090	-	300,090
Other ICCB Grants not listed above	-	-	-
Other state revenue	-	-	-
	4,799,182	491,123	5,290,305
Federal government:			
Department of Education	4,633,131	106,183	4,739,314
Other	2,621	-	2,621
	4,635,752	106,183	4,741,935
Student tuition and fees:			
Tuition	10,034,461	-	10,034,461
Fees	1,331,931	28,365	1,360,296
	11,366,392	28,365	11,394,757
Other sources:			
Sales and service fees	141,347	2,767	144,114
Facilities revenue	720	153,836	154,556
Investment revenue	127,950	41,139	169,089
Other	367,956	49,592	417,548
	637,973	247,334	885,307
Total revenues	31,105,082	5,621,130	36,726,212
Less nonoperating item, tuition chargeback revenue	-	-	-
Adjusted revenues	\$ 31,105,082	\$ 5,621,130	\$ 36,726,212

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

**Uniform Financial Statement No. 3 - Operating Fund Revenues and Expenditures (Continued)
Year ended June 30, 2021**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 10,115,281	\$ -	\$ 10,115,281
Academic support	3,201,959	-	3,201,959
Student services	2,351,635	-	2,351,635
Public service	281,725	-	281,725
Operations and maintenance	-	3,798,275	3,798,275
Institutional support	5,825,742	-	5,825,742
Scholarships, student grants and waivers	2,253,280	-	2,253,280
Total expenditures	<u>24,029,622</u>	<u>3,798,275</u>	<u>27,827,897</u>
Less nonoperating item, tuition chargeback	-	-	-
Transfers, net	5,800,000	1,700,000	7,500,000
Adjusted expenditures	<u>\$ 29,829,622</u>	<u>\$ 5,498,275</u>	<u>\$ 35,327,897</u>
By object:			
Salaries	\$ 15,288,842	\$ 1,376,978	\$ 16,665,820
Employee benefits	3,830,424	399,624	4,230,048
Contractual services	874,292	589,096	1,463,388
General materials and supplies	1,338,404	226,600	1,565,004
Conference and meeting expenses	58,256	2,282	60,538
Fixed charges	17,930	5,400	23,330
Utilities	2,184	1,151,579	1,153,763
Capital outlay	340,500	46,497	386,997
Other	2,278,790	219	2,279,009
Total expenditures	<u>24,029,622</u>	<u>3,798,275</u>	<u>27,827,897</u>
Less nonoperating item, tuition chargeback	-	-	-
Transfers, net	5,800,000	1,700,000	7,500,000
Adjusted expenditures	<u>\$ 29,829,622</u>	<u>\$ 5,498,275</u>	<u>\$ 35,327,897</u>

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures
Year ended June 30, 2021**

Revenues by source:	
Local government	\$ <u>-</u>
State government:	
ICCB:	
Adult Education and Family Literacy	505,008
Early School Leaver	60,418
Illinois Veterans Grant	126,579
Innovative Bridge & Transition Grant	27,107
Transitional Instruction Math & English	3,700
Transitional Instruction Innovation	15,960
Illinois State Board of Education:	
Truancy and Alternative Education	172,417
Illinois Department of Health & Human Services	
Department of Vocational Rehab	84,800
Illinois Department of Transportation	
Highway Construction Careers Training Program	224,880
Illinois Student Assistance Center	
Monetary Assistance Program	761,158
Illinois Secretary of State	
Adult Volunteer Literacy	43,719
Illinois Department of Veterans' Affairs	
MIA/POW	15,596
State Universities Retirement System of Illinois (1)	
SURS On-Behalf	13,517,628
OPEB CIP On-Behalf	59,488
Total state government	<u>15,618,458</u>
Federal government:	
Department of Education	
Student Aid Programs:	
Federal Work Study (FWS)	55,898
Pell Grant	4,156,863
Supplemental Educational Opportunity Grant (SEOG)	218,075
Carl D. Perkins Vocational and Applied Technology Program	400,865
CTE Improvement (Leadership) Grant	69,433
Special Student Services	372,567
Adult Education and Family Literacy, Federal Basic Program	205,587
Adult Education English Language/Civics	46,460
CARES HEERF - Student portion	1,988,450
CARES HEERF - Institutional portion	(1,719,876)
CARES HEERF - Strengthening Institutions	-
GEER - Governor's Emergency Education Relief	233,681
Department of Labor	
TEAM	61,650
CareerLINK	65,340
Department of Transportation	
Highway Construction Careers Training Program	57,477
Other Sources:	
Veteran's Administration	115,000
CURES (Coronavirus Relief Fund)	1,995
Total federal government	<u>6,329,465</u>

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$13,577,116

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

**Uniform Financial Statement No. 4 - Restricted Purposes Fund Revenues and Expenditures (Continued)
Year ended June 30, 2021**

Revenues by source (Continued):

Other sources:	
Student Fees	513,310
Other	304,849
Total other	<u>818,159</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 22,766,082</u></u>

Expenditures by program (1):

Instruction	\$ 6,292,313
Academic support	3,168,905
Student services	2,115,536
Public service/continuing education	1,045,370
Auxiliary services	315,146
Operations and maintenance	1,489,532
Institutional support	2,995,063
Scholarships, student grants and waivers	7,764,952
Total expenditures by program	<u><u>\$ 25,186,817</u></u>

Expenditures by object:

Salaries	\$ 1,436,178
Employee benefits (1)	13,965,187
Contractual services	1,094,038
General materials and supplies	523,372
Conference and meeting expenses	87,208
Fixed charges	32,395
Utilities	115,190
Capital outlay	60,609
Other	7,872,640
Total expenditures by object	<u><u>\$ 25,186,817</u></u>

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$13,577,116

Black Hawk College
Illinois Community College District #503

Uniform Financial Statement No. 5 - Expenditures by Activity - Current Funds
Year ended June 30, 2021

Instruction (1)	<u>\$ 16,407,594</u>
Academic support:	
Library center	396,771
Instructional materials center	141,048
Educational media services	160,270
Academic computing support	1,633,579
Academic administration and planning	2,041,596
Other (1)	<u>1,997,600</u>
Total academic support	<u><u>6,370,864</u></u>
Student services:	
Admissions and records	696,998
Counseling and career guidance	1,261,946
Financial aid administration	436,969
Other (1)	<u>2,071,258</u>
Total student services	<u><u>4,467,171</u></u>
Public service/continuing education:	
Community education	201,585
Customized training (instructional)	202,183
Community services	83,437
Other (1)	<u>839,890</u>
Total public service/continuing education	<u><u>1,327,095</u></u>
Auxiliary services (1)	<u>1,963,701</u>
Operations and maintenance of plant:	
Maintenance	865,714
Custodial services	1,029,697
Grounds	342,730
Campus security	947,683
Utilities	1,406,320
Administration	175,718
Other (1)	<u>1,437,976</u>
Total operations and maintenance	<u><u>6,205,838</u></u>
Institutional support:	
Executive office	1,074,897
Fiscal operations	906,456
Community relations	1,086,928
Administrative support services	795,144
Board of Trustees	10,665
General institution	2,943,110
Administrative data processing	546,640
Other (1)	<u>3,013,610</u>
Total institutional support	<u><u>10,377,450</u></u>
Scholarships, student grants and waivers (1)	<u>10,018,232</u>
Total current funds expenditures	<u><u>\$ 57,137,945</u></u>

Notes:

1. Revenues and expenditures in the Restricted Purposes Fund include State on-behalf contributions of \$13,577,116

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

**Reconciliation of the Combining Balance Sheet to the Uniform Financial Statements
Year ended June 30, 2021**

Fund Balances - Uniform Financial Statements	\$ 65,779,239
Capital assets in the Investment in Plant Fund	105,104,968
Long-term bond debt in the General Long Term Debt Fund	(31,718,091)
Unspent bond proceeds in the General Long Term Debt Fund	(781,909)
Long-term OPEB liability in the General Long Term Debt Fund	(22,273,793)
Agency Fund Balances	<u>476,585</u>
Fund Balances - All Fund Types	<u><u>\$ 116,586,999</u></u>

**Reconciliation of the Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Uniform Financial Statements
Year ended June 30, 2021**

Change in Fund Balances - Uniform Financial Statements	\$ 8,645,526
Additions to buildings and equipment	1,826,940
Depreciation and loss of disposal of assets	(2,965,962)
Net Effect	<u>(1,139,022)</u>
Payment on long-term debt	4,995,000
Issuance of long-term debt	-
Net Effect	<u>4,995,000</u>
OPEB expense	<u>125,600</u>
Additions to agency funds	1,071,115
Payments from agency funds	(981,726)
Net Effect	<u>89,389</u>
Change in Fund Balances - All Fund Types	<u><u>\$ 12,716,493</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) which comprise of the statement of net position as of and for the year ended June 30, 2021, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Black Hawk College, Illinois Community College District #503 as of June 30, 2021, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

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

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.

Wipfli LLP

Sterling, Illinois
March 7, 2022

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

**Adult Education and Family Literacy Grant Program
Balance Sheet
June 30, 2021**

	State Basic	Performance	Total
Assets			
Cash	\$ -	\$ -	\$ -
Receivable from ICCB	1,788	11,122	12,910
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
Total assets	<u>\$ 1,788</u>	<u>\$ 11,122</u>	<u>\$ 12,910</u>
Liabilities			
Accounts payable	\$ -	\$ 960	\$ 960
Accrued salaries	1,609	3,779	5,388
Due to other funds	179	6,383	6,562
Total liabilities	<u>1,788</u>	<u>11,122</u>	<u>12,910</u>
Fund balance			
Reserved for encumbrances	-	-	-
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Note to Financial Statements - Grant Programs.

**Adult Education and Family Literacy Grant Program
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2021**

	State Basic	Performance	Total
Revenues, state sources	<u>\$ 287,353</u>	<u>\$ 217,655</u>	<u>\$ 505,008</u>
Expenditures:			
Current year's grant:			
Instruction	197,436	43,409	240,845
Social work services	-	-	-
Guidance services	83,804	24,694	108,498
Assessment and testing	-	-	-
Transportation	-	-	-
Literacy services	-	-	-
Child care services	-	-	-
Improvement of Instructional Services	-	7,102	7,102
General administration	4,011	24,065	28,076
Workforce coordination	-	3,672	3,672
Data and information services	2,102	114,713	116,815
Operation of plant services	-	-	-
Total expenditures	<u>287,353</u>	<u>217,655</u>	<u>505,008</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:			
Beginning, July 1, 2020			-
Ending, June 30, 2021			<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, 2021**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 197,436	68.71%
General Administration (20% Maximum Allowed)	4,011	1.40%

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

Note to Financial Statements - Grant Programs

Note 1. Summary of Significant Accounting Policies

General:

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

Basis of Accounting:

The statements have been prepared on the modified accrual basis of accounting as defined in the Illinois Community College Board's *Fiscal Management Manual*. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021. 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, 2021.

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, 2021, 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, 2021**

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, 2020**

None

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

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

We have examined management of Black Hawk College, Illinois Community College District #503 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Black Hawk College, Illinois Community College District #503 during the period July 1, 2020 through June 30, 2021. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

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

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

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Sterling, Illinois
March 7, 2022

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BLACK HAWK COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT #503
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 2021

<u>Total Reimbursable Semester Credit Hours</u>			
<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>	
Baccalaureate	39,909.60	39,909.60	-
Business Occupational	3,140.70	3,140.70	-
Technical Occupational	7,231.60	7,231.60	-
Health Occupational	6,891.10	6,891.10	-
Remedial/Developmental	2,275.00	2,275.00	-
Adult Education	1,469.90	1,469.90	-
Total:	60,917.90	60,917.90	-

<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
Baccalaureate	84.80	84.80	-
Business Occupational	-	-	-
Technical Occupational	158.50	158.50	-
Health Occupational	-	-	-
Remedial/Developmental	-	-	-
Adult Education	8,835.50	8,835.50	-
Total:	9,078.80	9,078.80	-

	Total	Total	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>	
In-District Credit Hours:	57,689.20	57,689.20	-
Dual Credit Hours:	9,737.00	9,737.00	-
Dual Enrollment Hours:	115.50	115.50	-

	Total	Total	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
In-District Credit Hours:	9,078.80	9,078.80	-
Dual Credit Hours:	-	-	-
Dual Enrollment Hours:	-	-	-

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

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

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

**Student Residency Verification
Year Ended June 30, 2021**

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
2020	4,262,432,791
2019	4,191,810,026
2018	4,163,144,180

Federal Financial Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component units, and the aggregate remaining fund information of Black Hawk College, Illinois Community College District #503 (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated March 7, 2022. The financial statements of Black Hawk College Foundation and Black Hawk East College Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Black Hawk College Foundation and Black Hawk East College Foundation.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
March 7, 2022

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

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

Report on Compliance for Each Major Federal Program

We have audited Black Hawk College, Illinois Community College District #503's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. 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 of 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, 2021.

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 in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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
March 7, 2022

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

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Grant Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education				
Direct Programs:				
Student Financial Aid - cluster				
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q191337	240	-
Federal PELL Grant Program Admin Cost Allowance	84.063	P063Q201337	5,715	-
Federal PELL Grant Program	84.063	P063P191337	(6,692)	-
Federal PELL Grant Program	84.063	P063P201337	4,163,555	-
Federal Supplemental Educational Opportunity Grant	84.007	P007A191107	19,735	-
Federal Supplemental Educational Opportunity Grant	84.007	P007A201107	198,340	-
Federal Family Education Loans	84.268	P268K201337	21,789	-
Federal Family Education Loans	84.268	P268K211337	1,412,198	-
Federal Work-Study Program	84.033	P033A191107	-	-
Federal Work-Study Program	84.033	P033A201107	55,898	-
Total student financial aid			<u>5,870,778</u>	<u>-</u>
TRIO - Student Support Services	84.042A	P042A150187	44,960	-
TRIO - Student Support Services	84.042A	P042A200804	327,607	-
			<u>372,567</u>	<u>-</u>
COVID19 Education Stabilization Fund - Higher Education Emergency Relief Fund - Student Portion				
	84.425E	P425E202366	1,988,450	-
COVID19 Education Stabilization Fund - Higher Education Emergency Relief Fund - Institutional Portion				
	84.425F	P425F201722	6,435,273	-
COVID19 Education Stabilization Fund - Higher Education Emergency Relief Fund - Strengthening Institutions				
	84.425M	P425M200465	70,928	-
COVID19 GEER - Governor's Emergency Education Relief				
	84.425C	GEER-503	233,681	-
			<u>8,728,332</u>	<u>-</u>
Total direct programs			<u>14,971,677</u>	<u>-</u>
Passed through Illinois Community College Board:				
Adult Education State Grant Program (Fed Basic)	84.002A	5030121	205,587	-
Adult Education State Grant Program (IEL/CE)	84.002A	5030121	46,460	-
			<u>252,047</u>	<u>-</u>
Vocational Education (Perkins)	84.048	CTE50321	400,865	-
CTE Leadership Improvement Grant	84.048	LEAD50321	69,433	-
			<u>470,298</u>	<u>-</u>
Total pass through programs from Illinois Community College Board			<u>722,345</u>	<u>-</u>
Total U.S. Department of Education:			<u>15,694,022</u>	<u>-</u>
U.S. Department of Veteran's Affairs				
Veteran's Educational Assistance	64.120		95,832	-
VA Rehab	64.116		19,168	-
Total U.S. Department of Veteran's Affairs			<u>115,000</u>	<u>-</u>
U.S. Department of Labor				
Passed through Illinois Department of Employment:				
WIOA - Training Employee Academic Mastery	17.258	PY2020-BHC TEAM	61,650	-
WIOA - Career Link	17.258	OSY-2018-01	65,340	-
Total U.S. Department of Labor			<u>126,990</u>	<u>-</u>
U.S. Department of Transportation				
Highway Construction Careers Training Program	20.205	HCCTP IGA FY21	57,477	-
Total U.S. Department of Transportation			<u>57,477</u>	<u>-</u>
U.S. Department of Treasury				
Passed through Illinois Community College Board:				
COVID19 CURES (Coronavirus Relief Fund)	21.019	CURES03	1,995	-
			<u>1,995</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,995</u>	<u>-</u>
Total Expenditures of Federal Awards:			<u>\$15,995,484</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, 2021**

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, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Black Hawk College, it is not intended to and does not present the financial position, changes in net position or cash flows of Black Hawk College. The College elected to use the 10% de minimis indirect cost rate during the year ended June 30, 2021.

Note 2. Summary of Significant Accounting

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

Note 3. Loan Program

For the year ended, June 30, 2021, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,433,987.

Note 4. Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2021.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

I. Summary of Independent Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Assistance

Listing

Number

Name of Federal Program

84.007	Federal Supplemental Educational Opportunity Grant
84.268	Federal Direct Student Loans
84.033	Federal Work-Study Program
84.063	Federal PELL Grant Program
84.425E	COVID19 Education Stabilization Fund – Higher Education Emergency Relief Fund – Student Portion
84.425F	COVID19 Education Stabilization Fund – Higher Education Emergency Relief Fund – Institutional Costs
84.425M	COVID19 Education Stabilization Fund – Higher Education Emergency Relief Fund – Strengthening Institutions
84.425C	COVID19 Education Stabilization Fund – Governor's Emergency Education Relief Fund

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, 2021**

None

Summary Schedule of Prior Audit Findings
June 30, 2020

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

None

III. Findings and Questioned Costs for Federal Awards

Finding 2020-001: Allowable Activities and Period of Performance (resolved FY2021)

COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF)
Assistance Listing Number 84.425
Department of Education Direct Award
Grant period: April 25, 2020 through May 5, 2021

Questioned costs: \$14,240

How the questioned costs were computed: \$10,400 of questioned costs relates to an individually important item and \$3,840 relates to a sample selection of one disbursement that did not meet the allowable activities as prescribed by the Department of Education.

Condition: We discovered two questioned costs that were not actual cash disbursements paid out. One cost was an estimated year-end accrual of internet stipend reimbursement benefits based on the number of employees at year-end. After the year ended, the actual reimbursements requested by employees was less than originally anticipated. The other cost was for waiver of college application fees which were a waiver of expense to the applicant rather than a payment of cash directly to the applicant. In addition, we discovered one expense that was reported in the wrong period of performance. The goods were not received until after year-end. These expenses are allowable but should have been reported in fiscal year 2021.

Our testing included six individually important items and a non-statistical sample of 40 transactions out of a population of 1,111. Out of the 6 individually important items and the sample of 40, two transactions were found to be unallowable and one transaction was not reported in the proper period of performance.

Criteria: The requirement that costs claimed against the Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) must be actual expenditures for which checks were written was provided during the October 14, 2020 webinar presented by the Department of Education.

Cause: The HEERF program was a new grant for the Department of Education. During implementation, there were multiple forms of guidance issued by the Department of Education subsequent to fiscal year-end related to the allowability of expenditures. The delayed release of final guidance as well as changes in interpretation of guidance meant the College was reclassifying existing expenditures in to the grant as they became eligible and/or ineligible per guidance. This unorthodox approach lead to the opportunity for missteps in the quality control process over allowable activities and period of performance such that unallowable costs went undetected and costs were reported in the improper period.

Effect: The program is not in compliance with Department of Education requirements.

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

**Prior Year Corrective Action Plan
Year Ending June 30, 2020**

III. Finding 2020-001 – Higher Education Emergency Relief Fund – Allowable Activities and Period of Performance

Plan: The College will stay well-informed of available guidance and information provided by Department of Education in regards to HEERF funds. HEERF expenditures will continue to exercise strong internal controls by carefully reviewing expenditures for allowability based on the guidance available. Management will monitor this topic regularly during the year to ensure compliance.

Timing for Implementation: To be completed by June 30, 2021

Person(s) Responsible: Steven Frommelt, Vice President for Finance and Administration and Dena Grunewald, Director of Accounting

Management Information

Black Hawk College
Illinois Community College District #503

Combining Balance Sheet
June 30, 2021

	Education Fund	Operations & Maintenance Fund	Auxiliary Enterprises Fund	Restricted Purposes Funds	Agency Funds
Assets					
Cash and cash equivalents	\$ 10,274,189	\$ 6,847,701	\$ 48,721	\$ 9,806,302	\$ 466,002
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Property Taxes	4,540,844	2,648,653	-	-	-
Federal government claims	-	-	-	7,041,331	-
State government claims	354,088	38,273	-	221,510	-
Student tuition and fees	3,291,378	-	-	-	-
Other	11,111	-	87,950	-	27,514
Due from other funds	45,091	-	466,564	-	-
Inventory	-	-	526,864	-	-
Prepaid expenses	153,469	95,577	8,633	170,554	9,685
Capital assets:					
Land	-	-	-	-	-
Construction and Equipment in process	-	-	-	-	-
Building, improvements and equipment net of \$39,460,098 depreciation	-	-	-	-	-
Total assets	<u>\$ 18,670,170</u>	<u>\$ 9,630,204</u>	<u>\$ 1,138,732</u>	<u>\$ 17,239,697</u>	<u>\$ 503,201</u>
Deferred outflows of resources					
OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Accounts payable	262,164	163,958	-	115,021	6,982
Accrued expenses					
Payroll	699,621	52,287	9,198	22,080	-
Early retirement	169,274	-	-	-	-
Accrued vacation	715,839	97,154	21,939	30,072	-
Other	-	-	47	-	-
Due to other funds	-	1,585,287	-	5,931,541	18,028
Unearned revenues					
Student tuition and fees	2,792,426	-	39,017	143,062	-
Grants and restricted funds	-	-	-	26,958	1,606
Other liabilities	381,441	19,605	-	-	-
Bonds payable	-	-	-	-	-
OPEB Liability	-	-	-	-	-
Total liabilities	<u>5,020,765</u>	<u>1,918,291</u>	<u>70,201</u>	<u>6,268,734</u>	<u>26,616</u>
Deferred inflows of resources					
Property taxes	3,893,671	2,271,412	-	-	-
Other	-	10,337	-	14,303	-
OPEB	-	-	-	-	-
Unearned Revenues	-	-	-	2,311,816	-
Total deferred inflows of resources	<u>3,893,671</u>	<u>2,281,749</u>	<u>-</u>	<u>2,326,119</u>	<u>-</u>
Fund balance					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	-	-	476,585
Unrestricted	9,755,734	5,430,164	1,068,531	8,644,844	-
Total fund balance	<u>9,755,734</u>	<u>5,430,164</u>	<u>1,068,531</u>	<u>8,644,844</u>	<u>476,585</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 18,670,170</u>	<u>\$ 9,630,204</u>	<u>\$ 1,138,732</u>	<u>\$ 17,239,697</u>	<u>\$ 503,201</u>

See Note to Management Information.

Audit Fund	Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 233,786	\$ 5,879,360	\$ 14,119,450	\$ 2,836,996	\$ 10,029,123	\$ -	\$ -	\$ 60,541,630
-	-	-	-	-	-	-	-
74,545	1,804,650	-	3,821,753	1,235,551	-	-	14,125,996
-	-	-	-	-	-	-	7,041,331
-	-	-	-	-	-	-	613,871
-	-	-	-	-	-	-	3,291,378
-	-	-	-	-	-	-	126,575
-	23,301	-	-	6,999,900	-	-	7,534,856
-	-	-	-	-	-	-	526,864
-	124,331	-	-	68,417	-	-	630,666
-	-	-	-	-	1,032,464	-	1,032,464
-	-	-	-	-	140,253	-	140,253
-	-	-	-	-	103,932,251	-	103,932,251
\$ 308,331	\$ 7,831,642	\$ 14,119,450	\$ 6,658,749	\$ 18,332,991	\$ 105,104,968	\$ -	\$ 199,538,135
-	-	-	-	-	-	251,380	251,380
-	-	-	-	-	-	251,380	251,380
-	26,145	-	-	138,157	-	-	712,427
-	47,676	-	-	-	-	-	830,862
-	-	-	-	-	-	-	169,274
-	97,298	-	-	-	-	-	962,302
-	-	-	113,785	-	-	-	113,832
-	-	-	-	-	-	-	7,534,856
-	-	-	-	-	-	-	2,974,505
-	-	-	-	-	-	-	28,564
-	-	-	-	-	-	-	401,046
-	-	-	-	-	-	32,500,000	32,500,000
-	-	-	-	-	-	17,448,224	17,448,224
-	171,119	-	113,785	138,157	-	49,948,224	63,675,892
63,934	1,547,576	-	3,277,138	1,059,488	-	-	12,113,219
-	-	-	-	-	-	-	24,640
-	-	-	-	-	-	5,076,949	5,076,949
-	-	-	-	-	-	-	2,311,816
63,934	1,547,576	-	3,277,138	1,059,488	-	5,076,949	19,526,624
-	-	-	-	-	105,104,968	(31,718,091)	73,386,877
244,397	6,112,947	10,194,190	3,267,826	4,594,362	-	(781,909)	24,108,398
-	-	3,925,260	-	12,540,984	-	(22,273,793)	19,091,724
244,397	6,112,947	14,119,450	3,267,826	17,135,346	105,104,968	(54,773,793)	116,586,999
\$ 308,331	\$ 7,831,642	\$ 14,119,450	\$ 6,658,749	\$ 18,332,991	\$ 105,104,968	\$ 251,380	\$ 199,789,515

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2021**

	Education Fund	Operations and Maintenance Fund	Auxiliary Fund	Restricted Funds	Agency Funds
Revenues:					
Local governmental sources					
Property taxes	\$ 7,826,598	\$ 4,543,548	\$ -	\$ -	\$ -
Personal Property Replacement Tax	1,839,185	204,577	-	-	-
Other	-	-	-	-	-
Total local government sources	9,665,783	4,748,125	-	-	-
State governmental sources	4,799,182	491,123	-	2,041,342	-
Federal governmental sources	4,635,752	106,183	1,180,903	6,329,465	-
Student tuition and fees	11,366,392	28,365	139,974	513,310	-
Sales, services and rental of facilities and equipment	142,067	156,603	1,009,068	1,728	75,605
Investment earnings	127,950	41,139	237	-	363
Other sources	367,956	49,592	7,811	303,121	995,147
Additions to buildings and equipment, current funds	-	-	-	-	-
Payment of long-term debt	-	-	-	-	-
SURS contribution provided by state	-	-	-	13,517,628	-
OPEB CIP contribution provided by state	-	-	-	59,488	-
Total revenues	31,105,082	5,621,130	2,337,993	22,766,082	1,071,115
Expenditures:					
Instruction	10,115,281	-	-	509,925	10,747
Academic support	3,201,959	-	-	1,412,303	-
Student services	2,351,635	-	-	642,106	-
Public services	281,725	-	-	665,255	2,479
Institutional support	5,825,742	-	-	537,621	235,912
Auxiliary services	-	-	1,648,555	57,493	73,990
Scholarships, student grants, and waivers	2,253,280	-	-	7,726,264	658,598
SURS contribution provided by state	-	-	-	13,517,628	-
OPEB CIP contribution provided by state	-	-	-	59,488	-
OPEB Expense (Income)	-	-	-	-	-
Depreciation	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Operation of physical facilities	-	3,798,275	-	58,734	-
Total expenditures	24,029,622	3,798,275	1,648,555	25,186,817	981,726
Excess (deficiency) of revenues over expenditures	7,075,460	1,822,855	689,438	(2,420,735)	89,389
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Operating transfers in	-	-	-	500,000	-
Operating transfers out	(5,800,000)	(1,700,000)	-	-	-
Residual equity transfer in	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-
Transfer from other fund	-	-	-	-	-
Transfer to other fund	-	-	-	(1,280,336)	-
Total other financing sources (uses)	(5,800,000)	(1,700,000)	-	(780,336)	-
Net change in fund balance	1,275,460	122,855	689,438	(3,201,071)	89,389
Fund balance					
Beginning, as restated	8,480,274	5,307,309	379,093	11,845,915	387,196
Ending	\$ 9,755,734	\$ 5,430,164	\$ 1,068,531	\$ 8,644,844	\$ 476,585

See Note to Management Information.

Audit Fund	Liability, Protection, and Settlement Fund	Working Cash Fund	Bond & Interest Fund	Operations & Maintenance Restricted	Investment in Plant Fund	General Long Term Debt Fund	Total
\$ 126,493	\$ 3,035,050	\$ -	\$ 6,509,956	\$ 2,103,818	\$ -	\$ -	\$ 24,145,463
-	-	-	-	-	-	-	2,043,762
-	-	-	-	-	-	-	-
126,493	3,035,050	-	6,509,956	2,103,818	-	-	26,189,225
-	-	-	-	140,253	-	-	7,471,900
-	-	-	-	-	-	-	12,252,303
-	-	-	-	-	-	-	12,048,041
-	-	-	-	-	-	-	1,385,071
1,267	35,155	94,277	13,837	56,975	-	-	371,200
-	-	-	-	-	-	-	1,723,627
-	-	-	-	-	1,826,940	-	1,826,940
-	-	-	-	-	-	4,995,000	4,995,000
-	-	-	-	-	-	-	13,517,628
-	-	-	-	-	-	-	59,488
127,760	3,070,205	94,277	6,523,793	2,301,046	1,826,940	4,995,000	81,840,423
-	-	-	-	-	-	-	10,635,953
-	-	-	-	-	-	-	4,614,262
-	-	-	-	-	-	-	2,993,741
-	-	-	-	-	-	-	949,459
62,927	1,493,718	-	6,464,235	307,372	-	-	14,927,527
-	-	-	-	-	-	-	1,780,038
-	-	-	-	-	-	-	10,638,142
-	-	-	-	-	-	-	13,517,628
-	-	-	-	-	-	-	59,488
-	-	-	-	-	-	(125,600)	(125,600)
-	-	-	-	-	2,948,259	-	2,948,259
-	-	-	-	-	17,703	-	17,703
-	918,031	-	-	1,392,290	-	-	6,167,330
62,927	2,411,749	-	6,464,235	1,699,662	2,965,962	(125,600)	69,123,930
64,833	658,456	94,277	59,558	601,384	(1,139,022)	5,120,600	12,716,493
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,000,000	-	-	7,500,000
-	-	-	-	-	-	-	(7,500,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,280,336	-	-	1,280,336
-	-	-	-	-	-	-	(1,280,336)
-	-	-	-	8,280,336	-	-	-
64,833	658,456	94,277	59,558	8,881,720	(1,139,022)	5,120,600	12,716,493
179,564	5,454,491	14,025,173	3,208,268	8,253,626	106,243,990	(59,894,393)	103,870,506
\$ 244,397	\$ 6,112,947	\$ 14,119,450	\$ 3,267,826	\$ 17,135,346	\$ 105,104,968	\$ (54,773,793)	\$ 116,586,999

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

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

Fund Balances - All Fund Types	\$ 116,586,999
Pension expense related to Federal, Trust, Grant and Other Contribution	84,974
Long-term portion of early retirement liability	(1,055,692)
Unamortized bond premium	(787,022)
Net Position of Statement of Net Position	<u><u>\$ 114,829,259</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	\$ 12,716,493
Reduction in student tuition and fees	(5,956,639)
Reduction in financial aid	5,956,639
Net Effect	<u>-</u>
Additions to buildings and equipment, current funds	1,826,940
Expended for capital assets	(1,826,940)
Net Effect	<u>-</u>
Long-term debt retired	4,995,000
Additions to general long-term debt fund	(4,995,000)
Net Effect	<u>-</u>
Amortization of bond premium	460,030
Decrease in long-term early retirement liability	167,619
Increase in pension expense related to Federal, Trust, Grant and Other Contribution	(2,873)
Change in Net Position	<u><u>\$ 13,341,269</u></u>

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

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Education Fund and Operations & Maintenance Fund by Program
Year ended June 30, 2021

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 7,882,200	\$ 7,826,598	\$ (55,602)	\$ 4,572,850	\$ 4,543,548	\$ (29,302)
Personal property taxes	917,000	1,839,185	922,185	102,000	204,577	102,577
Other	-	-	-	-	-	-
Total local government sources	8,799,200	9,665,783	866,583	4,674,850	4,748,125	73,275
State governmental sources	5,188,745	4,799,182	(389,563)	504,000	491,123	(12,877)
Federal governmental sources	52,250	4,635,752	4,583,502	-	106,183	106,183
Student tuition and fees	14,267,714	11,366,392	(2,901,322)	99,000	28,365	(70,635)
Sales, services and rental of facilities	423,340	142,067	(281,273)	202,637	156,603	(46,034)
Investment earnings	100,000	127,950	27,950	30,000	41,139	11,139
Other sources	55,550	367,956	312,406	15,500	49,592	34,092
Contingency	-	-	-	30,000	-	(30,000)
Total revenues	28,886,799	31,105,082	2,218,283	5,555,987	5,621,130	65,143
Expenditures:						
Current						
Instruction	10,900,779	10,115,281	(785,498)	-	-	-
Academic support	3,562,893	3,201,959	(360,934)	-	-	-
Student services	2,979,938	2,351,635	(628,303)	-	-	-
Public services	695,893	281,725	(414,168)	-	-	-
Institutional support	8,439,834	5,825,742	(2,614,092)	-	-	-
Auxiliary services	-	-	-	-	-	-
Scholarships, student grants, and waivers	3,136,000	2,253,280	(882,720)	-	-	-
Operation of physical facilities	-	-	-	4,495,497	3,798,275	(697,222)
Contingency	100,000	-	(100,000)	400,000	-	(400,000)
Total expenditures	29,815,337	24,029,622	(5,785,715)	4,895,497	3,798,275	(1,097,222)
Excess (deficiency) of revenues over expenditures	(928,538)	7,075,460	8,003,998	660,490	1,822,855	1,162,365
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	300,000	-	(300,000)	-	-	-
Operating transfers out	-	(5,800,000)	(5,800,000)	(650,000)	(1,700,000)	(1,050,000)
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources (uses)	300,000	(5,800,000)	(6,100,000)	(650,000)	(1,700,000)	(1,050,000)
Net change in fund balance	\$ (628,538)	1,275,460	\$ 1,903,998	\$ 10,490	122,855	\$ 112,365
Fund balance						
Beginning		\$ 8,480,274			\$ 5,307,309	
Ending		\$ 9,755,734			\$ 5,430,164	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Education Fund and Operations & Maintenance Fund by Object
Year ended June 30, 2021

	Education Fund Budget	Education Fund Actual	Actual Over (Under) Budget	Operations & Maintenance Fund Budget	Operations & Maintenance Fund Actual	Actual Over (Under) Budget
Revenues:						
Local governmental sources						
Property taxes	\$ 7,882,200	\$ 7,826,598	\$ (55,602)	\$ 4,572,850	\$ 4,543,548	\$ (29,302)
Personal property taxes	917,000	1,839,185	922,185	102,000	204,577	102,577
Other	-	-	-	-	-	-
Total local government sources	8,799,200	9,665,783	866,583	4,674,850	4,748,125	73,275
State governmental sources	5,188,745	4,799,182	(389,563)	504,000	491,123	(12,877)
Federal governmental sources	52,250	4,635,752	4,583,502	-	106,183	106,183
Student tuition and fees	14,267,714	11,366,392	(2,901,322)	99,000	28,365	(70,635)
Sales, services and rental of facilities	423,340	142,067	(281,273)	202,637	156,603	(46,034)
Investment earnings	100,000	127,950	27,950	30,000	41,139	11,139
Other sources	55,550	367,956	312,406	15,500	49,592	34,092
Contingency	-	-	-	30,000	-	(30,000)
Total revenues	28,886,799	31,105,082	2,218,283	5,555,987	5,621,130	65,143
Expenditures:						
Current						
Salaries	17,700,835	15,288,842	(2,411,993)	1,751,129	1,376,978	(374,151)
Benefits	5,031,929	3,830,424	(1,201,505)	461,302	399,624	(61,678)
Contractual Services	1,570,974	874,292	(696,682)	599,797	589,096	(10,701)
Supplies & Materials	1,761,484	1,338,404	(423,080)	338,696	226,600	(112,096)
Conference & Meetings	372,640	58,256	(314,384)	9,870	2,282	(7,588)
Fixed Charges	39,975	17,930	(22,045)	5,400	5,400	-
Utilities	3,000	2,184	(816)	1,326,403	1,151,579	(174,824)
Capital Outlay	-	340,500	340,500	-	46,497	46,497
Other	3,234,500	2,278,790	(955,710)	2,900	219	(2,681)
Contingency	100,000	-	(100,000)	400,000	-	(400,000)
Total expenditures	29,815,337	24,029,622	(5,785,715)	4,895,497	3,798,275	(1,097,222)
Excess (deficiency) of revenues over expenditures	(928,538)	7,075,460	8,003,998	660,490	1,822,855	1,162,365
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	300,000	-	(300,000)	-	-	-
Operating transfers out	-	(5,800,000)	(5,800,000)	(650,000)	(1,700,000)	(1,050,000)
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	-	-	-	-	-
Total other financing sources (uses)	300,000	(5,800,000)	(6,100,000)	(650,000)	(1,700,000)	(1,050,000)
Net change in fund balance	\$ (628,538)	1,275,460	\$ 1,903,998	\$ 10,490	122,855	\$ 112,365
Fund balance						
Beginning		\$ 8,480,274			\$ 5,307,309	
Ending		\$ 9,755,734			\$ 5,430,164	

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, 2021

	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	\$ -	\$ -	\$ -	\$ 123,990	\$ 126,493	\$ 2,503
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	123,990	126,493	2,503
State governmental sources	1,950,135	2,041,342	91,207	-	-	-
Federal governmental sources	10,311,083	6,329,465	(3,981,618)	-	-	-
Student tuition and fees	604,000	513,310	(90,690)	-	-	-
Sales, services and rental of facilities	-	1,728	1,728	-	-	-
Investment earnings	-	-	-	-	1,267	1,267
Other sources	417,528	303,121	(114,407)	-	-	-
Contingency	1,216,617	-	(1,216,617)	-	-	-
Total revenues	14,499,363	9,188,966	(5,310,397)	123,990	127,760	3,770
Expenditures:						
Current						
Instruction	483,928	509,925	25,997	-	-	-
Academic support	1,473,461	1,412,303	(61,158)	-	-	-
Student services	689,693	642,106	(47,587)	-	-	-
Public services	847,415	665,255	(182,160)	-	-	-
Institutional support	2,305,983	537,621	(1,768,362)	160,275	62,927	(97,348)
Auxiliary services	-	57,493	57,493	-	-	-
Scholarships, student grants, and waivers	8,619,510	7,726,264	(893,246)	-	-	-
Operation of physical facilities	-	58,734	58,734	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
Total expenditures	14,694,990	11,609,701	(3,085,289)	160,275	62,927	(97,348)
Excess (deficiency) of revenues over expenditures	(195,627)	(2,420,735)	(2,225,108)	(36,285)	64,833	101,118
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	500,000	500,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	(1,280,336)	(1,280,336)	-	-	-
Total other financing sources	-	(780,336)	(780,336)	-	-	-
Net change in fund balance	\$ (195,627)	(3,201,071)	\$ (3,005,444)	\$ (36,285)	64,833	\$ 101,118
Fund balance						
Beginning		\$ 11,845,915			\$ 179,564	
Ending		\$ 8,644,844			\$ 244,397	

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
\$ 2,986,700	\$ 3,035,050	\$ 48,350	\$ 6,483,940	\$ 6,509,956	\$ 26,016	\$ 2,134,000	\$ 2,103,818	\$ (30,182)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,986,700</u>	<u>3,035,050</u>	<u>48,350</u>	<u>6,483,940</u>	<u>6,509,956</u>	<u>26,016</u>	<u>2,134,000</u>	<u>2,103,818</u>	<u>(30,182)</u>
-	-	-	-	-	-	1,322,740	140,253	(1,182,487)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
60,000	35,155	(24,845)	-	13,837	13,837	-	56,975	56,975
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,046,700</u>	<u>3,070,205</u>	<u>23,505</u>	<u>6,483,940</u>	<u>6,523,793</u>	<u>39,853</u>	<u>3,456,740</u>	<u>2,301,046</u>	<u>(1,155,694)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,955,026	1,493,718	(461,308)	6,484,040	6,464,235	(19,805)	700,000	307,372	(392,628)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
914,994	918,031	3,037	-	-	-	6,662,076	1,392,290	(5,269,786)
-	-	-	-	-	-	-	-	-
<u>2,870,020</u>	<u>2,411,749</u>	<u>(458,271)</u>	<u>6,484,040</u>	<u>6,464,235</u>	<u>(19,805)</u>	<u>7,362,076</u>	<u>1,699,662</u>	<u>(5,662,414)</u>
-	-	-	-	-	-	-	-	-
176,680	658,456	481,776	(100)	59,558	59,658	(3,905,336)	601,384	4,506,720
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,000,000	7,000,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,280,336	1,280,336
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,280,336	8,280,336
<u>\$ 176,680</u>	658,456	<u>\$ 481,776</u>	<u>\$ (100)</u>	59,558	<u>\$ 59,658</u>	<u>\$ (3,905,336)</u>	8,881,720	<u>\$ 12,787,056</u>
	<u>\$ 5,454,491</u>			<u>\$ 3,208,268</u>		<u>\$ 8,253,626</u>		
	<u>\$ 6,112,947</u>			<u>\$ 3,267,826</u>		<u>\$ 17,135,346</u>		

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object
Year ended June 30, 2021

	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	\$ -	\$ -	\$ -	\$ 123,990	\$ 126,493	\$ 2,503
Tuition chargeback	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total local government sources	-	-	-	123,990	126,493	2,503
State governmental sources	1,950,135	2,041,342	91,207	-	-	-
Federal governmental sources	10,311,083	6,329,465	(3,981,618)	-	-	-
Student tuition and fees	604,000	513,310	(90,690)	-	-	-
Sales, services and rental of facilities	-	1,728	1,728	-	-	-
Investment earnings	-	-	-	-	1,267	1,267
Other sources	417,528	303,121	(114,407)	-	-	-
Contingency	1,216,617	-	(1,216,617)	-	-	-
Total revenues	14,499,363	9,188,966	(5,310,397)	123,990	127,760	3,770
Expenditures:						
Current						
Salaries	1,645,846	1,436,178	(209,668)	-	-	-
Benefits	533,665	388,071	(145,594)	-	-	-
Contractual Services	1,183,405	1,094,038	(89,367)	160,275	62,927	(97,348)
Supplies & Materials	513,324	523,372	10,048	-	-	-
Conference & Meetings	149,944	87,208	(62,736)	-	-	-
Fixed Charges	32,400	32,395	(5)	-	-	-
Utilities	184,665	115,190	(69,475)	-	-	-
Capital Outlay	65,000	60,609	(4,391)	-	-	-
Other	10,111,741	7,872,640	(2,239,101)	-	-	-
Contingency	275,000	-	(275,000)	-	-	-
Total expenditures	14,694,990	11,609,701	(3,085,289)	160,275	62,927	(97,348)
Excess (deficiency) of revenues over expenditures	(195,627)	(2,420,735)	(2,225,108)	(36,285)	64,833	101,118
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-
Operating transfers in	-	500,000	500,000	-	-	-
Operating transfers out	-	-	-	-	-	-
Residual equity transfer in	-	-	-	-	-	-
Residual equity transfer out	-	-	-	-	-	-
Transfer from other fund	-	-	-	-	-	-
Transfer to other fund	-	(1,280,336)	(1,280,336)	-	-	-
Total other financing sources	-	(780,336)	(780,336)	-	-	-
Net change in fund balance	\$ (195,627)	(3,201,071)	\$ (3,005,444)	\$ (36,285)	64,833	\$ 101,118
Fund balance						
Beginning		\$ 11,845,915			\$ 179,564	
Ending		\$ 8,644,844			\$ 244,397	

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
\$ 2,986,700	\$ 3,035,050	\$ 48,350	\$ 6,483,940	\$ 6,509,956	\$ 26,016	\$ 2,134,000	\$ 2,103,818	\$ (30,182)
-	-	-	-	-	-	-	-	-
<u>2,986,700</u>	<u>3,035,050</u>	<u>48,350</u>	<u>6,483,940</u>	<u>6,509,956</u>	<u>26,016</u>	<u>2,134,000</u>	<u>2,103,818</u>	<u>(30,182)</u>
-	-	-	-	-	-	1,322,740	140,253	(1,182,487)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
60,000	35,155	(24,845)	-	13,837	13,837	-	56,975	56,975
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,046,700</u>	<u>3,070,205</u>	<u>23,505</u>	<u>6,483,940</u>	<u>6,523,793</u>	<u>39,853</u>	<u>3,456,740</u>	<u>2,301,046</u>	<u>(1,155,694)</u>
1,138,051	1,140,509	2,458	-	-	-	-	-	-
805,336	670,898	(134,438)	-	-	-	-	-	-
650,295	315,169	(335,126)	-	-	-	-	162,845	162,845
6,740	42,554	35,814	-	-	-	25,000	168,145	143,145
42,698	6,468	(36,230)	-	-	-	-	-	-
226,900	231,604	4,704	6,484,040	6,464,235	(19,805)	-	4,991	4,991
-	790	790	-	-	-	-	-	-
-	-	-	-	-	-	7,337,076	1,363,681	(5,973,395)
-	3,757	3,757	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,870,020</u>	<u>2,411,749</u>	<u>(458,271)</u>	<u>6,484,040</u>	<u>6,464,235</u>	<u>(19,805)</u>	<u>7,362,076</u>	<u>1,699,662</u>	<u>(5,662,414)</u>
176,680	658,456	481,776	(100)	59,558	59,658	(3,905,336)	601,384	4,506,720
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,000,000	7,000,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,280,336	1,280,336
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,280,336	8,280,336
<u>\$ 176,680</u>	658,456	<u>\$ 481,776</u>	<u>\$ (100)</u>	59,558	<u>\$ 59,658</u>	<u>\$ (3,905,336)</u>	8,881,720	<u>\$ 12,787,056</u>
	<u>\$ 5,454,491</u>			<u>\$ 3,208,268</u>			<u>\$ 8,253,626</u>	
	<u>\$ 6,112,947</u>			<u>\$ 3,267,826</u>			<u>\$ 17,135,346</u>	

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Major Special Revenue Funds by Object (continued)
Year ended June 30, 2021

	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	203,000	94,277	(108,723)
Other sources	-	-	-
Contingency	-	-	-
Total revenues	203,000	94,277	(108,723)
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	203,000	94,277	(108,723)
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	-	-
Transfer to other fund	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ 203,000	94,277	\$ (108,723)
Fund balance			
Beginning		\$ 14,025,173	
Ending		<u>\$ 14,119,450</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund by Program
Year ended June 30, 2021

	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	-	1,180,903	1,180,903
Student tuition and fees	165,000	139,974	(25,026)
Sales, services and rental of facilities	1,565,915	1,009,068	(556,847)
Investment earnings	-	237	237
Other sources	20,600	7,811	(12,789)
Contingency	25,000	-	(25,000)
Total revenues	1,776,515	2,337,993	561,478
Expenditures:			
Current			
Instruction	-	-	-
Academic support	-	-	-
Student services	-	-	-
Public services	-	-	-
Institutional support	-	-	-
Auxiliary services	2,097,797	1,648,555	(449,242)
Scholarships, student grants, and waivers	-	-	-
Operation of physical facilities	-	-	-
Contingency	25,000	-	(25,000)
Total expenditures	2,122,797	1,648,555	(474,242)
Excess (deficiency) of revenues over expenditures	(346,282)	689,438	1,035,720
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	350,000	-	(350,000)
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	-	-
Transfer to other fund	-	-	-
Total other financing sources	350,000	-	(350,000)
Net change in fund balance	\$ 3,718	689,438	\$ 685,720
Fund balance			
Beginning		\$ 379,093	
Ending		<u>\$ 1,068,531</u>	

See Note to Management Information.

Black Hawk College
Illinois Community College District #503

Statement of Budgetary Comparison - Proprietary Fund by Object
Year ended June 30, 2021

	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	-	1,180,903	1,180,903
Student tuition and fees	165,000	139,974	(25,026)
Sales, services and rental of facilities	1,565,915	1,009,068	(556,847)
Investment earnings	-	237	237
Other sources	20,600	7,811	(12,789)
Contingency	25,000	-	(25,000)
Total revenues	1,776,515	2,337,993	561,478
Expenditures:			
Current			
Salaries	476,869	372,257	(104,612)
Benefits	75,418	57,782	(17,636)
Contractual Services	131,584	65,909	(65,675)
Supplies & Materials	1,212,915	1,061,885	(151,030)
Conference & Meeting	183,851	77,485	(106,366)
Fixed Charges	650	-	(650)
Utilities	-	-	-
Capital Outlay	-	-	-
Other	16,510	13,237	(3,273)
Contingency	25,000	-	(25,000)
Total expenditures	2,122,797	1,648,555	(474,242)
Excess (deficiency) of revenues over expenditures	(346,282)	689,438	1,035,720
Other financing sources (uses):			
Bond proceeds	-	-	-
Bond premium (discount)	-	-	-
Operating transfers in	350,000	-	(350,000)
Operating transfers out	-	-	-
Residual equity transfer in	-	-	-
Residual equity transfer out	-	-	-
Transfer from other fund	-	-	-
Transfer to other fund	-	-	-
Total other financing sources	350,000	-	(350,000)
Net change in fund balance	\$ 3,718	689,438	\$ 685,720
Fund balance			
Beginning		\$ 379,093	
Ending		\$ 1,068,531	

See Note to Management Information.

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

Note to Management Information

Note 1. Summary of Significant Accounting Policies

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

CORE VALUES

INCLUSION AND DIVERSITY

CARING AND COMPASSION

FAIRNESS | HONESTY | INTEGRITY

RESPECT | RESPONSIBILITY

QUAD-CITIES CAMPUS

309-796-5000

6600 34TH AVENUE, MOLINE
ILLINOIS 61265

EAST CAMPUS

309-854-1700

26230 BLACK HAWK ROAD, GALVA
ILLINOIS 61434


Black
Hawk College

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