PARKLAND COLLEGE DISTRICT #505

Champaign, Illinois

Comprehensive Annual Financial Report

For the Years Ended

June 30, 2017 and 2016

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Parkland College District #505 (the College) and its discretely presented component unit (Parkland College Foundation) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Parkland 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 entity'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 entity'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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and of its discretely presented component unit as of June 30, 2017 and 2016 and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the College and its discretely presented component unit as of and for the years ended June 30, 2017 and 2016. The combining financial statements and other data in Schedules 1 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements in Schedules 20 through 24 and the certificate of chargeback reimbursement (Schedule 25) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedules 37 through 39, including the Schedule of Expenditures of Federal Awards, are presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and are also not a required part of the basic financial statements. As described in Note 20, Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

Schedules 1 through 25 and Schedules 37 through 39, including the schedule of expenditures of federal awards, are the responsibility of management. Schedules 1 through 25, except Schedule 19, and Schedules 37 through 39, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Information on Schedules 1 through 25, except Schedule 19, and Schedules 37 through 39, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In our opinion, the information in Schedules 1 through 25, except Schedule 19, and Schedules 37 through 39, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Schedule 19 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on Schedule 19.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated September 19, 2017, on our consideration of the College’s internal control over financial reporting and 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 19, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Parkland Community College's (the "College" or "Parkland") Annual Financial Report presents management's discussion and analysis (MD&A) of the College's financial activities, and its component unit, the Parkland College Foundation (the "Foundation"), for the fiscal years ended June 30, 2017, 2016 and 2015. 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 and footnotes. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College.

The MD&A contains comparisons between fiscal years 2017, 2016 and 2015 only.

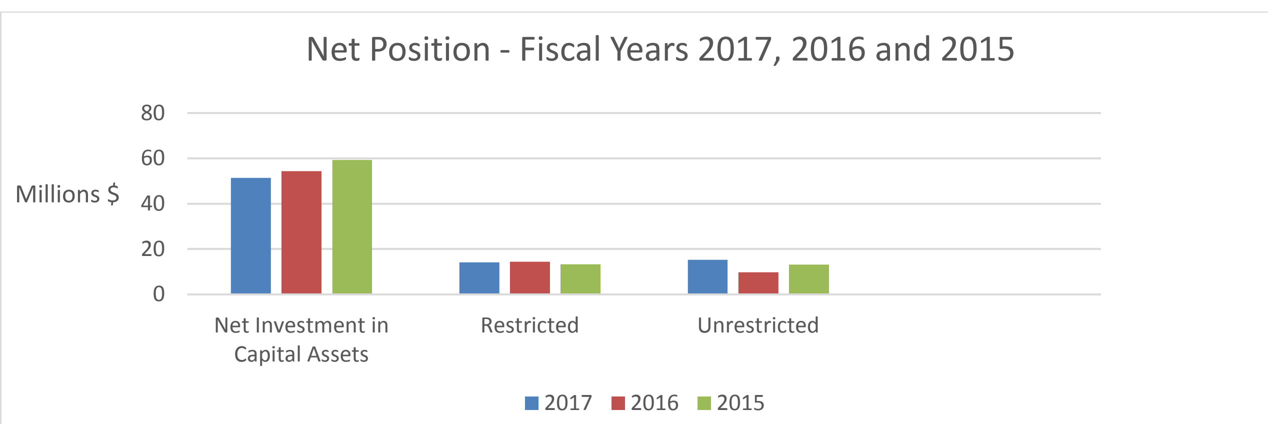
Using This Annual Report

The College's basic financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. The Statements of Revenues, Expenses, and Changes in Net Position focus on the costs of the College's activities which are mainly supported by property taxes, State revenues, and tuition. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public. In addition, Generally Accepted Accounting Principles (GAAP) requires the financial statement presentation to include the Foundation, which is defined as a component unit.

The Management Discussion and Analysis contains financial activity of Parkland. The College's component unit, the Foundation, has separately issued financial statements. These statements should be used for detailed information on the Foundation's financial activity for the year ending June 30, 2017. Copies of the Foundation's annual audit can be obtained from the Foundation office at Parkland College.

Primary Institution Financial Highlights

Comparative Net Position Chart



The Statement of Net Position

Net position is divided into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant, and equipment owned by the College. The next category is restricted net position, which is available for expenditure by the College but must be spent for purposes as determined by external entities that have placed time or purpose restrictions on the use of the assets, or enabling legislation. The final category is unrestricted net position. These assets are available for use by the College for any legal purpose.

Financial Analysis of the College as a Whole

Statement of Net Position
As of June 30
(in millions)

	2017	2016	2015
Current Assets	$ 48.6	$ 42.8	$ 48.0
Non-Current Assets:			
Capital Assets, Net of Depreciation	108.0	112.0	115.9
Total Assets	156.6	154.8	163.9
Deferred Outflows of Resources	0.3	0.4	0.4
Total Assets and Deferred Outflows of Resources	156.9	155.2	164.3
Current Liabilities	14.7	13.1	12.5
Non-Current Liabilities	61.4	63.7	66.0
Total Liabilities	76.1	76.8	78.5
Net Position:			
Net Investment in Capital Assets	51.4	54.3	59.3
Restricted	14.2	14.4	13.3
Unrestricted	15.2	9.7	13.2
Total Net Position	$ 80.8	$ 78.4	$ 85.8

This schedule is prepared from the College's statement of net position which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Fiscal Year 2017 Compared to 2016

Net position increased $2.4 million during fiscal year 2017. This increase was due to unrestricted net position increasing by $5.5 million offset by decreases in net investment in capital assets and restricted net position of $2.9 million and $0.2 million, respectively.

Total liabilities decreased by $0.7 million to $76.1 million. This decrease was due to non-current liabilities decreasing by $2.3 million and current liabilities increasing by $1.6 million.

The change in Net Position is explained after the Analysis of Net Position chart.

Fiscal Year 2016 Compared to 2015

Net position decreased $7.4 million during fiscal year 2016. This decrease was due to investment in capital assets decreasing by $5.0 million and unrestricted net position decreasing $3.5 million, offset by a $1.1 million increase in restricted net position.

Total liabilities decreased by $1.7 million to $76.8 million. This decrease was due to non-current liabilities decreasing by $2.3 million and current liabilities increasing by $0.6 million.

The change in Net Position is explained after the Analysis of Net Position chart.

The Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College, and the non-operating revenues and expenses. Annual State appropriations and local property taxes, while budgeted for operations, are considered non-operating revenues according to GAAP. The Supplemental Information following the Financial Statements illustrates actual performance relative to the College's initial budget.

Operating Results
For Year Ended June 30
(in millions)

	2017	2016	2015
Operating Revenue:			
Tuition and Fees	$ 19.8	$ 18.3	$ 18.1
Auxiliary Enterprises	4.2	4.4	4.8
Other	1.6	2.1	1.1
Total	25.6	24.8	24.0
Less: Operating Expenses	102.6	101.4	101.4
Operating Loss	(77.0)	(76.6)	(77.4)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	7.0	4.4	8.7
Local Property Taxes	30.6	29.1	28.2
Federal Grants and Contracts	20.0	19.8	21.0
On-Behalf Payments	24.2	18.6	15.5
Loss on Disposal of Property and Equipment	-	-	(0.1)
Interest Expense	(2.6)	(2.8)	(2.4)
Investment Income	0.2	0.1	0.1
Total	79.4	69.2	71.0
Income (Loss) Before Capital Contributions	2.4	(7.4)	(6.4)
Capital Contributions	-	-	1.0
Increase (Decrease) in Net Position	2.4	(7.4)	(5.4)
Net Position, Beginning of Year	78.4	85.8	91.2
Net Position, End of Year	$ 80.8	$ 78.4	$ 85.8

Fiscal Year 2017 Compared to 2016

Operating revenues increased $0.8 million from the prior year. Operating revenue increased by $1.5 million in the tuition & fees category and was offset by a $0.5 million decrease in other revenues along with a $0.2 million decrease in auxiliary revenues. The increase in tuition and fees revenue reflects the increase in fee revenue of $0.3 million combined with a decrease of $0.5 million in scholarship allowance from the prior year. The increase in operating revenue is due to the increase in tuition rates along with increases in course fees.

In total, operating expenses increased by $1.2 million. This is due to an increase in on-behalf payments of $5.6 million offset by decreases of $1.9 million in instructional expenses, $1.2 million in academic support, $0.6 million in operations and maintenance of plant along with a $0.6 million decrease in student services expenses.

The non-operating revenues increased $10.2 million. This is due to increases in State Grants and Contracts of $2.6 million, local property taxes of $1.5 million, Federal Grants and Contracts (Federal Aid) of $0.2 million and $5.6 million in on behalf payments from the State of Illinois for the SURS pension plan (see note 12), along with other increases totaling $0.3 million dollars. As for the non-operating revenue, the increase is due to receiving State funding along with local property tax increases.

There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net position) or results of operation (revenue, expenses, and changes in net position).

Fiscal Year 2016 Compared to 2015

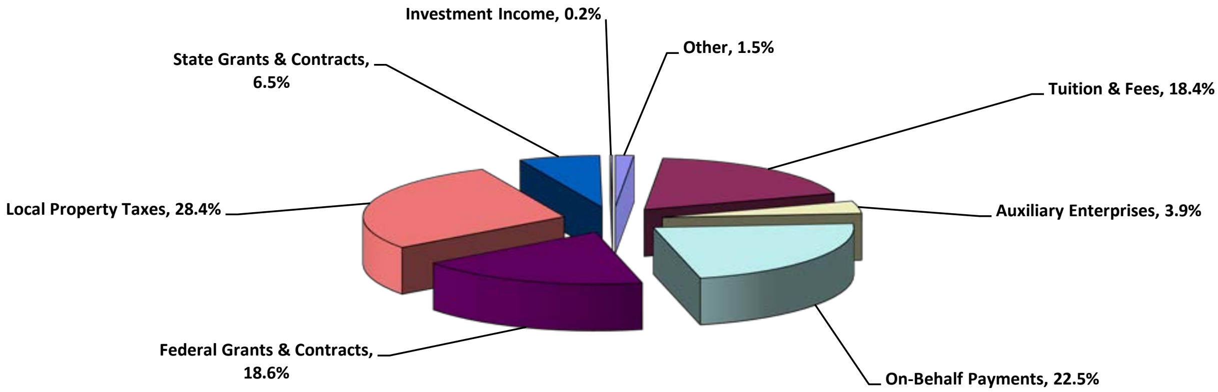
Operating revenues increased $0.8 million from the prior year. Operating revenue increased by $0.2 million in the tuition & fees category and $1.0 million in other revenues, offset by a decrease of $0.4 million in auxiliary revenues. The increase in tuition and fees revenue reflects the increase in fee revenue of $0.1 million combined with an increase of $0.2 million in scholarship allowance from the prior year.

In total, operating expenses stayed the same. This is due to a decrease of $2.9 million in instructional expenses and a decrease of $1.5 million in scholarships. These decreases were offset by a $0.5 million increase in institutional support along with an increase in on-behalf payments of $3.0 million.

The non-operating revenues decreased $1.8 million. This is due to a decrease of $4.3 million in State Grants and Contracts in addition to a decrease of $1.2 million in Federal Grants and Contracts (Federal Aid). These decreases were offset by an increase in contributions of $3.1 million in the State of Illinois for the SURS pension plan (see note 12), an increase in property tax $0.9 million along with an increase of $0.4 million in interest expense.

There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net position) or results of operation (revenue, expenses, and changes in net position).

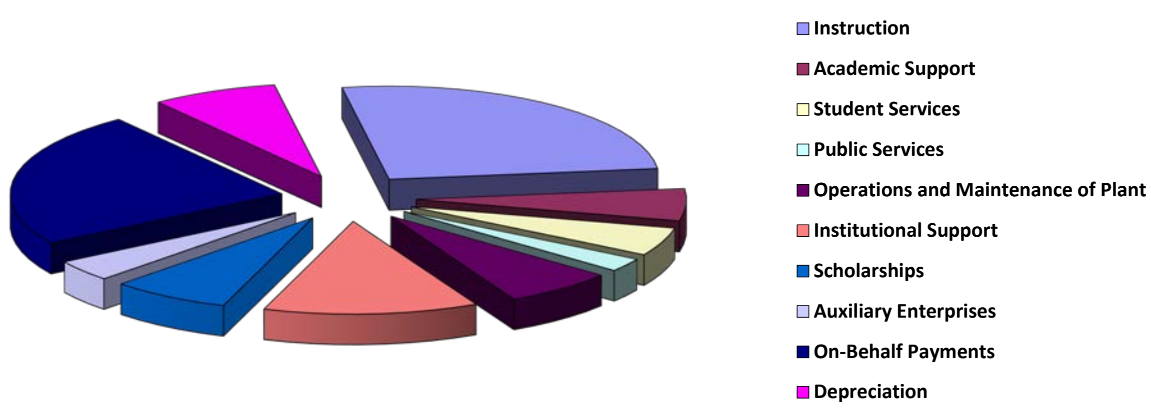
Revenue by Source Fiscal Year 2017



Operating Expenses
For Year Ended June 30
(in millions)

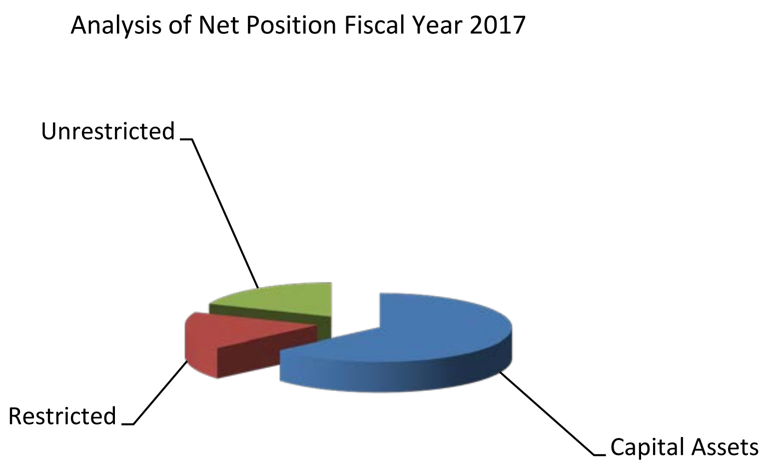
	2017	2016	2015
Operating Expenses:			
Instruction	$ 26.6	$ 28.5	$ 31.4
Academic Support	5.7	6.9	6.6
Student Services	5.0	5.6	5.6
Public Service	2.4	2.6	2.7
Operations and Maintenance of Plant	6.8	7.4	7.1
Institutional Support	13.1	13.3	12.7
Scholarships	7.3	6.8	8.3
Auxiliary Enterprises	3.8	4.1	4.5
On-Behalf Payments	24.2	18.6	15.5
Depreciation	7.7	7.6	7.0
Total	$ 102.6	$ 101.4	$ 101.4

Operating Expenses Fiscal Year 2017



Analysis of Net Position
June 30
(in millions)

	2017	2016	2015
Net Position:			
Net Investment in Capital Assets	$ 51.4	$ 54.3	$ 59.3
Restricted	14.2	14.4	13.3
Unrestricted	15.2	9.7	13.2
Total	$ 80.8	$ 78.4	$ 85.8



Fiscal Year 2017 Compared to 2016

Total net position increased by $2.4 million from fiscal year 2016 to fiscal year 2017. The net investment in capital assets decreased $2.9 million, or 5.3% over the previous year. This decrease was due mainly to depreciation exceeding the sum of capital asset additions funded with non-debt resources (see Note 6) and payments of principal on outstanding bonds related to capital assets. Restricted net position decreased by $0.2 million compared to the previous year and the unrestricted net position increased by $5.5 million during fiscal year 2017.

Fiscal Year 2016 Compared to 2015

Total net position decreased by $7.4 million from fiscal year 2015 to fiscal year 2016. The net investment in capital assets decreased $5.0 million, or 8.4% over the previous year. This decrease was due mainly to depreciation exceeding the sum of capital asset additions funded with non-debt resources (see Note 6) and payments of principal on outstanding bonds related to capital assets. Restricted net position increased by $1.1 million compared to the previous year and the unrestricted net position decreased by $3.5 million during fiscal year 2016.

The Statement of Cash Flows

Another way to assess the financial health of an institution is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash disbursements of an entity during a period. The statement also helps users assess the College's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing. The College's Statement of Cash Flows is the final basic financial statement in the audited financial report.

Capital Asset Administration

At the end of fiscal year 2017, the College had $108.0 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and depreciation) of $4.0 million. More detailed information about capital assets can be found in Note 6 to the Basic Financial Statements.

Capital Assets
As of June 30
(Net of Depreciation in Millions)

	2017	2016	2015
Land	$ 1.8	$ 1.8	$ 1.8
Construction in Progress	2.9	1.2	9.5
Buildings	79.2	82.9	76.8
Land Improvements	20.5	22.3	23.1
Equipment	3.6	3.8	4.7
Total	$ 108.0	$ 112.0	$ 115.9

This year's major additions included (in millions) excluding deletions:

PHS Bradley Entrance	$ 1.1
PHS Fire Alarm Phase II	0.4
Equipment - Computers	0.8
Total	$ 2.3

The College's fiscal year 2017 operating capital budget is $8.4 million. This capital budget will be used to complete the facility master plan.

Long-Term Debt Activity

The College's long-term debt decreased during 2017 from $67.4 million to $65.5 million. The general obligation bonds payable decreased $2.1 million during the year while the retirement obligation increased $0.4 million. The decrease in bond obligations was due to the annual bond principal payments made during the fiscal year. In April 2017, S&P reaffirmed Parkland's rating of AA Stable. Moody's most recent rating of Aa3 is from April 2016. More detailed information about long-term debt can be found in Note 8 to the Basic Financial Statements.

The College's master plan includes using available debt funds for additional facilities such as a student services building, automotive instructional facility and various deferred maintenance projects.

Economic Factors That Will Affect the Future

For fiscal year 2018, the Parkland College Board of Trustees has authorized an in-district base tuition increase of $9.00 per credit hour with no increase to other residency tuition rates. Also, the College implemented a Tier 2 Career Program tuition rate for students in high cost career programs along with eliminating the $25 per credit hour health profession clinical fee. Additionally, adjustments were made to select additional course fees. This equates to a reasonable increase in tuition and fee revenues assuming the enrollment and residency mix stay constant for the upcoming fiscal year. The College also expects a modest increase in local property tax revenue due to anticipated EAV growth. With the passage of a FY18 State budget, the College budgeted $4.5 million in State funding.

Parkland College continues to diligently monitor expenses. The College will continue to thoroughly review positions to decide whether each position is considered mission critical prior to filling vacancies. Also, the College has entered the second year with its health insurance administrator. The first year did yield savings that will hopefully continue in FY18. The College continues to work with healthcare experts to determine the required actions of the College in the short and long term. Other potential volatile expense areas such as utilities due to increased square footage caused by new buildings will also be watched closely. Parkland currently realizes savings on gas and electric use through guaranteed contracts with suppliers. The College's Administration and its Board continue to monitor other major factors related to its financial state including student enrollment and State funding.

In fiscal year 2014, the College completed the student portion of the major administrative computing upgrade, which began in fiscal year 2008. The finance module went live July 1, 2008. The payroll/human resource module went live January 1, 2009. In conjunction with the software provider the College performed an audit of its administrative software in fiscal year 2011. This audit provided a roadmap of initiatives (including additional training and software enhancements) to continue to increase the efficiency of the system as a whole. The College in fiscal 2014 engaged an information technology consultant (Moran Technology) to evaluate the College's information systems. In fiscal year 2015, the College hired a Chief Information Officer who was charged with implementing various aspects of the technology master plan. Two items that have been completed are the transition to a new email system and a singular password system. The College will continue to implement the technology master plan over the next several years with an emphasis on cybersecurity.

Parkland will continue capital improvements in its grounds and facilities. As noted earlier, this includes finishing the master plan remodeling. The College plans to finish the campus parking lot improvement (M2 and M3) and theater seating ramp improvement

The College's approved operating budget for fiscal year 2018 is $55.9 million. The total College budget is $100.1 million.

The Parkland Foundation will continue to raise money for the College's needs as described in its mission statement. This will include raising funds for scholarships and future capital projects.

The College received its 10-year accreditation from the Higher Learning Commission in late 2012. Also, the College is currently working on its next accreditation and just submitted the assurance argument.

Other than the above, the College is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the new fiscal year.

Exhibit A

PARKLAND COLLEGE DISTRICT #505
Statements of Net Position
June 30, 2017 and 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2017	2016
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	$ 20,320,926	$ 17,834,688
Investments	6,056,261	6,020,931
Property Taxes Receivable, Net	909,392	897,961
Accounts Receivable, Net	6,655,106	1,789,722
Inventories	401,196	410,044
Prepaid Assets	11,729	-
Restricted:		
Cash and Cash Equivalents	12,896,155	14,758,815
Property Taxes Receivable, Net	214,875	237,873
Accounts Receivable, Net	1,124,037	845,460
Total Current Assets	48,589,677	42,795,494
Property and Equipment, Net	107,974,982	112,067,586
Total Assets	156,564,659	154,863,080
Deferred Outflows of Resources		
Deferred Charge on Refunding	241,590	318,760
Deferred Retirement Plan Contributions Subsequent to Measurement Date	72,189	53,803
Total Deferred Outflows of Resources	313,779	372,563
Total Assets and Deferred Outflows of Resources	$ 156,878,438	$ 155,235,643

LIABILITIES AND NET POSITION

	2017	2016
Current Liabilities		
Accounts Payable	$ 2,541,901	$ 1,507,459
Accrued Liabilities	2,753,716	3,116,879
Due to Student Groups	1,613,683	1,592,705
Due to Parkland Foundation	982,259	719,835
Unearned Revenue	2,656,620	2,476,314
Current Portion of Retirement Obligation	1,672,952	1,513,715
Current Portion of Capital Lease Obligations	19,717	18,940
Current Portion of Bonds Payable	2,495,000	2,130,000
Total Current Liabilities	14,735,848	13,075,847
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	3,684,233	3,424,060
Accrued Compensated Absences	1,600,878	1,718,310
Capital Lease Obligations, Net of Current Portion	-	19,717
Bonds Payable, Net of Current Portion	56,080,000	58,575,000
Total Long-Term Liabilities	61,365,111	63,737,087
Total Liabilities	76,100,959	76,812,934
Net Position		
Net Investment in Capital Assets	51,375,273	54,368,886
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Debt Service	4,120,534	3,933,535
Purposes Allowed by Property Tax Levies	1,371,881	1,213,191
Aviation Program Operation	1,131,068	1,647,349
Unrestricted	15,179,365	9,660,390
Total Net Position	80,777,479	78,422,709
Total Liabilities and Net Position	$ 156,878,438	$ 155,235,643

See Accompanying Notes

Exhibit B

PARKLAND COLLEGE DISTRICT #505
Statements of Financial Position - Component Unit
June 30, 2017 and 2016

ASSETS

	2017	2016
Current Assets		
Due from Parkland College	$ 982,259	$ 719,835
Promises to Give, Net of Allowance of $5,000 Each Year	28,871	40,860
Total Current Assets	1,011,130	760,695
Property & Equipment, Net	2,582	-
Other Assets		
Investments	7,146,135	6,529,162
Promises to Give, Net of Current Portion, Allowance of $0 and $44,240, and Discount of $279,479 and $347,951, Respectively	414,195	349,483
Land Investment	1,999,709	2,213,608
Cash Surrender Value of Life Insurance	56,433	55,792
Other Assets	17,500	17,500
Total Other Assets	9,633,972	9,165,545
Total Assets	$ 10,647,684	$ 9,926,240

LIABILITIES AND NET ASSETS

	2017	2016
Current Liabilities		
Accounts Payable	$ 11,331	$ -
Accrued Vacation Payable	22,917	22,879
Total Current Liabilities	34,248	22,879
Long-Term Liabilities		
Land Investment Use Obligation	315,426	328,722
Total Liabilities	349,674	351,601
Net Assets		
Unrestricted	(1,997,088)	(1,859,081)
Temporarily Restricted	7,965,088	7,207,350
Permanently Restricted	4,330,010	4,226,370
Total Net Assets	10,298,010	9,574,639
Total Liabilities and Net Assets	$ 10,647,684	$ 9,926,240

See Accompanying Notes

Exhibit C

PARKLAND COLLEGE DISTRICT #505
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	2017	2016
Operating Revenues		
Student Tuition and Fees, Net of Scholarship Allowance of $10,721,748 and $11,233,756, Respectively	$ 19,801,240	$ 18,308,091
Auxiliary Enterprises Revenue	4,176,701	4,414,042
Other Operating Revenues	1,592,929	2,059,288
Total Operating Revenues	25,570,870	24,781,421
Operating Expenses		
Instruction	26,565,761	28,481,178
Academic Support	5,677,427	6,890,929
Student Services	4,977,179	5,587,727
Public Service	2,424,215	2,627,487
Auxiliary Expenses	3,838,950	4,087,916
Operation and Maintenance of Plant	6,760,534	7,418,379
Scholarships and Grants	7,348,957	6,744,853
Institutional Support	13,070,363	13,327,950
On-Behalf Payments	24,241,070	18,602,246
Depreciation and Amortization	7,720,432	7,599,123
Total Operating Expenses	102,624,888	101,367,788
Operating Income (Loss)	(77,054,018)	(76,586,367)
Non-Operating Revenues (Expenses)		
State Grants and Contracts	6,975,629	4,324,327
Local Property Tax Revenues	30,572,648	29,128,892
Federal Grants and Contracts	20,043,186	19,787,180
On-Behalf Payments	24,241,070	18,602,246
Investment Income Earned	233,382	146,277
Interest Expense	(2,657,127)	(2,828,405)
Total Non-Operating Revenues (Expenses)	79,408,788	69,160,517
Increase (Decrease) in Net Position	2,354,770	(7,425,850)
Net Position, Beginning of Year	78,422,709	85,848,559
Net Position, End of Year	$ 80,777,479	$ 78,422,709

See Accompanying Notes

Exhibit D

PARKLAND COLLEGE DISTRICT #505
Statements of Activities - Component Unit
For the Years Ended June 30, 2017 and 2016

	2017	2016
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	$ 22,496	$ 182,869
In-Kind Contributions	1,172,458	732,738
Special Events, Net of Direct Costs	104,314	59,126
Net Increase (Decrease) in Cash Surrender Value of Life Insurance	641	818
Net Assets Released from Restrictions	586,138	1,056,869
Total Support and Revenue	1,886,047	2,032,420
Expenses:		
Program Services		
Scholarships	342,075	262,006
Institutional Support	1,243,027	1,342,229
Total Program Services	1,585,102	1,604,235
Supporting Services		
Management and General	191,903	197,335
Fundraising	222,376	242,520
Total Supporting Services	414,279	439,855
Total Expenses	1,999,381	2,044,090
Reclassification of Net Assets	(24,673)	(8,341)
Change in Unrestricted Net Assets	(138,007)	(20,011)
Change in Temporarily Restricted Net Assets		
Support and Revenue:		
Contributions	844,519	615,954
Special Events, Net of Direct Costs	37,690	39,273
Interest and Dividends, Net of Fees	134,247	86,446
Net Realized and Unrealized Gain (Loss) on Investments	505,485	163,465
Net Unrealized Gain (Loss) on Land Investment	(213,899)	(109,339)
Change in Land Investment Use Obligation	13,296	20,457
Net Assets Released from Restrictions	(586,138)	(1,056,869)
Total Support and Revenue	735,200	(240,613)
Reclassification of Net Assets	22,538	18,341
Change in Temporarily Restricted Assets	757,738	(222,272)
Change in Permanently Restricted Net Assets		
Support and Revenue:		
Contributions	101,505	133,244
Total Support and Revenue	101,505	133,244
Reclassification of Net Assets	2,135	(10,000)
Change in Permanently Restricted Net Assets	103,640	123,244
Change in Net Assets	723,371	(119,039)
Net Assets, Beginning of Year	9,574,639	9,693,678
Net Assets, End of Year	$ 10,298,010	$ 9,574,639

See Accompanying Notes

Exhibit E

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Student Tuition and Fees	$ 18,972,241	$ 19,174,996
Payments to Suppliers	(14,893,708)	(15,793,442)
Payments to Employees and Benefits Paid	(47,442,063)	(51,784,192)
Payments for Financial Aid and Scholarships	(7,348,957)	(8,050,124)
Auxiliary Enterprise Charges	4,176,701	4,414,042
Net Receipts from (Disbursements to) Parkland Foundation	262,424	(327,682)
Other Receipts	1,592,929	2,059,288
Net Cash Provided by (Used in) Operating Activities	(44,680,433)	(50,307,114)
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	30,584,215	28,601,550
State Grants and Contracts	3,119,550	5,042,034
Federal Grants and Contracts	19,764,609	19,722,532
Net Cash Provided by (Used in) Non-Capital Financing Activities	53,468,374	53,366,116
Cash Flows from Capital and Related Financing Activities		
Purchase of Property and Equipment	(3,519,680)	(3,694,742)
Principal Paid on Capital Lease Obligations	(18,940)	(41,483)
Principal Paid on Bonds	(2,130,000)	(1,840,000)
Interest Paid on Bonds	(2,693,796)	(2,755,895)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(8,362,416)	(8,332,120)
Cash Flows from Investing Activities		
Purchase of Investments	(2,574,417)	(2,757,201)
Proceeds from Maturing of Investments	2,539,087	2,482,804
Interest on Cash and Cash Equivalents	233,382	146,277
Net Cash Provided by (Used in) Investing Activities	198,052	(128,120)
Net Increase (Decrease) in Cash and Cash Equivalents	623,577	(5,401,238)
Cash and Cash Equivalents, Beginning of Year	32,593,503	37,994,741
Cash and Cash Equivalents, End of Year	$ 33,217,080	$ 32,593,503
On the Statement of Net Position as Follows:		
Unrestricted - Cash and Cash Equivalents	$ 20,320,926	$ 17,834,688
Restricted - Cash and Cash Equivalents	12,896,155	14,758,815
Cash and Cash Equivalents, End of Year	$ 33,217,081	$ 32,593,503

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ (77,054,018)	$ (76,586,367)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization Expense	7,720,432	7,599,123
On-Behalf Payments	24,241,070	18,602,246
Changes in Assets, Deferred Outflows, and Liabilities:		
Accounts Receivable, Net	(1,009,305)	(201,993)
Inventories	8,848	131,696
Prepaids	(11,729)	-
Deferred Retirement Plan Contributions Subsequent to Measurement Date	(18,386)	(4,043)
Accounts Payable	1,034,442	64,961
Accrued Liabilities	(357,473)	36,360
Due to Student Groups	20,978	229,861
Due to Parkland Foundation	262,424	(327,682)
Unearned Revenue	180,306	(236,373)
Retirement Obligations	419,410	411,062
Accrued Compensated Absences	(117,432)	(25,965)
Net Cash Provided by (Used in) Operating Activities	$ (44,680,433)	$ (50,307,114)

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

	2017	2016
Property and Equipment Additions from Capitalized Interest	$ 108,149	$ -
Property and Equipment Additions from Capital Lease	$ -	$ 80,140

See Accompanying Notes

Parkland College District #505 (the College) is a governmental unit that provides post-secondary school education and vocational training for the people of East Central Illinois. The summary of accounting policies is presented to assist you in understanding the College's financial statements.

1. Reporting Entity

The College is a community college governed by an elected eight-member Board of Trustees. The College's district includes the counties of Champaign, Coles, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, McLean, Moultrie, Piatt, and Vermilion. The College's mission is to provide affordable vocational, technical, and academic education.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the financial reporting entity of the College, which consists of the College (the primary government of the reporting entity) and Parkland College Foundation (the Foundation), a discretely presented component unit of the College. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the College, the College has the ability to access those resources through common Board members, and those resources are significant to the College.

The assets, liabilities, net assets, revenue, and expenses of the Foundation are included in the basic financial statements presented in Exhibits B and D.

Copies of the separately issued financial statements of the Foundation are available at the Foundation's office in Champaign, Illinois. There are no other entities for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be materially misstated or incomplete.

2. Basis of Accounting and Significant Accounting Policies

a. The financial statements of the College are prepared in accordance with GAAP. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

b. The College has disclosed pension information based on the requirements of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*.

c. 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 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-agency transactions have been eliminated.

d. Certain assets are classified as restricted on the statement of net position because their use is limited by tax levies, grant agreements, or other contractual agreements.

e. For purposes of preparing the statements of cash flows, restricted and unrestricted currency, demand deposits, money market accounts, and highly-liquid investments with a maturity of three months or less at issuance are considered cash and cash equivalents.

f. The College is authorized to invest in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over $500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois. The investments consist of negotiable and non-negotiable certificates of deposit with initial maturity terms in excess of three months, which are held at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.

g. Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of classes. Accounts receivable are stated at the invoice amount.

   Account balances unpaid at the middle of the term are considered past due. Collection costs may be applied to account balances still outstanding 30 days following the end of the semester. Payments of accounts receivable are applied to the specific invoices identified on the students' remittance advice or, if unspecified, to the earliest unpaid invoices.

   The carrying amount of accounts receivable for student tuition is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2017 and 2016 was $2,309,317 and $3,851,037, respectively.

   Accounts receivable also includes outstanding balances from federal and state funding sources and other miscellaneous items. No allowance has been provided for these receivables, as management believes these are fully collectible based on past experience with these funding sources.

h. The College levies property taxes each year, on all taxable real property located within the College's district, on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Trustees on December 14, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The College receives significant distributions of tax receipts approximately one month after these due dates. Revenue from property taxes is recognized in the period for which they are intended to finance. The Board of Trustees resolved that the 2016 tax levy be allocated and recognized 55 percent in fiscal year 2017 and 45 percent in fiscal year 2018. Property tax revenue for the years ended June 30, 2017 and 2016 were from the 2016 and 2015 levies and the 2015 and 2014 levies, respectively. Property tax receivables have not been reduced for an allowance as the College's historical collection experience indicates this amount is insignificant. However, at June 30, 2017 and 2016, the College has recorded an allowance of $1,978,547 for a potential property tax refund identified by the Champaign County Treasurer.

   The College's tax levy rate for education and operations, building, and maintenance purposes is limited by Illinois statute to $0.75 and $0.10, respectively, per $100 of equalized assessed valuation. However, a local referendum allows only a maximum total of $0.36 per $100 of equalized assessed value for these two purposes. The College is also limited by Illinois statute to levy no more than $.005 and $.05 per $100 of equalized assessed value for audit purposes and protection, health and safety operations, and maintenance purposes, respectively.

i. Operating revenues include all activities that have the characteristics of exchange transactions, such as student tuition and fees, and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. All other revenues are considered non-operating or other revenues.

j. Non-operating revenues include non-exchange transactions, in which the College receives value without directly giving equal value in return; this includes property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, the revenues from property taxes are recognized in the period for which they are intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year 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, or expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

k. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis.

l. Capital assets consist of property and equipment, which are recorded at cost. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. The College's capitalization threshold for property and equipment is $2,500 per unit. Maintenance, repairs, and minor additions and expenditures are expensed when incurred. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The College provides for depreciation using the straight-line method over the estimated useful lives of the assets. The useful lives used by the College include 50 years for buildings, ten years for land improvements, and a range of three to ten years for equipment.

Depreciation and amortization on the Statement of Revenues, Expenses and Changes in Net Position includes amortization for capital leases.

The College capitalizes interest on construction projects incurred during the project construction period.

m. The 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. The College has two items that qualify for reporting in this category. These items, deferred charge on refunding and deferred retirement plan contributions subsequent to measurement date, are reported in the Statements of Net Position. The deferred charge on refunding represents the excess of cash paid to the refunded bond escrow agent over the amount of refunded principal payments. The amount is deferred and recognized as an outflow of resources (expense) over the shorter of the remaining life of the refunded debt or the life of the refunding debt. The retirement plan contributions subsequent to measurement date deferred outflow item is the amount of contributions made by the College to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the years ended June 30, 2017 and 2016. These contributions occurred after the SURS measurement dates of June 30, 2016 and 2015 for the net pension liability and will be included in the net pension liability measurement at June 30, 2017 and 2016, and pension expense in fiscal years 2018 and 2017, respectively.

   The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has no item that qualifies for reporting in this category at June 30, 2017.

n. Unearned revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of unexpended grant funds and tuition and fee charges for a portion of the in-progress Summer semester and all of the upcoming Fall semester. The tuition and fee charges are prorated according to the timing of the semester.

o. Accrued compensated absences consist of accumulated unused vacation days up to a maximum of 56 days that employees are allowed to accumulate. Those days are guaranteed to be paid to employees upon termination of employment. The rate of accrued compensated absence is calculated based on the employee’s equivalent hourly rate as of Statement of Net Position date.

p. The College's net position is classified as follows:

Net Position

- Net Investment in Capital Assets – This represents the College's total investment in capital assets net of accumulated depreciation and related debt that has been used as of the statement of net position date to finance capital additions.

- Restricted Net Position – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.

- Unrestricted Net Position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

When both restricted and unrestricted resources are available to finance expenses for which restricted resources exist, it is the College's policy to first apply restricted resources to such expenses.

q. 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/deduction 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.

r. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The most sensitive estimates affecting the financial statements were:

1. Valuation of the self-insured health benefit obligation

2. The valuation of the student tuition receivable

3. The useful lives of depreciable capital assets

4. The valuation of the early retirement obligation

s. Certain reclassifications have been made to the statement of revenues, expenses, and changes in net position for the year ended June 30, 2016, to conform to the presentation for the year ended June 30, 2017. Certain internal scholarships have been removed from the scholarships and grants operating expense line and applied against the student tuition and fees operating revenues line.

   These reclassifications had no impact on the decrease in net position as previously reported for the year ended June 30, 2016.

3. Over Expenditure of Legal Budgets

The College over expended its legally adopted budget for the following fund in fiscal year 2017. Even though the fund was over expended, the fund's activity still resulted in a surplus for the year.

- The Audit Fund budget was over expended by $7,295. The over expenditure was due to audit expenses being higher than expected.

4. Deposits and Investments

Investments

At June 30, 2017 and 2016, the College held the following investments:

	2017	2016
Certificates of Deposit		
Non-Negotiable	$ 4,566,615	$ 4,213,101
Negotiable	1,489,646	1,807,830
Total Investments	$ 6,056,261	$ 6,020,931

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's deposit policy requires that funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2017, $21,905,919 of the College's $22,422,704 bank balance, including certificates of deposit, was exposed to custodial credit risk. The assets exposed to custodial credit risk were fully collateralized by securities pledged by the depository banks, but such securities are not held in the name of the College.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2017 and 2016, the College held $10,628,569 and $8,837,222, respectively, in the Illinois Funds Money Market Fund. The value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a $1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAAm rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States and valued at amortized cost. Assets of the fund that are not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

At June 30, 2017 and 2016, the College held a total of $1,232,745 and $1,794, respectively, in the Illinois School District Liquid Asset Fund Plus and MAX classes. The reported value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a $1 net asset value. The Illinois School District Liquid Asset Fund is regulated by private rating agencies. The portfolios have an AAAm rating from Standard and Poor's. The assets of the fund are mainly invested in money market instruments having maximum remaining maturities of one year or less, except investments in U.S. Government securities, which may have up to two years remaining to maturity and are valued at amortized cost. Assets of the fund are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

Interest Rate Risk – Investments

Interest rate risk is the risk that a change in the market rate of interest for a category of debt securities will negatively impact the market value of a debt security. Interest rate risk is not directly addressed by the College's investment policy except for the general goal to "provide sufficient liquidity to pay obligations as they come due."

At June 30, 2017 and 2016, the District held the following investments subject to interest rate risk:

	Carrying Value	Weighted Average Maturity (Years)
Negotiable Certificates of Deposit	$ 1,489,646	1.56

5. Accounts Receivable, Net

Accounts Receivable, Net consists of the following at June 30:

	2017	2016
Tuition Receivables from Students, Net	$ 803,862	$ 587,652
State Replacement Tax	376,758	388,694
Tuition Receivables from Agencies	1,529,190	704,407
Grants from Federal and State Sources	1,124,037	755,381
Unrestricted State Funding	3,411,916	-
Other Receivables	533,380	199,048
Total Accounts Receivable, Net	$ 7,779,143	$ 2,635,182
Unrestricted	$ 6,655,106	$ 1,789,722
Restricted	1,124,037	845,460
Total Accounts Receivable, Net	$ 7,779,143	$ 2,635,182

6. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2017:

	June 30, 2016	Additions	Disposals	June 30, 2017
Assets Not Being Depreciated:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in Progress	1,152,050	2,317,007	562,059	2,906,998
Assets Being Depreciated:				
Buildings	117,153,653	16,295	-	117,169,948
Land Improvements	44,114,920	545,763	-	44,660,683
Equipment	21,576,244	1,310,822	-	22,887,066
Total Property and Equipment	185,838,612	4,189,887	562,059	189,466,440
Less: Accumulated Depreciation				
Buildings	(34,234,534)	(3,704,255)	-	(37,938,789)
Land Improvements	(21,808,856)	(2,341,399)	-	(24,150,255)
Equipment	(17,727,636)	(1,674,778)	-	(19,402,414)
Total Accumulated Depreciation and Amortization	(73,771,026)	(7,720,432)	-	(81,491,458)
Property and Equipment, Net	$ 112,067,586	$ (3,530,545)	$ 562,059	$ 107,974,982

The following is a summary of changes in property and equipment for the year ended June 30, 2016:

	June 30, 2015	Additions	Disposals	June 30, 2016
Assets Not Being Depreciated:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in Progress	9,544,618	2,866,499	11,259,067	1,152,050
Assets Being Depreciated:				
Buildings	108,746,416	8,407,237	-	117,153,653
Land Improvements	41,263,061	2,851,859	-	44,114,920
Equipment	20,667,891	908,353	-	21,576,244
Total Property and Equipment	182,063,731	15,033,948	11,259,067	185,838,612
Less: Accumulated Depreciation				
Buildings	(32,061,606)	(2,172,928)	-	(34,234,534)
Land Improvements	(18,186,485)	(3,622,370)	-	(21,808,855)
Equipment	(15,923,812)	(1,803,825)	-	(17,727,637)
Total Accumulated Depreciation	(66,171,903)	(7,599,123)	-	(73,771,026)
Property and Equipment, Net	$ 115,891,828	$ 7,434,825	$ 11,259,067	$ 112,067,586

7. Unearned Revenue

Unearned revenue consists of the following at June 30:

	2017	2016
Unearned Student Tuition and Fees	$ 2,314,283	$ 2,165,373
Other Unearned Revenue	342,337	310,941
Total Unearned Revenue	$ 2,656,620	$ 2,476,314

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	June 30, 2016	Additions	Retired	June 30, 2017	Due Within One Year
Compensated Absences	$ 1,718,310	$ 1,330,000	$ 1,447,432	$ 1,600,878	$ -
Bonds	60,705,000	-	2,130,000	58,575,000	2,495,000
Retirement Obligation	4,937,775	1,939,433	1,520,023	5,357,185	1,672,952
Capital Lease Obligations	38,657	-	18,940	19,717	19,717
Total Long-Term Debt	$ 67,399,742	$ 3,269,433	$ 5,116,395	$ 65,552,780	$ 4,187,669

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	June 30, 2015	Additions	Retired	June 30, 2016	Due Within One Year
Compensated Absences	$ 1,744,275	$ 1,520,000	$ 1,545,965	$ 1,718,310	$ -
Bonds	62,545,000	-	1,840,000	60,705,000	2,130,000
Retirement Obligation	4,526,713	1,589,256	1,178,194	4,937,775	1,513,715
Capital Lease Obligations	-	80,140	41,483	38,657	18,940
Total Long-Term Debt	$ 68,815,988	$ 3,189,396	$ 4,605,642	$ 67,399,742	$ 3,662,655

The College issued general obligation community college bonds in March 2009 to refund three outstanding debt certificates. The bonds mature annually on December 1 and June 1 beginning December 1, 2010, and run through December 1, 2028. Interest rates on the bonds range from 1.75 percent to 5 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2009. The balance outstanding at June 30, 2017 was $31,415,000.

The College issued 2010A general obligation community college bonds in February 2010 to refund the College's outstanding debt certificate. The bonds mature annually on December 1, beginning December 1, 2011 and run through December 31, 2027. Interest rates on the bonds range from 1.00 percent to 4.05 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2010. The balance outstanding at June 30, 2017, was $19,800,000.

The College issued 2010B general obligation community college bonds (alternative revenue source) in February 2010 to fund building construction projects. The bonds mature annually on December 1, beginning December 1, 2010, and run through December 1, 2029. Interest rates on the bonds range from 1.00 percent to 4.20 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2010. The balance outstanding at June 30, 2017 was $7,360,000.

The College has pledged future revenues to repay the principal and interest of the 2010B general obligation community college bonds (alternative revenue source). Principal and interest on these bonds are payable through December 2029 from the College's student fees and other lawfully available funds of the College, which essentially consists of the operating revenue of the College's Education and Operations and Maintenance-Operational sub-funds. Annual principal and interest payments on the bonds are expected to require approximately a maximum of 3.73 percent of such revenues. The principal and interest payments for fiscal years 2017 and 2016 were $742,503 and $744,584, respectively. The College's pledged revenues totaled $20,205,156 and $20,052,248 for fiscal years 2017 and 2016, respectively. At June 30, 2017, pledged future revenues totaled $9,640,958, which is the amount of the remaining principal and interest on the bonds.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	$ 2,495,000	$ 2,611,408	$ 5,106,408
2019	2,830,000	2,507,708	5,337,708
2020	3,225,000	2,387,333	5,612,333
2021	3,665,000	2,244,189	5,909,189
2022	4,145,000	2,070,514	6,215,514
2023-2027	29,590,000	6,784,054	36,374,054
2028-2030	12,625,000	635,860	13,260,860
	$ 58,575,000	$ 19,241,066	$ 77,816,066

The bonds are subject to early redemption at the College's option beginning December 1, 2019. The redemption price equals par value plus accrued interest.

The deferred refunding expense, which is included in deferred outflows of resources on the statement of net position, will be amortized as follows:

Fiscal Year Ending June 30	
2018	$ 77,170
2019	77,170
2020	65,220
2021	22,029
	$ 241,589

Total amortization for the year ended June 30, 2017 and 2016 was $77,170. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2017 and 2016 was $2,765,276 and $2,828,405, respectively, including the amortization of the refunding expense. Of this amount, $108,149 and $0, respectively, was capitalized as part of the cost of multiple capital projects that were in progress during the fiscal year. The remaining $2,657,127 and $2,828,405, respectively, of interest has been expensed on the statement of revenues, expenses, and changes in net position.

In Fiscal Year 2009, the College defeased debt certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the College's financial statements. At June 30, 2017 and 2016, $3,175,000 and $3,820,000 of debt principal is considered defeased.

In April 2017, S&P reaffirmed Parkland's rating of AA Stable. Moody's most recent rating of Aa3 is from April 2016.

9. Lease Revenue

The College is the lessor of office and rooftop space under five operating leases. One office lease expires on June 30, 2018, two expire on September 30, 2018, and one expires on June 30, 2019. The rooftop space lease expires in August 2019. Each lease has an early termination clause at the option of the lessee. The cost of the office facility leased was $3,600,000 at June 30, 2017 and 2016. The carrying value was $3,081,600 and $3,139,200 at June 30, 2017 and 2016, respectively. The College also has a lease for a radio frequency license expiring in November 2026 with options to renew for up to an additional twenty years.

Minimum future rentals to be received on these leases, including periods subject to early termination, are as follows:

Fiscal Year Ending June 30,		
2018	$	390,019
2019		123,196
2020		29,660
2021		26,760
2022		26,760
Thereafter		91,430
Total	$	687,825

10. Lease Commitments

The College is obligated under various non-cancellable operating leases for office equipment with terms expiring at various dates from August 2017 through June 2022. The College is obligated under one non-cancellable lease for a communications tower running through July 2018. Additionally, the College is obligated for one cancellable operating lease for the airplanes used in its aviation program, with terms running through July 2020. An operating lease does not give rise to property rights or purchase obligations and, therefore these lease agreements are not reflected in the college's capital assets.

Future minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30,		
2018	$	114,363
2019		97,920
2020		96,061
2021		95,765
2022		17,689
Total	$	421,798

Total rental expense for leased equipment and facilities for the years ending June 30, 2017 and June 30, 2016, was $113,221 and $134,988, respectively.

11. Early Retirement Plan

The College offers an early retirement incentive program to its employees. For an employee to be eligible, the employee must have been employed at the College on a full-time basis for at least 15 years and be at least 55 years old at retirement, or employed on a full-time basis for a least 25 years with no age requirement. For the health, safety and security officers and the professional academic staff, upon reaching eligibility, the bargaining unit member has five years following the date in which he/she achieved eligibility to retire under the plan and must declare by November 15 at least one and half contract years preceding the retirement date. For professional support staff, the employee must declare six months prior to the desired retirement date. When an employee declares retirement as specified above, he/she will receive a one-time stipend of 10 percent of their final base salary, which is paid on the retirement date. An amount equal to the final base salary will be paid in equal monthly payments over the four-year period beginning the month following the retirement date. The employee will also receive an annual stipend for four years following retirement equal to the College Insurance Plan indemnity plan annual premium rate divided by 69 percent, readjusted annually according to the new yearly rate. The rate was $5,304 for each of the years ended June 30, 2017 and 2016. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date. At June 30, 2017 and 2016, this early retirement plan had 83 and 58 active participants, respectively.

Effective August 15, 2013, the College started a new retirement plan for academic employees, which includes all full-time faculty, professors who have previously been employed as full-time faculty for at least 15 years, full-time counselors, and full-time librarians. As of June 30, 2017 and 2016, this early retirement plan had 16 and 13 active participants, respectively.

Early retirement plan expense was $1,939,433 and $1,589,256 for fiscal years 2017 and 2016, respectively. At June 30, 2017 and 2016, the College had accrued a liability of $5,357,185 and $4,937,775, respectively, for future required payments for the College's declared retirees under the plans described above. The liability was calculated based on the present value of future payments discounted at the Wall Street Journal Prime Rate, which was 4.25 and 3.50 percent at June 30, 2017 and 2016, respectively. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

12. Pension Plan

Plan Description

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

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90 percent 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 College normal cost for fiscal year 2016 and 2017 respectively, was 12.69 percent and 12.53 percent 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 percent of their annual covered salary. The contribution requirements of plan members and the College are established and may be amended by the Illinois General Assembly.

The College makes contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6 percent during the final rate of earnings period).

Net Pension Liability

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is $0. The proportionate share of the State's net pension liability associated with the College is $243,648,397 or 0.9384 percent. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2016, and the total pension used to calculate the net pension liability was determined based on the June 30, 2015 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2016.

Pension Expense

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

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2016. As a result, the College recognized on-behalf revenue and pension expense of $24,079,931 for the fiscal year ended June 30, 2017.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

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

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

Fiscal Year Ending June 30		
2017	$	539,536,680
2018		275,426,885
2019		401,520,624
2020		246,425,207
Total	$	1,462,909,396

Employer Deferral of Fiscal Year 2017 Pension Expense

The College paid $72,189 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016, and are recognized as Deferred Outflows of Resources as of June 30, 2017.

Assumptions and Other Inputs

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

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

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

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

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

Discount Rate

A single discount rate of 7.01 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 2.85 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

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

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

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

The College provides no other financially significant postemployment benefit to employees.

13. On-Behalf Payments for Fringe Benefits

For the years ending June 30, 2017 and 2016 payments for fringe benefits made to SURS by the State of Illinois on behalf of the College were $24,079,931 and $18,435,180 for pensions and $161,139 and $167,066 for health insurance program payments, respectively.

14. Related-Party Transactions

The Foundation is a nonprofit corporation organized for the purpose of furthering the excellence of education at the College. The Foundation is considered a related party due to common Board members. The College and Foundation have the following related-party transactions:

- The College holds the Foundation's cash in a College bank account and records a liability equal to the cash balance held. In addition, the College advances operating funds to the Foundation under a non-interest-bearing, working-cash loan agreement. Any receivable balance for this working-cash loan is netted against the cash balance held for the Foundation. At June 30, 2017 and 2016, the net amount owed to the Foundation was $982,259 and $719,835, respectively.

- During the years ended June 30, 2017 and 2016, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of $169,804 and $174,005, respectively.

- The Foundation donates scholarships as well as certain in-kind items to the College to support the students and programs of the College. The total value of these items, as calculated by the Foundation, for the years ended June 30, 2017 and 2016, was $1,243,027 and $1,342,229, respectively. Included in these in-kind items is the annual lease value of agricultural equipment used by the College through the Foundation. The annual value of this lease was $350,000 for each fiscal year. The College has not recorded revenue or equivalent expense for this lease in fiscal years 2017 or 2016.

15. Self-Insurance

The College sponsors a health, dental, and accidental death and dismemberment insurance plan for its employees. The College pays a minimum premium to provide for administration of the health plan and claims up to the aggregate maximum liability. The College carries insurance to limit its excess liability. Aggregate maximum liability under the policy is a factor of the group census. The College is contingently liable for any deficit the health, dental, and accidental death and dismemberment plan may incur.

Claim liabilities are based on the requirements of GASB Statements which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. At June 30, 2017 and 2016, the submitted and estimated accrued claims were $720,000 and $1,050,000, respectively, and are included in the accrued liabilities on the Statement of Net Position.

The stop-loss limit for the health insurance plan at June 30, 2017 and 2016 was $200,000. This liability is based on estimates and the ultimate liability may be greater or less than the amount estimated. The methods used to calculate such estimates are continually reviewed, and any adjustments will be reflected in a future period.

The change in the claim liability over the past two fiscal years was as follows:

	2017	2016
Accrued Claims, Beginning of Year	$ 1,050,000	$ 1,050,000
Incurred Claims	4,218,371	5,597,850
Claim Payments	(4,548,371)	(5,597,850)
Accrued Claims, End of Year	$ 720,000	$ 1,050,000

16. Other Risk Management Issues

The College is exposed to various risks of loss due to torts, theft, or damage to assets, errors and omissions, and natural disasters. The College purchases commercial insurance for these risks. There has been no significant reduction in coverage over the past two years and settlements have not exceeded insurance coverage in any of the past three years.

17. Inter-Sub-Fund Balances and Transfers

The College maintains various sub-funds to track the activity of the primary government. Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2017.

	Due to	Due from
Education Fund	$ -	$ 799,142
Restricted Purposes Fund	799,142	-
Total Inter-Sub-Fund Balances	$ 799,142	$ 799,142

	Transfer in	Transfer out
Education Fund	$ 10,069	$ 1,393,583
Bond and Interest Fund	739,077	-
Operations and Maintenance Fund - Restricted	-	739,077
Working Cash Fund	-	10,069
Auxiliary Athletics Fund	1,150,000	-
Auxiliary Reprographics	50,000	-
Auxiliary Business Development Center Fund	43,583	-
Auxiliary Child Care Services Fund	150,000	-
Total Transfers	$ 2,142,729	$ 2,142,729

Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2016.

	Due to	Due from
Education Fund	$ -	$ 764,119
Restricted Purposes Fund	764,119	-
Total Inter-Sub-Fund Balances	$ 764,119	$ 764,119

	Transfer in	Transfer out
Education Fund	$ 8,640	$ 704,460
Bond and Interest Fund	782,522	-
Operations and Maintenance Fund - Restricted	-	782,522
Working Cash Fund	-	8,640
Auxiliary Athletics Fund	525,000	-
Auxiliary Reprographics	50,000	-
Auxiliary Business Development Center Fund	9,460	-
Auxiliary Child Care Services Fund	120,000	-
Total Transfers	$ 1,495,622	$ 1,495,622

The inter-sub-fund balances and transactions are eliminated for the preparation of the basic financial statements of the primary government of the College.

18. Commitments

The College has three uncompleted major construction contracts in progress through the date of the Independent Auditor's Report. The remaining commitment on the three contracts was approximately $1,019,000 at June 30, 2017.

The College has a contract for the purchase of electricity through December 2017. The contract contains a set rate of $.04354 per kilowatt hours. Total electricity charges for the fiscal year ending June 30, 2017, were $1,194,232.

The College entered into a three-year software contract through August 2020 with annual fees of approximate $64,000. The College also entered into a seven-year software maintenance renewal agreement through June 30, 2024. Year one fees are approximately $280,000, with an increase not to exceed 4 percent each year following.

19. Discretely Presented Component Unit

The following notes are provided for the College's component unit, the Foundation:

A. Nature of Organization

The Parkland College Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of furthering the excellence of education at the College. The Foundation is considered a component unit of the College under the accounting standards followed by the College; however, the Foundation is a separate legal entity.

The Foundation's major sources of revenue and support are contributions from donors and investment income.

B. Summary of Significant Accounting Policies

a. The Foundation's financial statements have been prepared on the accrual basis of accounting, in accordance with GAAP. Net assets of the Foundation and changes therein are classified and reported as follows:

   Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations

   Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Board of Directors and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

   Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes.

b. Investments consist of managed investment accounts comprised of various mutual funds, fixed income investments that include corporate and government-backed bond funds, and cash equivalents. These investments are stated at fair market value based on quoted markets prices. Investment securities are exposed to various risks such as interest rate, market, and credit risks.

c. Land investment is recorded at fair market value. Use of the land is subject to a life tenant. The Foundation has recorded a use obligation at fair value for this life interest.

d. Promises to give consist of unconditional promises to give to the Foundation for operating and restricted activities. Long-term promises to give are discounted to present value based on expected payment schedules and interest rates. The effective interest rate used to discount promises to give at June 30, 2017 and 2016, was 4.25 and 3.50 percent, respectively. Effective for the year ending June 30, 2017, promises to give of ten years or more are discounted at an effective rate of 5.38 percent, which is equal to a ten-year average of the prime rate. The carrying amount of promises to give is reduced by a valuation allowance based on management's assessment of the collectability of specific promise to give balances. The allowance for doubtful accounts is $5,000 at June 30, 2017.

e. Property and equipment expenditures in excess of $2,500 are capitalized and recorded at cost or, if donated, at fair market value at the time of donation. Donated property and equipment are capitalized at fair market value at the time of donation, if known, or at estimated cost. Depreciation is computed using the straight-line method over the estimated useful life of assets.

f. The Foundation holds special events throughout the year. A portion of the revenue raised at these events is considered reciprocal and is not tax deductible to the donor. This revenue is segregated from regular contributions and presented net of related expenses as special events revenue.

g. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

   The Foundation has estimated the fair market value of the land investment. Due to the estimation of the value of land, as well as the life interest of the original tenant, it is at least reasonably possible that the value of the land investment and related use obligation will be revised.

   The Foundation has estimated the value of net promises to give. Due to the estimation of future collection of promises to give, it is at least reasonable that the value of promises to give, the discounted present value, and the related allowance, will be revised.

h. Contributions of facilities and services are recognized if the benefit received (a) creates or enhances non-financial assets or (b) requires specialized skills provided by individuals possessing those skills and (c) would typically need to be purchased if not provided by donation. Such contributions are recorded at fair market value on the date of the contribution, and presented as in-kind contributions.

i. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

j. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

k. The Foundation has evaluated subsequent events through August 17, 2017, the date which the financial statements were available to be issued.

C. Promises to Give

Promises to give at June 30, 2017, consist of amounts due in:

Less than One Year	$	33,871
One to Five Years		144,000
More than Five Years		549,674
Gross Promises to Give		727,545
Less: Allowance for Doubtful Accounts		(5,000)
Less: Discount on Long Term Promises to Give		(279,479)
Total Promises to Give, Net	$	443,066

Promises to give at June 30, 2016, consist of amounts due in:

Less than One Year	$	45,860
One to Five Years		170,000
More than Five Years		571,674
Gross Promises to Give		787,534
Less: Allowance for Doubtful Accounts		(49,240)
Less: Discount on Long Term Promises to Give		(347,951)
Total Promises to Give, Net	$	390,343

D. Investments

Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value under generally accepted accounting principles. Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Topic 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Topic 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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
- 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 for 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 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, 2017.

Cash and Cash Equivalents – Valued at the cash balance available to the Foundation as of June 30, 2017

Mutual Funds and Fixed Income Funds/Bonds – Valued at unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2017:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	$ 572,654	$ 572,654	1
Fixed Income Funds/Bonds	2,399,175	2,421,342	1
Mutual Funds	3,350,939	4,152,139	1
Total	$ 6,322,768	$ 7,146,135	

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2016:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	$ 466,503	$ 466,503	1
Mutual Funds	5,725,226	6,062,659	1
Total	$ 6,191,729	$ 6,529,162	

Land Investment and Related Use Obligation – While the land investment and related use obligation is presented separately on the statement of financial position, the value of these items is also based on fair market value. The land investment value is based on sale prices for similar land sales in Champaign County and was estimated to be valued at $1,999,709 at June 30, 2017.

The use obligation value is based on average cash rents, in Champaign County per the United State Department of Agriculture, discounted using an effective interest rate of 4.25 percent and an estimated period based on life expectancy tables per the Internal Revenue Service's Publication 590 Individual Retirement Arrangements. The use obligation was $315,426 at June 30, 2017.

These valuation methods fall within Level 2 of the fair value hierarchy as described above.

Endowments

The Foundation maintains endowment funds, which represent gifts that have been accepted with the donor stipulation that the principal be maintained intact in perpetuity. Income from these assets is temporarily restricted to provide scholarships, department funds, and management fees. Accordingly, earnings are recognized as temporarily restricted net assets. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, if any, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's management believes it is following the Uniform Prudent Management of Institutional Funds Act adopted by the State of Illinois, although the Foundation has not sought the opinion of legal counsel on the appropriateness of this assertion. As a result, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those assets are appropriated for expenditure by the Foundation. The Foundation has not adopted a policy for appropriation and approval by the Board of Directors of endowment expenses.

The objective of the Foundation is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return to meet cash flow needs while minimizing risk. To achieve that objective, the Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes targets of 60 percent equity and 40 percent fixed income securities that is intended to result in a consistent inflation-protected rate of return. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to expose the fund to acceptable levels of risk.

During the years ended June 30, 2017 and 2016, the Foundation did not liquidate investments for the purpose of appropriation for spending and instead funded this appropriation with current year cash receipts. In addition, the current donor agreement allows the Foundation to charge certain fees including investment manager fees as well as an amount equal to a percent per annum of the fair market value of the endowment, from investment income. This amount will be determined by the Board of Directors annually and will not exceed 10 percent. This policy may be changed from time to time provided that any changes are applied uniformly to all funds administered by the Foundation. For the years ended June 30, 2017 and 2016, the Board elected not to charge such a fee.

Endowment investment composition and changes in investments as of and for the year ended June 30, 2017, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year, July 1, 2016	$ -	$2,484,612	$4,044,550	$6,529,162
Contributions (Distributions)	-	(82,234)	59,475	(22,759)
Interest and Dividends	-	140,593	-	140,593
Net Realized and				-
Unrealized Gain	-	505,485	-	505,485
Fees	-	(6,346)	-	(6,346)
Net Transfers Between Funds	-	(2,135)	2,135	-
End of Year, June 30, 2017	$ -	$3,039,975	$4,106,160	$7,146,135

Endowment investment composition and changes in investments as of and for the year ended June 30, 2016, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year,				
July 1, 2015	$ -	$2,315,517	$3,932,550	$6,248,067
Contributions	-	1,184	30,000	31,184
Interest and Dividends	-	107,134	-	107,134
Net Realized and				-
Unrealized Loss	-	163,465	-	163,465
Fees	-	(20,688)	-	(20,688)
Net Transfers Between				
Funds	-	(82,000)	82,000	-
End of Year,				
June 30, 2016	$ -	$2,484,612	$4,044,550	$6,529,162

E. Collateralization of Investments

The Foundation maintains its investments in a variety of local and nationwide financial institutions. Investments are financial instruments that potentially subject the Foundation to a concentration of credit risk.

The insurance level at all Securities Investor Protection Corporation (SIPC) insured financial institutions is $500,000 per institution, per account holder. As of June 30, 2017, the Foundation has investments in financial institutions in excess of the amounts insured by the SIPC in the amount of $6,646,135. The full amount of the uninsured balance is held in a trust management company. In the event of failure of a trust management company, the Foundation retains all rights to the held investments, which are transferred to an acceptable alternative company.

F. Property and Equipment

Property and equipment at June 30, 2017, consist of the following:

Furniture & Fixtures	$	32,431
Equipment		15,886
Less: Accumulated Depreciation		(45,735)
Property and Equipment, Net	$	2,582

Property and equipment at June 30, 2016, consist of the following:

Furniture & Fixtures	$	32,431
Equipment		12,013
Less: Accumulated Depreciation		(44,444)
Property and Equipment, Net	$	-

G. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 are available for the following purposes:

Institutional Programs and Support	$	2,551,302
Unallocated Cumulative Investment Income		2,156,752
Land Investment		1,999,709
Scholarships		1,431,086
Promises to Give, Net Allowance and Discount		86,459
Other		55,206
Land Investment Use Obligation		(315,426)
Total	$	7,965,088

Temporarily restricted net assets at June 30, 2016 are available for the following purposes:

Institutional Programs and Support	$	2,518,192
Land Investment		2,213,608
Unallocated Cumulative Investment Income		1,603,464
Scholarships		1,075,522
Promises to Give, Net Allowance and Discount		79,624
Land Investment Use Obligation		(328,722)
Other		45,662
Total	$	7,207,350

H. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2017, are restricted with earnings to be used for the following purposes:

Scholarships	$	3,130,937
Institutional Programs and Support		949,974
Promises to Give, Net Allowance and Discount		223,850
Other		25,249
Total	$	4,330,010

Permanently restricted net assets at June 30, 2016, are restricted with earnings to be used for the following purposes:

Scholarships	$	3,074,802
Institutional Programs and Support		944,499
Promises to Give, Net Allowance and Discount		181,820
Other		25,249
Total	$	4,226,370

I. Related-Party Transactions

The Foundation's cash balance is automatically swept to a cash account owned by the College. In addition, the Foundation has an operating agreement with the College that provides that the College will provide a non-interest-bearing loan to the Foundation for the purpose of replenishing restricted funds for operating expenditures. The balances in these accounts was $982,259 and $719,835 at June 30, 2017 and 2016, respectively, and have been classified as "Due from Parkland College" in the Statement of Financial Position.

In addition, the College provided donated services to the Foundation consisting of salaries, benefits, utilities, and materials. For the years ended June 30, 2017 and 2016, the amount contributed and included as in-kind revenues totaled $169,804: $134,238 in salaries, $16,436 in benefits, $16,606 in facility space and utilities, $2,151 in materials, and $373 in consulting services, and $174,005: $132,426 in salaries, $21,435 in benefits, $16,606 in facility space and utilities, $3,538 in materials, respectively.

During the years ended June 30, 2017 and 2016 the Foundation donated certain in-kind items to the College totaling $995,980 and $539,080, respectively, including the annual lease value of agricultural equipment of $350,000 each year and the value of health professional equipment of $602,000 in 2017. In addition, the Foundation paid for certain items on behalf of the College, totaling $247,047 and $803,149, respectively. These items are classified as Institutional Support in the Statement of Changes in Net Assets.

J. Concentration of Revenue

The Foundation received $1,212,500 or 45 percent, of its total support and revenue from two donors, and $610,500 or 32 percent, of its total support and revenue from two donors for the years ended June 30, 2017 and 2016, respectively, of which $952,000 and $350,000, respectively, was the in-kind use of agricultural equipment, in both years, and health professional equipment, in 2017.

K. Negative Unrestricted Net Assets

The Foundation receives a substantial number of gifts that are temporarily or permanently restricted by the donors. However, the Foundation does not typically receive enough unrestricted donations to offset annual management and general and fundraising expenses. Cumulatively this has resulted in a shortfall of assets to comply with donor restrictions of approximately $2.0 million as of June 30, 2017. This amount is reflected as the negative unrestricted net asset balance on the Statements of Financial Position.

The Foundation owns a land investment with an estimated fair value of approximately $2.0 million. This amount has been recorded as temporarily restricted based upon the time restriction of the life interest in the property as defined in an estate. It is important to note that the fair market value of the land investment will transfer from temporarily restricted to unrestricted net assets when the farmer who holds the life interest passes.

Also, the College does have an ongoing line of credit with the Foundation to address cash flow problems. The College recognizes there may be a need in the future to support more of the Foundation's unrestricted operations. This is not an uncommon practice for Illinois Community College Foundations.

The Foundation Board of Directors and the College Administration are aware of the Foundation's Unrestricted Net Asset deficit. Both the Foundation Board and College Administration will continue to monitor this situation closely and work together to maintain the Foundation's financial viability.

L. New Nonprofit Accounting Standard

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958). The provisions of ASU 2016-14 require the presentation of two classes of net assets, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The provisions also require enhanced disclosures about how the entity manages its liquid resources, quantitative information about the availability of financial assets to meet cash needs for general expenditure within one year of the statement of financial position date, amounts of expenses by both their natural and functional classification, and the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for periods beginning after December 15, 2017. Early adoption is permitted; however, the Foundation has chosen not to do so. The Foundation has yet to select a transition method and is currently evaluating the effect that the updated standard will have on the financial statements

20. Supplementary Information

Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

In the schedules noted, the modified accrual basis of accounting differs from GAAP for a special-purpose government engaged only in business-type activities because:

- Capital assets are not depreciated and depreciation expense is not presented in the schedules, except for funds considered to be proprietary operations.
- Payments of principal on long-term debt are reported as expenditures in the schedules.
- In the schedules, the full amount of summer school revenue is recognized in the fiscal year in which the related term is completed.
- Expenditures in the schedules include the cost of capital asset acquisitions, except for funds considered to be proprietary operations.
- Debt service expenditures in the schedules, as well as expenditures related to early retirement benefits, are recorded only when payment is due, except for funds considered to be proprietary operations.
- The schedules exclude accrued interest on long-term debt.
- Property taxes receivable and unearned revenue in the schedules include property taxes not yet earned and not yet received as of June 30.
- Expenditures in the schedules include SURS payments made by the College in fiscal year 2017, which are subsequent to the SURS net pension liability measurement date of June 30, 2016.

PARKLAND COLLEGE DISTRICT #505
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - SURS
For the Year Ended June 30, 2017
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
a) Parkland's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	0%
b) Parkland's Proportionate Amount of the Collective Net Pension Liability	$ -	$ -	$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Parkland	202,577,602	219,570,648	243,648,397
Total b) + c)	$ 202,577,602	$ 219,570,648	$ 243,648,397
Parkland Defined Benefit Covered Payroll	$ 33,831,347	$ 33,645,622	$ 33,863,462
Proportion of Collective Net Pension Liability Associated with Parkland as a Percentage of Defined Benefit Covered Payroll	599%	653%	720%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%

Required Supplementary Information
Schedule of Contributions - SURS
For the Year Ended June 30, 2017
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Parkland's Federal, Trust, Grant, and Other Contribution	$ 35,613	$ 49,760	$ 53,803	$ 72,189
Parkland's Contribution in Relation to Required Contribution	35,613	49,760	53,803	72,189
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Parkland's Covered Payroll	$ 299,018	$ 424,937	$ 423,983	$ 576,129
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%

NOTE: The system implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

Changes of Benefit Terms

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

Changes of Assumptions

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

- Mortality Rates – Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary Increase – Change assumption to service-based rates, ranging from 3.75 percent to 15 percent based on years of service, with underlying wage inflation of 3.75 percent.
- Normal Retirement Rates – Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early Retirement Rates – Change to a slight increase to the rates at ages 55 and 56.
- Turnover Rates – Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability Rates – Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent Assumption – Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

PARKLAND COLLEGE DISTRICT #505
Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2017

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Debt Service	Capital Projects Fund - Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
ASSETS									
Cash and Cash Equivalents	$ 13,557,207	$ 1,328,469	$ 3,845,020	$ 3,990,864	$ 2,985,699	$ 7,798,816	$ -	$ -	$ 33,506,075
Investments	6,056,261	-	-	-	-	-	-	-	6,056,261
Receivables:									
Property Taxes, Net	9,076,899	1,567,626	2,247,897	980,806	-	-	-	-	13,873,228
Replacement Taxes	376,758	-	-	-	-	-	-	-	376,758
Agency Tuition, Net	1,529,190	-	-	-	-	-	-	-	1,529,190
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of $2,309,317	747,755	-	-	-	56,107	-	-	-	803,862
Governmental Grants	3,411,916	-	-	-	-	-	-	-	3,411,916
Business and Industry Training	-	-	-	-	24,556	-	-	-	24,556
Other	374,868	1,124,037	-	-	133,956	-	-	-	1,632,861
Due from Parkland Foundation	4,000	10,932	-	260,000	-	1,414,225	-	-	1,689,157
Due from Other Funds	799,142	-	-	-	-	-	-	-	799,142
Prepaid Assets	-	11,729	-	-	-	-	-	-	11,729
Inventory	-	-	-	-	401,196	-	-	-	401,196
Property and Equipment, Net	-	-	-	-	44,235	-	107,930,747	-	107,974,982
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	4,120,534	4,120,534
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	58,138,699	58,138,699
Total Assets and Other Debits	$ 35,933,996	$ 4,042,793	$ 6,092,917	$ 5,231,670	$ 3,645,749	$ 9,213,041	$ 107,930,747	$ 62,259,233	$ 234,350,146

Schedule 1
(continued)

PARKLAND COLLEGE DISTRICT #505
Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2017

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Debt Service	Capital Projects Fund-Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
LIABILITIES									
Accounts Payable	$ 1,720,325	$ 35,277	$ -	$ 776,049	$ 10,250	$ -	$ -	$ -	$ 2,541,901
Vacation Payable	1,326,971	113,217	-	-	160,690	-	-	-	1,600,878
Retirement Payable	1,672,952	-	-	-	-	-	-	3,684,233	5,357,185
Accrued Liabilities	2,530,572	-	-	-	1,508	-	-	-	2,532,080
Unearned Revenue	12,168,041	1,775,523	1,972,383	994,768	140,580	-	-	-	17,051,295
Due to Other Funds	-	1,088,136	-	-	-	-	-	-	1,088,136
Due to Parkland Foundation	2,652,646	-	-	-	18,770	-	-	-	2,671,416
Due to Student Groups	-	-	-	-	-	1,613,683	-	-	1,613,683
G. O. Bonds	-	-	-	-	-	-	-	58,575,000	58,575,000
Total Liabilities	22,071,507	3,012,153	1,972,383	1,770,817	331,798	1,613,683	-	62,259,233	93,031,574
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	107,930,747	-	107,930,747
Fund Balance:									
Reserved For:									
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	7,599,358
Unreserved, Undesignated	13,862,489	1,030,640	4,120,534	3,460,853	-	-	-	-	22,474,516
Retained Earnings	-	-	-	-	3,313,951	-	-	-	3,313,951
Total College Equity	13,862,489	1,030,640	4,120,534	3,460,853	3,313,951	7,599,358	107,930,747	-	141,318,572
Total Liabilities and College Equity	$ 35,933,996	$ 4,042,793	$ 6,092,917	$ 5,231,670	$ 3,645,749	$ 9,213,041	$ 107,930,747	$ 62,259,233	$ 234,350,146

PARKLAND COLLEGE DISTRICT #505
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Accrual Basis
All Governmental Fund Types
For the Year Ended June 30, 2017

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	$ 21,109,601	$ 3,187,443	$ 4,271,718	$ 2,003,886	$ 30,572,648
State Sources	5,751,369	1,224,260	-	-	6,975,629
Federal Sources	90,373	19,952,813	-	-	20,043,186
Tuition and Fees	29,296,690	-	-	-	29,296,690
Facilities	921,481	-	-	739,077	1,660,558
Interest	204,662	-	-	15,728	220,390
Other Revenue	504,071	9,144	-	-	513,215
On-Behalf Payments	24,241,070	-	-	-	24,241,070
Total Revenue	82,119,317	24,373,660	4,271,718	2,758,691	113,523,386
Expenditures					
Instruction	24,675,000	510,338	-	-	25,185,338
Academic Support	4,504,684	1,343,760	-	7,380	5,855,824
Student Services	4,376,345	697,000	-	-	5,073,345
Public Service	438,665	595,643	-	-	1,034,308
Auxiliary Services	-	900	-	-	900
Operation and Maintenance of Plant	5,352,799	1,577,417	-	2,615,955	9,546,171
Scholarships and Grants	-	18,070,705	-	-	18,070,705
Institutional Support	12,012,777	1,510,021	-	-	13,522,798
Principal	-	-	2,130,000	-	2,130,000
Interest	-	-	2,693,796	-	2,693,796
On-Behalf Payments	24,241,070	-	-	-	24,241,070
Total Expenditures	75,601,340	24,305,784	4,823,796	2,623,335	107,354,255
Revenue Over (Under) Expenditures	6,517,977	67,876	(552,078)	135,356	6,169,131
Other Financing Sources (Uses)					
Operating Transfers, Net	(1,383,514)	-	739,077	(739,077)	(1,383,514)
Total Other Financing Sources (Uses)	(1,383,514)	-	739,077	(739,077)	(1,383,514)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,134,463	67,876	186,999	(603,721)	4,785,617
Fund Balance, July 1, 2016	8,728,026	962,764	3,933,535	4,064,574	17,688,899
Fund Balance, June 30, 2017	$ 13,862,489	$ 1,030,640	$ 4,120,534	$ 3,460,853	$ 22,474,516

Schedule 3

PARKLAND COLLEGE DISTRICT #505
Combined Statement of Revenue, Expenditures,
and Changes in Fund Balances - Budget and Actual - Modified Accrual Basis
All Budgeted Governmental Fund Types
For the Year Ended June 30, 2017

	General		Special Revenue		Debt Service - Bond and Interest Fund		Capital Projects Fund - Operation and Maintenance Restricted		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenue										
Local Sources	$ 20,872,831	$ 21,109,601	$ 3,229,433	$ 3,187,443	$ 4,182,326	$ 4,271,718	$ 2,026,037	$ 2,003,886	$ 30,310,627	$ 30,572,648
State Sources	2,584,485	5,751,369	2,703,738	1,224,260	-	-	-	-	5,288,223	6,975,629
Federal Sources	75,000	90,373	21,887,037	19,952,813	-	-	-	-	21,962,037	20,043,186
Tuition and Fees	30,538,685	29,296,690	-	-	-	-	-	-	30,538,685	29,296,690
Facilities	890,000	921,481	-	-	-	-	825,000	739,077	1,715,000	1,660,558
Interest	90,000	204,662	250	-	-	-	-	15,728	90,250	220,390
Other Revenue	405,000	504,071	11,593	9,144	-	-	-	-	416,593	513,215
Total Revenue	55,456,001	57,878,247	27,832,051	24,373,660	4,182,326	4,271,718	2,851,037	2,758,691	90,321,415	89,282,316
Expenditures										
Instruction	26,230,291	24,675,000	586,081	510,338		-	-	-	26,816,372	25,185,338
Academic Support	4,938,590	4,504,684	2,482,931	1,343,760	-	-	-	7,380	7,421,521	5,855,824
Student Services	4,595,248	4,376,345	1,166,596	697,000	-	-	-	-	5,761,844	5,073,345
Public Service	439,085	438,665	973,154	595,643	-	-	-	-	1,412,239	1,034,308
Auxiliary Services	-	-	900	900	-	-	-	-	900	900
Operation and Maintenance of Plant	5,547,473	5,352,799	1,949,197	1,577,417	-	-	5,159,253	2,615,955	12,655,923	9,546,171
Scholarships and Grants	-	-	19,000,000	18,070,705	-	-	-	-	19,000,000	18,070,705
Institutional Support	12,960,449	12,012,777	1,516,595	1,510,021	-	-	-	-	14,477,044	13,522,798
Principal	-	-	-	-	2,130,000	2,130,000	-	-	2,130,000	2,130,000
Interest	-	-	-	-	2,693,796	2,693,796	-	-	2,693,796	2,693,796
Total Expenditures	54,711,136	51,360,270	27,675,454	24,305,784	4,823,796	4,823,796	5,159,253	2,623,335	92,369,639	83,113,185
Revenue Over (Under) Expenditures	744,865	6,517,977	156,597	67,876	(641,470)	(552,078)	(2,308,216)	135,356	(2,048,224)	6,169,131
Other Financing Sources (Uses)										
Operating Transfers, Net	(696,000)	(1,383,514)	-	-	825,000	739,077	(825,000)	(739,077)	(696,000)	(1,383,514)
Total Other Financing Sources (Uses)	(696,000)	(1,383,514)	-	-	825,000	739,077	(825,000)	(739,077)	(696,000)	(1,383,514)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 48,865	5,134,463	$ 156,597	67,876	$ 183,530	186,999	$ (3,133,216)	(603,721)	$ (2,744,224)	4,785,617
Fund Balance, July 1, 2016		8,728,026		962,764		3,933,535		4,064,574		17,688,899
Fund Balance, June 30, 2017		$ 13,862,489		$ 1,030,640		$ 4,120,534		$ 3,460,853		$ 22,474,516

*** Budget Column Represents the College's Original Legally Approved Budge**

PARKLAND COLLEGE DISTRICT #505
Combined Statement of Revenue, Expenses,
and Changes in College Equity - Budget and Actual
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2017

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	$ -	$ -	$ 6,010,640	$ 4,126,804
Student Tuition and Fees	-	-	1,615,651	1,459,944
State Sources	-	-	-	-
Other Revenue	-	-	54,500	45,902
Investment Revenue	10,000	10,069	3,000	2,923
Total Operating Revenue	10,000	10,069	7,683,791	5,635,573
Operating Expenses				
Salaries	-	-	2,352,934	2,216,525
Employee Benefits	-	-	498,031	428,136
Contractual Services	-	-	879,931	765,671
General Materials and Supplies	-	-	3,719,529	2,464,692
Conference and Meeting	-	-	209,277	270,767
Fixed Charges	-	-	1,046,391	580,640
Utilities	-	-	1,550	1,675
Capital Outlay	-	-	18,000	2,641
Depreciation	-	-	3,000	30,327
Other	-	-	304,835	224,905
Total Operating Expenses	-	-	9,033,478	6,985,979
Operating Income (Loss)	10,000	10,069	(1,349,687)	(1,350,406)
Other Financing Sources (Uses)				
Operating Transfers, Net	(10,069)	(10,069)	706,000	1,393,583
Net Income	$ (69)	-	$ (643,687)	43,177
College Equity, July 1, 2016		7,600,000		3,270,774
College Equity, June 30, 2017		$ 7,600,000		$ 3,313,951

*** Budget Column Represents the College's Original Legally Approved Budget**

PARKLAND COLLEGE DISTRICT #505
Combined Statement of Cash Flows
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2017

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	$ -	$ 4,126,804
Student Tuition and Fees	-	1,331,250
Payments to Suppliers	-	(4,291,926)
Payments to Employees and Benefits Paid	-	(2,608,483)
Payments from Third Party per Intergovernmental Agreement	-	-
Net Receipts from (Disbursements to) Parkland Foundation	-	13
Receipts of Miscellaneous Revenue	-	45,902
Interest on Investments	10,069	2,923
Net Cash Provided by (Used in) Operating Activities	10,069	(1,393,517)
Capital and Related Financing Activities		
Purchase of Equipment	-	(13,775)
Non-Capital Financing Activities		
Operating Transfers In (Out)	(10,069)	1,393,583
Net Increase (Decrease) in Cash and Cash Equivalents	-	(13,709)
Cash and Cash Equivalents, July 1, 2016	7,600,000	2,999,408
Cash and Cash Equivalents, June 30, 2017	$ 7,600,000	$ 2,985,699
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 10,069	$ (1,350,406)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	30,327
Changes in Assets and Liabilities:		
Receivables	-	(179,671)
Inventories	-	8,848
Accounts Payable	-	10,217
Vacation Payable	-	36,178
Unearned Revenue	-	50,977
Due To Parkland Foundation	-	13
Net Cash Provided by (Used in) Operating Activities	$ 10,069	$ (1,393,517)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2017

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 8,757,397	$ 4,799,810	$ 13,557,207
Investments	6,056,261	-	6,056,261
Receivables:			
Property Taxes, Net	6,555,543	2,521,356	9,076,899
Replacement Taxes	376,758	-	376,758
Agency Tuition, Net	1,529,190	-	1,529,190
Student Tuition and Fees, Net	747,755	-	747,755
Governmental Grants	3,411,916	-	3,411,916
Other	240,001	134,867	374,868
Due From Parkland Foundation	-	4,000	4,000
Due From Other Funds	799,142	-	799,142
Total Assets	$ 28,473,963	$ 7,460,033	$ 35,933,996
LIABILITIES			
Accounts Payable	$ 1,513,775	$ 206,550	$ 1,720,325
Vacation Payable	1,193,567	133,404	1,326,971
Retirement Payable	1,672,952	-	1,672,952
Due to Parkland Foundation	2,652,646	-	2,652,646
Accrued Liabilities	2,530,572	-	2,530,572
Unearned Revenue	9,822,757	2,345,284	12,168,041
Total Liabilities	19,386,269	2,685,238	22,071,507
FUND BALANCE			
Unreserved	9,087,694	4,774,795	13,862,489
Total Fund Balance	9,087,694	4,774,795	13,862,489
Total Liabilities and Fund Balance	$ 28,473,963	$ 7,460,033	$ 35,933,996

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances - Modified Accrual Basis
General Funds
For the Year Ended June 30, 2017

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	$ 15,984,786	$ 5,124,815	$ 21,109,601
State Sources	5,751,369	-	5,751,369
Federal Sources	90,373	-	90,373
Tuition and Fees	29,296,690	-	29,296,690
Facilities	-	921,481	921,481
Interest	199,424	5,238	204,662
Other Revenue	428,944	75,127	504,071
On-Behalf Payments	24,241,070	-	24,241,070
Total Revenue	75,992,656	6,126,661	82,119,317
Expenditures			
Instruction	24,675,000	-	24,675,000
Academic Support	4,504,684	-	4,504,684
Student Services	4,376,345	-	4,376,345
Public Service	438,665	-	438,665
Operation and Maintenance of Plant	-	5,352,799	5,352,799
Institutional Support	12,012,777	-	12,012,777
On-Behalf Payments	24,241,070	-	24,241,070
Total Expenditures	70,248,541	5,352,799	75,601,340
Revenue Over (Under) Expenditures	5,744,115	773,862	6,517,977
Other Financing Sources (Uses)			
Operating Transfers, Net	(1,383,514)	-	(1,383,514)
Total Other Financing Sources (Uses)	(1,383,514)	-	(1,383,514)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,360,601	773,862	5,134,463
Fund Balance, July 1, 2016	4,727,093	4,000,933	8,728,026
Fund Balance, June 30, 2017	$ 9,087,694	$ 4,774,795	$ 13,862,489

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2017

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	$ -	$ 147,665	$ 1,180,804	$ 1,328,469
Receivables:				
Property Taxes, Net	-	35,416	1,532,210	1,567,626
Due from Parkland Foundation	10,866	-	66	10,932
Prepaid Assets	-	-	11,729	11,729
Other Receivable	1,124,037	-	-	1,124,037
Total Assets	$ 1,134,903	$ 183,081	$ 2,724,809	$ 4,042,793
LIABILITIES				
Accounts Payable	$ 24,544	$ 9,801	$ 932	$ 35,277
Vacation Payable	20,909	-	92,308	113,217
Unearned Revenue	342,555	32,834	1,400,134	1,775,523
Due to Other Funds	1,088,136	-	-	1,088,136
Total Liabilities	1,476,144	42,635	1,493,374	3,012,153
FUND BALANCE				
Unreserved, Undesignated	(341,241)	140,446	1,231,435	1,030,640
Total Fund Balance	(341,241)	140,446	1,231,435	1,030,640
Total Liabilities and Fund Balance	$ 1,134,903	$ 183,081	$ 2,724,809	$ 4,042,793

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
Special Revenue Funds
For the Year Ended June 30, 2017

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	$ -	$ 73,994	$ 3,113,449	$ 3,187,443
State Sources	1,224,260	-	-	1,224,260
Federal Sources	19,952,813	-	-	19,952,813
Facilities	-	-	-	-
Interest	-	-	-	-
Other	9,144	-	-	9,144
Total Revenue	21,186,217	73,994	3,113,449	24,373,660
Expenditures				
Instruction	510,338	-	-	510,338
Academic Support	1,343,760	-	-	1,343,760
Student Services	697,000	-	-	697,000
Public Service	595,643	-	-	595,643
Auxiliary Services	900	-	-	900
Operations and Maintenance of Plant	58,685	-	1,518,732	1,577,417
Institutional Support	-	70,295	1,439,726	1,510,021
Scholarships and Grants	18,070,705	-	-	18,070,705
Total Expenditures	21,277,031	70,295	2,958,458	24,305,784
Revenue Over (Under) Expenditures	(90,814)	3,699	154,991	67,876
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	(90,814)	3,699	154,991	67,876
Fund Balance, July 1, 2016	(250,427)	136,747	1,076,444	962,764
Fund Balance, June 30, 2017	$ (341,241)	$ 140,446	$ 1,231,435	$ 1,030,640

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Enterprise Funds
June 30, 2017

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	$ 182,810	$ 25,660	$ (31,454)	$ (15,354)	$ 63,840	$ 1,495,663	$ 8,097	$ 1,256,437	$ 2,985,699
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	56,107	-	-	-	56,107
Business and Industry Training	-	-	-	-	24,556	-	-	-	24,556
Other	-	-	-	-	-	133,956	-	-	133,956
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	401,196	-	-	401,196
Property and Equipment, Net of Accumulated Depreciation	-	2	8,654	8,654	7,475	19,450	-	-	44,235
Total Assets	$ 182,810	$ 25,662	$ (22,800)	$ (6,700)	$ 151,978	$ 2,050,265	$ 8,097	$ 1,256,437	$ 3,645,749
LIABILITIES									
Account Payable	$ -	$ -	$ -	$ -	$ 109	$ -	$ -	$ 10,141	$ 10,250
Vacation Payable	32,655	8,788	28,456	-	57,766	25,605	-	7,420	160,690
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Parkland Foundation	-	-	-	-	-	-	18,770	-	18,770
Unearned Revenue	-	-	32,989	-	-	(217)	-	107,808	140,580
Capital Lease Obligations	-	-	-	-	-	-	-	-	-
Total Liabilities	32,655	8,788	62,953	-	57,875	25,388	18,770	125,369	331,798
RETAINED EARNINGS (ACCUMULATED DEFICIT)	150,155	16,751	(85,753)	(6,700)	94,226	2,024,877	(10,673)	1,131,068	3,313,951
Total Liabilities and Retained Earnings (Accumulated Deficit)	$ 182,810	$ 25,539	$ (22,800)	$ (6,700)	$ 152,101	$ 2,050,265	$ 8,097	$ 1,256,437	$ 3,645,749

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Revenue, Expenses,
and Changes in Retained Earnings (Deficit)
Enterprise Funds
For the Year Ended June 30, 2017

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Operating Revenue									
Student and Community Services	$ 316,609	$ 235,416	$ 35,453	$ -	$ 787,316	$ 2,730,632	$ 21,378	$ -	$ 4,126,804
Student Tuition and Fees	-	-	258,774	65,928	500,630	-	26,101	608,511	1,459,944
State Sources	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	4	-	32,720	-	-	16,101	48,825
Total Operating Revenue	316,609	235,416	294,231	65,928	1,320,666	2,730,632	47,479	624,612	5,635,573
Operating Expenses									
Salaries	336,919	73,732	66,908	391,845	651,622	217,051	18,390	460,058	2,216,525
Employee Benefits	96,561	11,394	10,590	59,222	112,825	52,320	-	85,224	428,136
Contractual Services	400	123	38,174	77,298	398,834	11,687	-	239,155	765,671
General Materials and Supplies	32,626	49,185	2,952	46,651	141,943	1,929,647	22,504	239,184	2,464,692
Conference and Meeting	-	-	43,451	187,512	4,692	-	1,229	33,883	270,767
Fixed Charges	-	110,935	-	-	10,200	376,116	-	83,389	580,640
Utilities	-	-	-	-	1,675	-	-	-	1,675
Capital Outlay	-	-	-	2,641	-	-	-	-	2,641
Interest	-	-	-	-	-	-	-	-	-
Depreciation	-	-	8,654	5,732	5,804	10,137	-	-	30,327
Other	288	-	119,949	36,454	68,214	-	-	-	224,905
Total Operating Expenses	466,794	245,369	290,678	807,355	1,395,809	2,596,958	42,123	1,140,893	6,985,979
Operating Income (Loss)	(150,185)	(9,953)	3,553	(741,427)	(75,143)	133,674	5,356	(516,281)	(1,350,406)
Other Financing Sources									
Operating Transfers, Net	150,000	50,000	-	1,150,000	43,583	-	-	-	1,393,583
Net Income (Loss)	(185)	40,047	3,553	408,573	(31,560)	133,674	5,356	(516,281)	43,177
Retained Earnings (Deficit), July 1, 2016	150,340	(23,296)	(89,306)	(415,273)	125,786	1,891,203	(16,029)	1,647,349	3,270,774
Retained Earnings (Deficit), June 30, 2017	$ 150,155	$ 16,751	$ (85,753)	$ (6,700)	$ 94,226	$ 2,024,877	$ (10,673)	$ 1,131,068	$ 3,313,951

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2017

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Cash Flows from Operating Activities									
Auxiliary Enterprise Charges	$ 316,609	$ 235,416	$ 35,453	$ -	$ 787,316	$ 2,730,632	$ 21,378	$ -	$ 4,126,804
Student Tuition and Fees	-	-	256,889	65,928	454,915	(133,956)	26,101	661,373	1,331,250
Payments to Suppliers	(33,314)	(160,243)	(204,526)	(350,556)	(625,482)	(2,308,602)	(23,733)	(585,470)	(4,291,926)
Payments to Employees and Benefits Paid	(430,586)	(84,370)	(75,728)	(451,067)	(737,808)	(266,185)	(18,390)	(544,349)	(2,608,483)
Net Receipts from (Disbursements to) Parkland Foundation	-	-	-	-	-	-	13	-	13
Other Receipts	-	-	4	-	32,720	-	-	16,101	48,825
Net Cash Provided by (Used in) Operating Activities	(147,291)	(9,197)	12,092	(735,695)	(88,339)	21,889	5,369	(452,345)	(1,393,517)
Capital and Related Financing Activities									
Purchase of Equipment	-	-	-	(8,765)	(5,010)	-	-	-	(13,775)
Non-Capital Financing Activities									
Change in Due To (From) Other Funds	-	-	-	-	-	-	-	-	-
Operating Transfers In	150,000	50,000	-	1,150,000	43,583	-	-	-	1,393,583
Net Cash Provided by (Used in) Non-Capital Financing Activities	150,000	50,000	-	1,150,000	43,583	-	-	-	1,393,583
Net Increase (Decrease) in Cash and Cash Equivalents	2,709	40,803	12,092	405,540	(49,766)	21,889	5,369	(452,345)	(13,709)
Cash and Cash Equivalents, July 1, 2016	180,101	(15,266)	(43,546)	(420,894)	113,729	1,473,774	2,728	1,708,782	2,999,408
Cash and Cash Equivalents, June 30, 2017	$ 182,810	$ 25,537	$ (31,454)	$ (15,354)	$ 63,963	$ 1,495,663	$ 8,097	$ 1,256,437	$ 2,985,699
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	$ (150,185)	$ (9,953)	$ 3,553	$ (741,427)	$ (75,143)	$ 133,674	$ 5,356	$ (516,281)	$ (1,350,406)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	-	-	8,654	5,732	5,804	10,137	-	-	30,327
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	(45,715)	(133,956)	-	-	(179,671)
Inventories	-	-	-	-	-	8,848	-	-	8,848
Accounts Payable	-	-	-	-	76	-	-	10,141	10,217
Vacation Payable	2,894	756	1,770	-	26,639	3,186	-	933	36,178
Unearned Revenue	-	-	(1,885)	-	-	-	-	52,862	50,977
Due To Parkland Foundation	-	-	-	-	-	-	13	-	13
Net Cash Provided By (Used in) Operating Activities	$ (147,291)	$ (9,197)	$ 12,092	$ (735,695)	$ (88,339)	$ 21,889	$ 5,369	$ (452,345)	$ (1,393,517)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Fiduciary Funds
June 30, 2017

	Non-Expendable Trust — Working Cash Fund	Trust and Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 7,600,000	$ 198,816	$ 7,798,816
Receivables:			
Due from Parkland Foundation	-	1,414,225	1,414,225
Total Assets	$ 7,600,000	$ 1,613,041	$ 9,213,041
LIABILITIES			
Due to Student Groups	$ -	$ 1,613,683	$ 1,613,683
FUND BALANCE			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	$ 7,600,000	$ 1,613,041	$ 9,213,041

Schedule 14

PARKLAND COLLEGE DISTRICT #505
Balance Sheet - Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Funds and Account Groups
June 30, 2017
(With comparative totals as of June 30, 2016)

	Education Fund	Operations and Maintenance Funds: Operational	Operations and Maintenance Funds: Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Account Groups: General Fixed Assets	Account Groups: General Long-Term Debt	Totals (Memorandum Only): June 30, 2017	Totals (Memorandum Only): June 30, 2016
ASSETS														
Cash and Cash Equivalents	$ 8,757,397	$ 4,799,810	$ 3,990,864	$ 2,985,699	$ -	$ 7,600,000	$ 198,816	$ 3,845,020	$ 147,665	$ 1,180,804	$ -	$ -	$ 33,506,075	$ 32,593,503
Investments	6,056,261	-	-	-	-	-	-	-	-	-	-	-	6,056,261	6,020,931
Receivables:														
Property Taxes, Net	6,555,543	2,521,356	980,806	-	-	-	-	2,247,897	35,416	1,532,210	-	-	13,873,228	13,363,337
Replacement Taxes	376,758	-	-	-	-	-	-	-	-	-	-	-	376,758	388,694
Agency Tuition, Net	1,529,190	-	-	-	-	-	-	-	-	-	-	-	1,529,190	704,407
Student Tuition and Fees, Net	747,755	-	-	56,107	-	-	-	-	-	-	-	-	803,862	587,652
Governmental Grants	3,411,916	-	-	-	-	-	-	-	-	-	-	-	3,411,916	-
Business and Industry Training	-	-	-	24,556	-	-	-	-	-	-	-	-	24,556	34,948
Student Loans	-	-	-	-	0	-	-	-	-	-	-	-	-	90,079
Other	240,001	134,867	-	133,956	1,124,037	-	-	-	-	-	-	-	1,632,861	829,402
Due from Parkland Foundation	-	4,000	260,000	-	10,866	-	1,414,225	-	-	66	-	-	1,689,157	1,365,962
Due from Other Funds	799,142	-	-	-	-	-	-	-	-	-	-	-	799,142	764,119
Prepaid Assets	-	-	-	-	-	-	-	-	-	11,729	-	-	11,729	-
Inventory	-	-	-	401,196	-	-	-	-	-	-	-	-	401,196	410,044
Property and Equipment at Cost, Net	-	-	-	44,235	-	-	-	-	-	-	107,930,747	-	107,974,982	112,067,586
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	4,120,534	4,120,534	3,933,535
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	58,138,699	58,138,699	60,195,525
Total Assets	$ 28,473,963	$ 7,460,033	$ 5,231,670	$ 3,645,749	$ 1,134,903	$ 7,600,000	$ 1,613,041	$ 6,092,917	$ 183,081	$ 2,724,809	$ 107,930,747	$ 62,259,233	$ 234,350,146	$ 233,349,724
LIABILITIES														
Accounts Payable	$ 1,513,775	$ 206,550	$ 776,049	$ 10,250	$ 24,544	$ -	$ -	$ -	$ 9,801	$ 932	$ -	$ -	$ 2,541,901	$ 1,507,459
Vacation Payable	1,193,567	133,404	-	160,690	20,909	-	-	-	-	92,308	-	-	1,600,878	1,718,310
Retirement Payable	1,672,952	-	-	-	-	-	-	-	-	-	-	3,684,233	5,357,185	4,937,775
Accrued Liabilities	2,530,572	-	-	1,508	-	-	-	-	-	-	-	-	2,532,080	2,889,553
Due to Other Funds	-	-	-	-	1,088,136	-	-	-	-	-	-	-	1,088,136	764,119
Due to Parkland Foundation	2,652,646	-	-	18,770	-	-	-	-	-	-	-	-	2,671,416	2,085,797
Unearned Revenue	9,822,757	2,345,284	994,768	140,580	342,555	-	-	1,972,383	32,834	1,400,134	-	-	17,051,295	16,583,176
Due to Student Groups	-	-	-	-	-	-	1,613,683	-	-	-	-	-	1,613,683	1,592,705
Bonds	-	-	-	-	-	-	-	-	-	-	-	58,575,000	58,575,000	60,705,000
Total Liabilities	19,386,269	2,685,238	1,770,817	331,798	1,476,144	-	1,613,683	1,972,383	42,635	1,493,374	-	62,259,233	93,031,574	92,783,894
COLLEGE EQUITY														
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	107,930,747	-	107,930,747	112,006,799
Fund Balance:														
Reserved For:														
Student Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	90,079
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	-	7,599,358	7,599,358
Unreserved, Undesignated	9,087,694	4,774,795	3,460,853	-	(341,241)	-	-	4,120,534	140,446	1,231,435	-	-	22,474,516	17,598,820
Retained Earnings (Accumulated Deficit)	-	-	-	3,313,951	-	-	-	-	-	-	-	-	3,313,951	3,270,774
Total College Equity (Deficit)	9,087,694	4,774,795	3,460,853	3,313,951	(341,241)	7,600,000	(642)	4,120,534	140,446	1,231,435	107,930,747	-	141,318,572	140,565,830
Total Liabilities and College Equity	$ 28,473,963	$ 7,460,033	$ 5,231,670	$ 3,645,749	$ 1,134,903	$ 7,600,000	$ 1,613,041	$ 6,092,917	$ 183,081	$ 2,724,809	$ 107,930,747	$ 62,259,233	$ 234,350,146	$ 233,349,724

PARKLAND COLLEGE DISTRICT #505
Statement of Revenue, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types)
and GAAP Basis (Proprietary Fund Type)
All Funds
For the Year Ended June 30, 2017
(with Comparative totals for the Year Ended June 30, 2016)

		Operations and Maintenance Funds							Liability,	Totals (Memorandum Only)	
	Education Fund	Operational	Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Protection, and Settlement Fund	2017	2016
Revenue											
Local Sources	$ 15,984,786	$ 5,124,815	$ 2,003,886	$ -	$ -	$ -	$ 4,271,718	$ 73,994	$ 3,113,449	$ 30,572,648	$ 29,128,892
State Sources	5,751,369	-	-	-	1,224,260	-	-	-	-	6,975,629	4,324,327
Federal Sources	90,373	-	-	-	19,952,813	-	-	-	-	20,043,186	19,787,180
Tuition and Fees	29,296,690	-	-	1,459,944	-	-	-	-	-	30,756,634	29,535,336
Facilities	-	921,481	739,077	1,025	-	-	-	-	-	1,661,583	1,570,776
Other Revenue	628,368	80,365	15,728	4,174,604	9,144	10,069	-	-	-	4,918,278	5,661,282
On-Behalf Payments	24,241,070	-	-	-	-	-	-	-	-	24,241,070	18,602,246
Total Revenue	75,992,656	6,126,661	2,758,691	5,635,573	21,186,217	10,069	4,271,718	73,994	3,113,449	119,169,028	108,610,039
Expenditures											
Instruction	24,675,000	-	-	1,140,893	510,338	-	-	-	-	26,326,231	28,954,978
Academic Support	4,504,684	-	7,380	245,369	1,343,760	-	-	-	-	6,101,193	7,162,560
Student Services	4,376,345	-	-	-	697,000	-	-	-	-	5,073,345	5,601,460
Public Service	438,665	-	-	1,389,907	595,643	-	-	-	-	2,424,215	2,627,487
Auxiliary Services	-	-	-	4,179,483	900	-	-	-	-	4,180,383	4,457,703
Operation and Maintenance of Plant	-	5,352,799	2,615,955	-	58,685	-	-	-	1,518,732	9,546,171	10,338,891
Institutional Support	12,012,777	-	-	-	-	-	-	70,295	1,439,726	13,522,798	13,741,690
Scholarships and Grants	-	-	-	-	18,070,705	-	-	-	-	18,070,705	17,978,609
Principal	-	-	-	-	-	-	2,130,000	-	-	2,130,000	1,840,000
Interest	-	-	-	-	-	-	2,693,796	-	-	2,693,796	2,755,895
Depreciation	-	-	-	30,327	-	-	-	-	-	30,327	39,911
On-Behalf Payments	24,241,070	-	-	-	-	-	-	-	-	24,241,070	18,602,246
Total Expenditures	70,248,541	5,352,799	2,623,335	6,985,979	21,277,031	-	4,823,796	70,295	2,958,458	114,340,234	114,101,430
Revenue Over (Under) Expenditures	5,744,115	773,862	135,356	(1,350,406)	(90,814)	10,069	(552,078)	3,699	154,991	4,828,794	(5,491,391)
Other Financing Sources (Uses)											
Operating Transfers, Net	(1,383,514)	-	(739,077)	1,393,583	-	(10,069)	739,077	-	-	-	-
Total Other Financing Sources (Uses)	(1,383,514)	-	(739,077)	1,393,583	-	(10,069)	739,077	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,360,601	773,862	(603,721)	43,177	(90,814)	-	186,999	3,699	154,991	4,828,794	(5,491,391)
College Equity, Beginning of Year	4,727,093	4,000,933	4,064,574	3,270,774	(250,427)	7,600,000	3,933,535	136,747	1,076,444	28,559,673	34,051,064
College Equity, End of Year	$ 9,087,694	$ 4,774,795	$ 3,460,853	$ 3,313,951	$ (341,241)	$ 7,600,000	$ 4,120,534	$ 140,446	$ 1,231,435	$ 33,388,467	$ 28,559,673

PARKLAND COLLEGE DISTRICT #505
Reconciliations of the Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types) to the Statement of Net Position
June 30, 2017 and 2016

	2017	2016
College Equity	$ 141,318,572	$ 140,565,830
Reconciling Items:		
Recognition of Summer School Revenues	1,645,714	1,879,359
Deferred Revenue for Property Taxes Not Received	12,748,961	12,227,503
Property Taxes Receivable Not Earned and Not Received	(12,748,961)	(12,227,503)
Reclassification of Long Term Debt	(62,278,950)	(64,167,717)
Deferred Refunding Expense	241,590	318,760
Deferred Retirement Plan Contributions	72,189	53,803
Recognition of Interest Payable on Long Term Debt	(221,636)	(227,326)
Net Position	$ 80,777,479	$ 78,422,709

Reconciliations of the Statement of Revenues, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary and Fiduciary Fund Types)
to the Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	2017	2016
Change in College Equity	$ 4,828,794	$ (5,491,391)
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(341,433)	(369,787)
Remove Rent Expense from the Bookstore	341,433	369,787
Remove Revenue Paid by the Education Fund to Reprographics	(235,416)	(242,664)
Remove Expenditures from the Education Fund	235,416	242,664
Remove Student Aid and Scholarship Payments from Revenue	(10,703,362)	(9,924,442)
Remove Student Aid and Scholarship Payments from Expense	10,703,362	9,924,442
Change in Recognition of Summer School Revenues	(233,646)	6,511
General Obligation Debt Retired	2,130,000	1,840,000
Change in Retirement Obligations	(260,173)	150,356
Remove Capital Expenditures and Interest Expenditures Related to Capitalized Assets	3,614,054	3,654,869
Record Depreciation on the Capital Assets	(7,690,105)	(7,559,212)
Remove Rent Expense Related to Capital Leases	18,940	41,483
Change in Deferred Refunding Expense	(77,170)	(77,170)
Change in Deferred Retirement Plan Contributions	18,386	4,043
Change in Accrued Interest on Long Term Debt	5,690	4,661
Change in Net Position	$ 2,354,770	$ (7,425,850)

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2017

	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY	2011 LEVY	2010 LEVY	2009 LEVY	2008 LEVY	2007 LEVY
Assessed Valuations										
County:										
Champaign	$ 3,807,025,662	$ 3,603,466,479	$ 3,542,030,898	$ 3,495,210,920	$ 3,555,879,362	$ 3,577,235,959	$ 3,602,160,901	$ 3,578,173,147	$ 3,525,443,054	$ 3,326,466,857
Coles	9,748,842	9,507,569	9,227,401	8,632,210	8,080,907	7,575,377	7,072,734	6,114,626	5,758,277	5,306,338
DeWitt	89,904,005	88,198,381	86,559,619	79,976,784	77,636,422	76,496,177	72,965,141	74,274,090	62,936,083	60,557,367
Douglas	299,993,082	283,012,820	266,599,451	262,791,029	254,139,581	251,636,058	248,720,699	240,503,383	229,699,701	218,607,217
Edgar	4,877,010	4,392,900	4,288,109	3,965,329	3,667,574	3,188,000	3,188,451	2,976,360	2,543,065	2,434,071
Ford	238,843,129	234,112,035	230,561,166	226,771,001	221,216,880	200,698,988	195,027,444	186,970,466	183,254,673	177,019,659
Iroquois	95,451,955	92,391,706	89,349,950	88,933,502	88,876,028	85,460,933	87,283,023	86,148,726	84,852,171	74,346,304
Livingston	67,236,270	67,152,175	64,861,050	64,336,230	61,960,581	61,241,000	60,031,221	58,537,786	55,516,475	52,968,851
McLean	196,569,947	191,864,392	189,414,822	185,142,499	171,336,846	168,439,009	165,055,933	161,123,775	156,650,468	124,928,450
Moultrie	4,710,270	4,475,862	4,345,549	3,983,482	3,640,875	3,377,000	3,136,292	2,868,600	2,711,561	2,544,048
Piatt	388,170,194	379,243,657	373,852,737	361,541,176	354,597,431	348,165,000	340,014,568	333,049,928	317,723,113	295,752,213
Vermilion	18,244,975	17,621,449	17,101,096	15,910,293	15,016,004	13,294,313	13,038,583	12,408,340	12,118,874	11,310,925
TOTAL	$ 5,220,775,341	$ 4,975,439,425	$ 4,878,191,848	$ 4,797,194,455	$ 4,816,048,491	$ 4,796,807,814	$ 4,797,694,990	$ 4,743,149,227	$ 4,639,207,515	$ 4,352,242,300
Tax Rates										
(Per $100 Assessed Valuations)										
Education Fund	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Operations and Maintenance:										
Operational Fund	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bond	0.0841	0.0824	0.0794	0.0770	0.0715	0.0678	0.0639	0.0610	0.0439	0.0000
Tort and Immunity	0.0355	0.0372	0.0369	0.0375	0.0374	0.0354	0.0344	0.0389	0.0376	0.0341
Audit	0.0014	0.0015	0.0010	0.0010	0.0010	0.0010	0.0019	0.0019	0.0019	0.0019
Worker's Compensation	0.0016	0.0015	0.0014	0.0019	0.0019	0.0019	0.0018	0.0016	0.0010	0.0056
Unemployment Insurance	0.0005	0.0008	0.0010	0.0010	0.0010	0.0002	0.0002	0.0002	0.0004	0.0004
Protection, Health, and Safety	0.0384	0.0400	0.0267	0.0271	0.0263	0.0264	0.0264	0.0266	0.0500	0.0500
Medicare Insurance	0.0125	0.0126	0.0113	0.0115	0.0117	0.0125	0.0115	0.0117	0.0097	0.0093
Property Insurance	0.0096	0.0100	0.0082	0.0083	0.0083	0.0068	0.0063	0.0063	0.0070	0.0075
TOTAL	0.5436	0.5460	0.5259	0.5253	0.5191	0.5120	0.5064	0.5082	0.5115	0.4688

Schedule 17
(Continued)

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2017

	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY	2011 LEVY	2010 LEVY	2009 LEVY	2008 LEVY	2007 LEVY
Tax Extensions										
Education Fund	$ 13,574,016	$ 12,936,143	$ 12,683,299	$ 12,472,706	$ 12,521,726	$ 12,471,700	$ 12,474,005	$ 12,335,181	$ 12,061,998	$ 11,315,677
Operations and Maintenance:										
Operational Fund	5,220,775	4,975,439	4,878,192	4,797,194	4,816,048	4,796,808	4,797,695	4,743,149	4,639,208	4,352,026
Bond	4,390,672	4,099,762	3,873,284	3,693,840	3,443,475	3,252,236	3,065,727	2,893,321	2,036,612	-
Tort and Immunity	1,853,375	1,850,863	1,800,053	1,798,948	1,801,202	1,698,070	1,650,407	1,845,085	1,744,342	1,484,651
Audit	73,091	74,632	48,782	47,972	48,160	47,968	91,156	90,120	88,145	83,654
Worker's Compensation	83,532	74,632	68,295	91,147	91,505	91,139	86,359	75,890	46,392	243,726
Unemployment Insurance	26,104	39,804	48,782	47,972	48,160	9,594	9,595	9,486	18,557	17,409
Protection, Health, and Safety	2,004,778	1,990,176	1,302,477	1,300,040	1,266,621	1,266,357	1,266,591	1,261,678	2,319,604	2,174,993
Medicare Insurance	652,597	626,905	551,236	551,677	563,478	599,601	551,735	554,948	450,003	404,759
Property Insurance	501,194	497,544	400,012	398,167	399,732	326,183	302,255	298,818	324,745	326,418
	28,380,134	27,165,900	25,654,412	25,199,663	25,000,107	24,559,656	24,295,525	24,107,676	23,729,606	20,403,312
Tax Collections Prior to Year End	(12,528,359)	(11,824,016)	(11,999,151)	(11,963,533)	(10,459,197)	(10,592,143)	(10,391,341)	(10,146,060)	(9,957,110)	(8,069,866)
	15,851,775	15,341,884	13,655,261	13,236,130	14,540,910	13,967,513	13,904,184	13,961,616	13,772,496	12,333,446
Taxes Not Collectible Due to Taxpayer Exemption	-	-	-	-	(358,909)	-	-	-	-	-
Allowance for Uncollectible Taxes and Potential Refunds	(1,978,547)	(1,978,547)	(1,503,174)	(1,503,174)	(1,129,370)	(1,129,370)	(973,951)	(793,426)	(613,073)	(448,759)
Property Taxes Receivable	$ 13,873,228	$ 13,363,337	$ 12,152,087	$ 11,732,956	$ 13,052,631	$ 12,838,143	$ 12,930,233	$ 13,168,190	$ 13,159,423	$ 11,884,687
Property Taxes Receivable by Fund										
Education Fund	$ 6,555,543	$ 6,279,411	$ 5,959,804	$ 5,760,065	$ 6,499,483	$ 6,486,665	$ 6,621,915	$ 6,714,309	$ 6,668,314	$ 6,591,248
Operations and Maintenance:										
Operational Fund	2,521,356	2,415,150	2,292,225	2,215,402	2,499,794	2,494,864	2,546,881	2,582,425	2,564,747	2,535,003
Restricted Fund	980,806	984,981	578,447	568,014	623,221	624,652	638,385	656,048	1,282,096	1,266,907
Bond Fund	2,247,897	2,110,813	1,928,913	1,807,442	1,871,385	1,771,650	1,699,209	1,644,595	1,168,107	-
Audit Fund	35,416	36,739	21,461	20,692	23,470	23,487	48,374	49,052	48,804	48,728
Liability, Protection, and Settlement Fund	1,532,210	1,536,243	1,371,237	1,361,341	1,535,278	1,436,825	1,375,469	1,521,761	1,427,355	1,442,801
TOTAL	$ 13,873,228	$ 13,363,337	$ 12,152,087	$ 11,732,956	$ 13,052,631	$ 12,838,143	$ 12,930,233	$ 13,168,190	$ 13,159,423	$ 11,884,687

PARKLAND COLLEGE DISTRICT #505
Schedule of Legal Debt Margin
June 30, 2017

ASSESSED VALUATIONS - 2016 LEVY	$	5,220,775,341
Debt Limit, 2.875 Percent of Assessed Valuation	$	150,097,291
Indebtedness:		
G. O. Bonds		51,215,000
Legal Debt Margin	$	98,882,291

Note: By Illinois statute, the legal debt margin excludes alternative revenue source debt while the related property tax is abated.

PARKLAND COLLEGE DISTRICT #505
Student Enrollment and Full-Time Equivalency
At Tenth Day
For the Year Ended June 30, 2017
(Unaudited)

		Full-Time Equivalency
School Quarter	**Student Enrollment**	**Semester**
Summer 2016	4,217	2,323
Fall 2016	7,569	4,719
Spring 2017	7,112	4,301
Semester Average (Exclusive of Summer School)	7,341	4,510

PARKLAND COLLEGE DISTRICT #505
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund Balance, July 1, 2016	$ 4,727,093	$ 4,000,933	$ 4,064,574	$ 3,933,535	$ 3,270,774	$ (250,427)	$ 7,600,000	$ 136,747	$ 1,076,444	$ 28,559,673
Revenues:										
Local Tax Revenue	13,324,463	5,124,815	1,991,685	4,246,077	-	-	-	73,541	3,094,498	27,855,079
All Other Local Revenue	2,660,323	-	12,201	25,641	-	-	-	453	18,951	2,717,569
ICCB Grants	4,670,050	-	-	-	-	259,387	-	-	-	4,929,437
All Other State Revenue	1,081,319	-	-	-	-	964,873	-	-	-	2,046,192
Federal Revenue	90,373	-	-	-	-	19,952,813	-	-	-	20,043,186
Student Tuition and Fees	29,296,690	-	-	-	1,459,944	-	-	-	-	30,756,634
All Other Revenue	628,368	1,001,846	754,805	-	4,175,629	9,144	10,069	-	-	6,579,861
Total Revenue	51,751,586	6,126,661	2,758,691	4,271,718	5,635,573	21,186,217	10,069	73,994	3,113,449	94,927,958
Expenditures:										
Instruction	24,675,000	-	-	-	1,140,893	510,338	-	-	-	26,326,231
Academic Support	4,504,684	-	7,380	-	245,369	1,343,760	-	-	-	6,101,193
Student Services	4,376,345	-	-	-	-	697,000	-	-	-	5,073,345
Public Service/Continuing Education	438,665	-	-	-	1,389,907	595,643	-	-	-	2,424,215
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	4,209,810	900	-	-	-	4,210,710
Operations and Maintenance	-	5,352,799	2,615,955	-	-	58,685	-	-	1,518,732	9,546,171
Institutional Support	12,012,777	-	-	4,823,796	-	-	-	70,295	1,439,726	18,346,594
Scholarships, Student Grants, & Waivers	-	-	-	-	-	18,070,705	-	-	-	18,070,705
Total Expenditures	46,007,471	5,352,799	2,623,335	4,823,796	6,985,979	21,277,031	-	70,295	2,958,458	90,099,164
Net Transfers	(1,383,514)	-	(739,077)	739,077	1,393,583	-	(10,069)	-	-	-
Fund Balance, June 30, 2017	$ 9,087,694	$ 4,774,795	$ 3,460,853	$ 4,120,534	$ 3,313,951	$ (341,241)	$ 7,600,000	$ 140,446	$ 1,231,435	$ 33,388,467

PARKLAND COLLEGE DISTRICT #505
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2017

	Capital Assets / Long Term Debt			
	July 1, 2016	Additions	Deletions	June 30, 2017
Fixed Assets:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Land Improvements	44,114,920	545,763	-	44,660,683
Buildings, Additions, and Improvements	117,153,653	16,295	-	117,169,948
Equipment	19,247,843	1,297,047	-	20,544,890
Other Fixed Assets	1,152,050	2,317,007	(562,059)	2,906,998
Accumulated Depreciation	(71,503,412)	(7,690,105)	-	(79,193,517)
Net Fixed Assets	$ 112,006,799	$ (3,513,993)	$ (562,059)	$ 107,930,747
Fixed Debt:				
Bonds	$ 60,705,000	$ -	$ (2,130,000)	$ 58,575,000
Early Retirement Benefits	3,424,060	731,510	(471,337)	3,684,233
Capital Lease Obligations	38,657	-	(18,940)	19,717
Total Fixed Debt	$ 64,167,717	$ 731,510	$ (2,601,337)	$ 62,259,233

	Outstanding			
	July 1, 2016	Issued	Redeemed	June 30, 2017
Education Fund:				
Tax Anticipation Warrants	$ -	$ -	$ -	$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	$ -	$ -	$ -	$ -

PARKLAND COLLEGE DISTRICT #505
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
Local Government			
Local Taxes	$ 13,324,463	$ 5,124,815	$ 18,449,278
Chargeback Revenue	275,934	-	275,934
CPPRT	2,384,389	-	2,384,389
Total Local Government	15,984,786	5,124,815	21,109,601
State Government			
ICCB Base Operating Grant	4,441,460	-	4,441,460
ICCB Equalization Grant	228,590	-	228,590
ICCB Performance Grant	-	-	-
Other State	1,081,319	-	1,081,319
Total State Government	5,751,369	-	5,751,369
Federal Government			
Department of Education	90,373	-	90,373
Total Federal Government	90,373	-	90,373
Student Tuition and Fees			
Tuition	25,467,977	-	25,467,977
Fees	3,828,713	-	3,828,713
Total Student Tuition and Fees	29,296,690	-	29,296,690
Other Sources			
Sales and Service Fees	285,313	-	285,313
Facilities Revenue	-	921,481	921,481
Investment Revenue	199,424	5,238	204,662
Other	143,631	75,127	218,758
Total Other Sources	628,368	1,001,846	1,630,214
Total Operating Revenues	51,751,586	6,126,661	57,878,247
Less: Non-Operating Items			
Tuition Chargeback Revenue	(275,934)	-	(275,934)
Adjusted Operating Revenue	$ 51,475,652	$ 6,126,661	$ 57,602,313

PARKLAND COLLEGE DISTRICT #505
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	$ 24,675,000	$ -	$ 24,675,000
Academic Support	4,504,684	-	4,504,684
Student Services	4,376,345	-	4,376,345
Public Service/Continuing Education	438,665	-	438,665
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,352,799	5,352,799
Institutional Support	12,012,777	-	12,012,777
Scholarships, Grants, Waivers	-	-	-
Total Operating Expenditures by Program	46,007,471	5,352,799	51,360,270
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	$ 46,007,471	$ 5,352,799	$ 51,360,270
Operating Expenditures by Object:			
Salaries	$ 34,834,570	$ 1,874,925	$ 36,709,495
Employee Benefits	3,998,595	527,988	4,526,583
Contractual Services	1,456,780	465,735	1,922,515
General Materials and Supplies	2,362,011	332,341	2,694,352
Conference and Meeting Expenses	167,674	204	167,878
Fixed Charges	137,465	44,853	182,318
Utilities	10,434	2,077,779	2,088,213
Capital Outlay	529,874	28,974	558,848
Other	2,510,068	-	2,510,068
Total Operating Expenditures by Object	46,007,471	5,352,799	51,360,270
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	$ 46,007,471	$ 5,352,799	$ 51,360,270

PARKLAND COLLEGE DISTRICT #505
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2017

	Restricted Purposes Fund
Revenue by Source:	
State Government	
ICCB - Adult Education	$ 177,107
ICCB - ESLTP	26,611
ICCB - Perkins Program Improvement	55,669
Illinois State Board of Education	901,809
Other	63,064
Total State Government	1,224,260
Federal Government	
Department of Education	19,639,371
Department of Labor	17,023
Department of Transportation	296,419
Total Federal Government	19,952,813
Other Sources	
Other	9,144
Total Other Sources	9,144
Total Restricted Purposes Fund Revenues	$ 21,186,217

PARKLAND COLLEGE DISTRICT #505
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2017

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	$ 510,338
Academic Support	1,343,760
Student Services	697,000
Public Service/Continuing Education	595,643
Auxiliary Services	900
Operations and Maintenance	58,685
Institutional Support	-
Scholarships, Student Grants, and Waivers	18,070,705
Total Restricted Purposes Fund Expenditures by Program	$ 21,277,031
Expenditures by Object:	
Salaries	$ 1,428,342
Employee Benefits	196,678
Contractual Services	855,889
General Materials and Supplies	209,842
Travel & Conference/Meeting Expenses	169,114
Fixed Charges	3,832
Utilities	9,833
Capital Outlay	289,434
Scholarships, Grants, Waivers	18,070,705
Other	43,362
Total Restricted Purposes Fund Expenditures by Object	$ 21,277,031

PARKLAND COLLEGE DISTRICT #505
Current Funds Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2017

Instruction:	
Instructional Programs	$ 26,326,231
Academic Support:	
Library Center	1,093,512
Academic Computing Support	1,245,566
Other	3,754,735
Total Academic Support	6,093,813
Student Services Support:	
Admissions and Records	736,259
Counseling and Career Services	1,222,088
Financial Aid Administration	660,284
Other	2,454,714
Total Student Services Support	5,073,345
Public Service/Continuing Education:	
Community Education	210
Customized Training (Instructional)	1,686,326
Community Services	438,141
Other	299,538
Total Public Service/Continuing Education	2,424,215

PARKLAND COLLEGE DISTRICT #505
Current Funds Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2017

Auxiliary Services	4,210,710
Operations and Maintenance of Plant:	
Maintenance	931,181
Custodial Services	1,616,634
Grounds	506,117
Campus Security	1,399,864
Transportation	51,959
Utilities	2,101,864
Administration	169,129
Other	153,468
Total Operations and Maintenance of Plant	6,930,216
Institutional Support:	
Executive Management	407,964
Fiscal Operations	987,437
Community Relations	39,725
Board of Trustees	32,411
General Institutional	4,125,980
Institutional Research	311,564
Administrative Data Processing	1,812,380
Other	10,629,133
Total Institutional Support	18,346,594
Scholarships, Student Grants, and Waivers	18,070,705
Total Current Funds Expenditures	$ 87,475,829

PARKLAND COLLEGE DISTRICT #505
Certificate of Chargeback Reimbursement
For the Year Ended June 30, 2017

All Fiscal Year 2017 Non-Capital Audited Operating Expenditures from the Following Funds:	
Education	$ 45,477,597
Operations and Maintenance Fund	5,323,825
Restricted Purposes Fund	20,987,597
Audit Fund	70,295
Liability, Protection and Settlement Fund	2,917,972
Auxiliary Enterprise Fund (subsidy only)	1,350,406
Total Non-Capital Expenditures	76,127,692
Depreciation on Capital Outlay Expenditures from Sources Other than State and Federal Funds	3,969,370
Total Costs Included	80,097,062
Total Certified Semester Credit Hours for Fiscal Year 2017	136,051
Per Capita Cost	588.73
All fiscal year 2017 State and Federal Operating Grants for Non-Capital Expenditures, Except ICCB Grants	22,089,378
Fiscal Year 2017 State and Federal Grants Per Semester Credit Hour	162.36
District's Average ICCB Grant Rate (excluding equalization grants) for Fiscal Year 2018	26.94
District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2018	164.00
Chargeback Reimbursement Per Semester Credit Hour	$ 235.43

Approved: Christoph Rauels
Chief Fiscal Officer

Approved: Thomas R. Ramage
Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANT AND ADULT EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on the Financial Statements

We have audited the accompanying balance sheets of the Career and Technical Education Improvement and Adult Education and Family Literacy Grants of Parkland College District #505 (the College) as of June 30, 2017, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements and Compliance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the financial reporting provisions of the Illinois Community College Board (ICCB). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Management is also responsible for compliance with the requirements of the ICCB.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the ICCB '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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

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 entity'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 entity'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 the ICCB.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement grant and Adult Education and Family Literacy grants of the College at June 30, 2017, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Information

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 28) is presented for purposes of additional analysis as required by the ICCB and is not a required part of the basic grant program financial statements. This schedule is the responsibility of the College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

Report on Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with terms, covenants, provisions, or conditions of the Career and Technical Education-Program Improvement grant and Adult Education and Family Literacy grants as presented in the policy guidelines of the ICCB's *Fiscal Management Manual*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 19, 2017

PARKLAND COLLEGE DISTRICT #505
State Adult Education Restricted Funds
(State Basic and Performance)
Balance Sheet
June 30, 2017

ASSETS

	State Basic	Performance	Total
Cash	$ -	$ -	$ -

LIABILITIES AND FUND BALANCE

	State Basic	Performance	Total
Accounts Payable	$ -	$ -	$ -
Due to College	-	-	-
Total Liabilities	-	-	-
Fund Balance	-	-	-
Total Liabilities and Fund Balance	$ -	$ -	$ -

PARKLAND COLLEGE DISTRICT #505
State Adult Education Restricted Funds
(State Basic and Performance)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2017

	State Basic	Performance	Total
Revenues			
ICCB Grant	$ 120,596	$ 56,511	$ 177,107
Expenditures			
Instructional Student Services:			
Instruction	114,013	42,410	156,423
Social Work Services	-	-	-
Guidance Services	2,970	165	3,135
Assistive and Adaptive Equipment	-	-	-
Assessment and Testing	-	-	-
Student Transportation Services	-	-	-
Literacy Services	-	-	-
Childcare Services	-	-	-
Total Instructional Student Services	116,983	42,575	159,558
Program Support:			
Improvement of Instructional Services	1,288	9,970	11,258
General Administration	2,025	3,806	5,831
Operation and Maintenance of Plant Services	-	-	-
Workforce Coordination	-	-	-
Data and Information Services	300	160	460
Approved Indirect Costs	-	-	-
Total Program Support	3,613	13,936	17,549
Total Expenditures	120,596	56,511	177,107
Excess of Revenue Over Expenditures	-	-	-
Fund Balance, July 01, 2016	-	-	-
Fund Balance, June 30, 2017	$ -	$ -	$ -

PARKLAND COLLEGE DISTRICT #505
ICCB Compliance Statement for the Adult Education and Family Literacy Grant Expenditure Amounts and Percentages for ICCB Grant Funds Only
For the Year Ended June 30, 2017

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	$ 114,013	94.54%
General Administration (15 Percent Maximum Allowed)	2,025	1.68%

PARKLAND COLLEGE DISTRICT #505
Career and Technical Education
(Program Improvement)
Balance Sheet
June 30, 2017

ASSETS

Cash	$ -

LIABILITIES AND FUND BALANCE

Accounts Payable	$ -
Fund Balance	-
Total Liabilities and Fund Balance	$ -

PARKLAND COLLEGE DISTRICT #505
Career and Technical Education
(Program Improvement)
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2017

Revenue	
ICCB Grant	$ 55,669
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	-
Instructional Materials	-
Staff Development	-
Instructional Equipment	55,669
Total Expenditures	55,669
Excess of Revenues Over Expenditures	-
Fund Balance, June 30, 2016	-
Fund Balance, June 30, 2017	$ -

PARKLAND COLLEGE DISTRICT #505
Notes to the ICCB Grant Financial Statements
June 30, 2017

The Career and Technical Education-Program Improvement and Adult Education and Family Literacy Grant Programs were established as special revenue sub-funds of Parkland College District #505 (the College) to account for revenues and expenditures of the respective programs. These programs are administered by the Illinois Community College Board (ICCB). The following is a summary of the significant accounting policies followed by the College in respect to these funds.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2017. Funds obligated for goods prior to June 30 for which the goods 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 ICCB by October 15.

Budgets and Budgetary Accounting

Each year the College prepares a budget for the grants. The budget is prepared on the same basis of accounting as the records are maintained.

Capital Outlay

Capital outlay is charged to expenditure in the period which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenditures reflected in the statements include the cost of capital outlay purchased during the year rather than a provision for depreciation.

Certain capital outlay expenditures are accumulated in the General Fixed Assets Account Group of the College, for reporting specific to ICCB and in capital assets for external financial reporting on the statement of net position.

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Parkland College District #505
Champaign, Illinois

We have audited the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Parkland College District #505 (the College) for the year ended June 30, 2017.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Illinois Community College Board. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement, which is free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity'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 statement.

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

Opinion

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of the College for the year ended June 30, 2017 is fairly presented in accordance with the aforementioned guidelines.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement noted above. The information on Schedules 32 through 36 is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the financial statement. These schedules are the responsibility of the College's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. These schedules have been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated September 19, 2017, on our consideration of the College's internal control over financial reporting and 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 19, 2017

PARKLAND COLLEGE DISTRICT #505
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed
For the Year Ended June 30, 2017

Categories	Summer Unrestricted	Summer Restricted	Fall Unrestricted	Fall Restricted	Spring Unrestricted	Spring Restricted	Total Unrestricted	Total Restricted
	Total Reimbursable Semester Credit Hours by Term							
Baccalaureate	11,525.0	-	37,497.0	-	34,660.0	-	83,682.0	-
Business Occupational	282.0	174.0	2,053.5	-	1,601.5	-	3,937.0	174.0
Technical Occupational	1,289.5	22.0	8,368.5	195.0	7,824.5	42.0	17,482.5	259.0
Health Occupational	1,127.0	36.0	5,691.5	108.0	5,872.0	48.0	12,690.5	192.0
Remedial Developmental	784.0	-	7,545.0	-	4,701.0	-	13,030.0	-
Adult Basic/Secondary Education	153.0	237.0	510.0	1,746.0	445.0	1,513.0	1,108.0	3,496.0
TOTAL CREDIT HOURS CERTIFIED	15,160.5	469.0	61,665.5	2,049.0	55,104.0	1,603.0	131,930.0	4,121.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	106,722.5	86.0	106,808.5

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	7,843.0	101.0

District 2016 Equalized Assessed Valuation $ 5,220,775,341

Categories	Summer	Fall	Spring	Total
	Total Reimbursable Correctional Semester Credit Hours by Term			
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Developmental	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-
TOTAL CREDIT HOURS CERTIFIED	-	-	-	-

Signatures:

Chief Executive Officer (CEO)

Christopher Rawells

Chief Financial Officer (CFO)

PARKLAND COLLEGE DISTRICT #505
For the Year Ended June 30, 2017

Reconciliation of Total Semester Credit Hours

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	83,682.0	83,682.0	-	-	-	-
Business Occupational	3,937.0	3,937.0	-	174.0	174.0	-
Technical Occupational	17,482.5	17,482.5	-	259	259	-
Health Occupational	12,690.5	12,690.5	-	192	192	-
Remedial Developmental	13,030.0	13,030.0	-	-	-	-
Adult Basic / Secondary Education	1,108.0	1,108.0	-	3,496.0	3,496.0	-
Total Credit Hours Certified	131,930.0	131,930.0	-	4,121.0	4,121.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	106,722.5	106,722.5	-
Out-of-District on Chargeback or Contractual Agreement	86.0	86.0	-
Total	106,808.5	106,808.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	7,843.0	7,843.0	-
Dual Enrollment	101.0	101.0	-
Total	7,944.0	7,944.0	-

Reconciliation of Total Correctional Semester Credit Hours

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic/Secondary Education	-	-	-
Total Credit Hours Certified	-	-	-

PARKLAND COLLEGE DISTRICT #505
Documentation of Residency Verification Steps
For the Year Ended June 30, 2017

The following procedures detail the process for verifying the residency status of the students of Parkland College District #505.

Applicants

The residency status on application forms is normally determined by the address the student uses on their application form for admission. If the address is an in-district address, then the student is tagged by the College's Admissions Office as "D" for in-district. Likewise, if there is an out-of-district or out-of-state address, then a code of "I" or "U" is used, respectively.

However, there are some exceptions to the above procedures. If a student indicates an in-district address on the application but lists an out-of-district high school and the student is still in high school or a recent high school graduate, then the student will be tagged as an out-of-district student. The student will then have to provide residency proof, such as a copy of a driver's license, voter registration card, property tax statement, or other valid item providing verification of the student's address. If the emergency contact is listed at an address out-of-district and the student is less than 21 years of age, the same procedures listed above must be followed.

Students

If a student who is already in the College's computer system is changing an address from out-of-district to in-district, the College will change the address but not change the residency code. In order to change an out-of-district status to an in-district status, the student must complete the Request for Change of Residency paperwork and provide the required documentation. The request is then reviewed by the Director of Admissions and Enrollment Management, the Associate Director, or one of the Assistant Directors who makes the decision based upon suitable documentation provided by the student as listed in the previous section. This documentation will also include a letter from an employer stating that the student has been employed for at least 35 hours per week prior to registering for courses for the term in which the adjustment is to be made. For students under age 21, a notarized affidavit of non-support is also required.

Returned Mail

When mail is returned to the College in which the post office has provided a label indicating the forwarding address is out-of-district or out-of-state, the College will correct the address in the computer system.

PARKLAND COLLEGE DISTRICT #505
Background Information on State Grant Activity
For the Year Ended June 30, 2017

Unrestricted Grants

Base Operating Grants – General operating funds provided to colleges based upon credit enrollment.

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

Restricted Grants

Career and Technical Education – Program Improvement Grant – Grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they acquire. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Statewide Initiatives

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 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, and 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 child care facilities or provision.

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

PARKLAND COLLEGE DISTRICT #505
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2017

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

PARKLAND COLLEGE DISTRICT #505
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2017

Findings – ICCB Grant Compliance

No findings were noted in the prior fiscal year.

PARKLAND COLLEGE DISTRICT #505
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	**Federal CFDA Number**	**Identifying Number**		**Federal Expenditures**	**Provided to Subrecipients**
Department of Labor					
Passed through the Champaign County Regional Planning Commission					
WIA Youth Activities	17.259	16-1Y-6050-YETP		$ 17,023	$ -
Department of Transportation					
Passed through the Illinois Community College Board (ICCB)					
ICCB/IDOT HCCTP	20.205	HCCTP505		296,419	-
Department of Education					
Direct					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007			169,663	-
Federal Work Study (FWS)	84.033			155,712	-
Pell Grant Program	84.063			8,970,874	-
Federal Direct Loans	84.268			8,682,378	-
Federal Perkins Loan - July 1, 2016 Outstanding	84.038			90,079	-
Total Student Financial Aid Cluster			*	18,068,706	-
Other Direct Programs					
Title III	84.031A		*	398,257	-
Trio Cluster					
Trio Student Support Services	84.042a			295,516	-
Total Other Direct Programs				693,773	-
Passed through the Illinois Community College Board (ICCB)					
Adult Education - Basic	84.002a	50501 Federal Basic		136,530	-
EL/Civics Program	84.002a	50501 EL/CIVICS		60,000	-
Total CFDA 84.002a				196,530	-
V.E. Perkins IIC Special Populations and Other	84.048	CTE50517		386,283	-
Passed through Joliet Junior College					
Strengthening International Studies and Foreign Languages	84.016	None		15,044	-
Passed through the Illinois State Board of Education (ISBE)					
Title I - Migrant Education	84.011	None		290,663	-
Total Department of Education				19,650,999	-
National Endowment for the Arts					
Passed through the Illinois Arts Council Agency					
Promotion of the Arts	45.025	20160779		3,960	-
National Science Foundation					
Research Pheno Plasticity	47.074			1,487	-
Precision Ag Curriculum Enhancement	47.076			71,883	-
Total National Science Foundation				73,370	-
Department of Health and Human Services					
Passed through the Illinois Department of Human Services					
Child Care and Development Block Grant	93.575	None		1,121	-
Total Expenditures of Federal Awards				$ 20,042,892	$ -

*** -** Denotes a major program.

PARKLAND COLLEGE DISTRICT #505
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 37) includes the federal grant activity of Parkland College District #505 (the College) for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the College, which are presented in conformity with accounting principles generally accepted in the United States of America.

The College did not use the 10 percent de minimis indirect cost rate.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2017.

3. Property and Equipment

Property and equipment purchases that are presented as expenditures in the schedule may be capitalized by the College, if applicable.

4. Loans Outstanding

The College assigned the remaining Perkins Loan balances to the Department of Education during the year ended June 30, 2017. As of June 30, 2017, the outstanding balance is $0.

PARKLAND COLLEGE DISTRICT #505
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

1. Summary of Auditor's Results

(i) Type of audit report issued on the financial statements: Unmodified

(ii) The audit did not disclose a significant deficiency or a material weakness in internal control that is required to be reported in accordance with *Government Auditing Standards*.

(iii) The audit did not disclose instances of noncompliance material to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

(iv) The audit did not disclose a significant deficiency or a material weakness in internal control over a major federal award.

(v) Type of report issued on compliance for the major programs: Unmodified

(vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.

(vii) Major Programs:

U.S. Department of Education:

- Student Financial Aid Cluster
  - CFDA # 84.007
  - CFDA # 84.033
  - CFDA # 84.063
  - CFDA # 84.268
  - CFDA # 84.038
- Title III - CFDA # 84.031A

(viii) The dollar threshold used to distinguish Type A and Type B programs was $750,000.

(ix) The College does qualify as a low risk auditee.

2. Findings – Financial Statement Audit

None noted

3. Findings and Questioned Costs – Major Federal Award Programs Audit

None noted

PARKLAND COLLEGE DISTRICT #505
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

The College has no prior audit findings.

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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*

Board of Trustees
Parkland College District #505
Champaign, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Parkland College District #505 (the College) and its discretely presented component unit as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated September 19, 2017.

The financial statements of the College's discretely presented component unit 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 the College's discretely presented component unit.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 19, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on Compliance for Each Major Federal Program

We have audited Parkland College District #505'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 the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, 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, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 19, 2017