PARKLAND COLLEGE DISTRICT #505

Champaign, Illinois

Comprehensive Annual Financial Report

For the Years Ended

June 30, 2018 and 2017

C O N T E N T S

Martin | Hood

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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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (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, 2018 and 2017 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 13, the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 56, the Schedule of Proportionate Share of OPEB Liability- CIP on page 58, and the Schedule of Contributions – CIP on page 59 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, 2018 and 2017. 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 21, 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 October 2, 2018, 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 LLC

Champaign, Illinois
October 2, 2018

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, 2018, 2017 and 2016. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements 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 2018, 2017 and 2016 only.

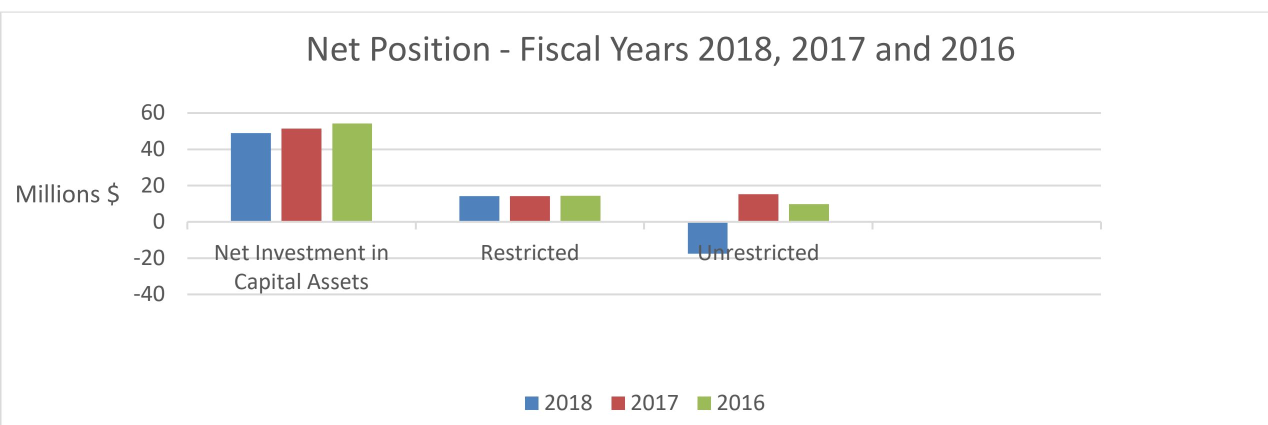
<u>Using This Annual Report</u>

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, 2018. Copies of the Foundation's annual audit can be obtained from the Foundation office at Parkland College.

Primary Institution Financial Highlights

<u>Comparative Net Position Chart</u>



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)

	2018	2017	2016
Current Assets	$ 51.2	$ 48.6	$ 42.8
Non-Current Assets:			
Capital Assets, Net of Depreciation	102.7	108.0	112.0
Total Assets	153.9	156.6	154.8
Deferred Outflows of Resources	0.6	0.3	0.4
Total Assets and Deferred Outflows of Resources	154.5	156.9	155.2
Current Liabilities	13.3	14.7	13.1
Non-Current Liabilities	92.9	61.4	63.7
Total Liabilities	106.2	76.1	76.8
Deferred Inflows of Resources	2.9	-	-
Net Position:			
Net Investment in Capital Assets	48.9	51.4	54.3
Restricted	14.1	14.2	14.4
Unrestricted	(17.6)	15.2	9.7
Total Net Position	$ 45.4	$ 80.8	$ 78.4

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 2018 Compared to 2017

In FY2018, the College implemented GASB 75 that includes recording of Other Post-Employment Benefits (OPEB). This requires recording the liability relating to these benefits. See Note 13 for additional information.

Net position decreased $35.4 million during fiscal year 2018. This decrease was due to a decrease in unrestricted net position related to OPEB of $36.4 million, offset by a $3.6 million increase in other unrestricted net position, and by decreases in net investment in capital assets and restricted net position of $2.5 million and $0.1 million, respectively.

Total liabilities increased by $30.1 million to $106.2 million. This increase was due to non-current liabilities increasing by $31.5 million and current liabilities decreasing by $1.4 million.

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

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.

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)

	2018	2017	2016
Operating Revenue:			
Tuition and Fees	$ 20.7	$ 19.8	$ 18.3
Auxiliary Enterprises	4.0	4.2	4.4
Other	1.4	1.6	2.1
Total	26.1	25.6	24.8
Less: Operating Expenses	109.6	102.6	101.4
Operating Loss	(83.5)	(77.0)	(76.6)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	7.7	7.0	4.4
Local Property Taxes	31.0	30.6	29.1
Federal Grants and Contracts	19.7	20.0	19.8
On-Behalf Payments	25.4	24.2	18.6
Interest Expense	(2.7)	(2.6)	(2.8)
Investment Income	0.4	0.2	0.1
Total	81.5	79.4	69.2
Increase (Decrease) in Net Position	(2.0)	2.4	(7.4)
Net Position, Beginning of Year	80.8	78.4	85.8
Cumulative Effect of GASB 75 Adoption	(33.4)	-	-
Net Position, End of Year	$ 45.4	$ 80.8	$ 78.4

Fiscal Year 2018 Compared to 2017

Operating revenues increased $0.5 million from the prior year. Operating revenue increased by $0.9 million in the tuition & fees category and was offset by a $0.2 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 $0.2 million combined with a decrease of $0.3 million in scholarship allowance from the prior year. This resulted in the increase in operating revenue as mentioned above.

In total, operating expenses increased by $7.0 million. This is due to an increase in academic support of $1.2 million and institutional support of $1.2 million along with an increase in on-behalf payments of $1.2 million and an increase in other postemployment benefits of $3.0 million.

The non-operating revenues increased by $2.2 million. This is due to the increase in on-behalf payments of $1.2 million along with increases in investment income earned of $0.2 million and increases in State Grants and Contracts of $0.7 million. 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).

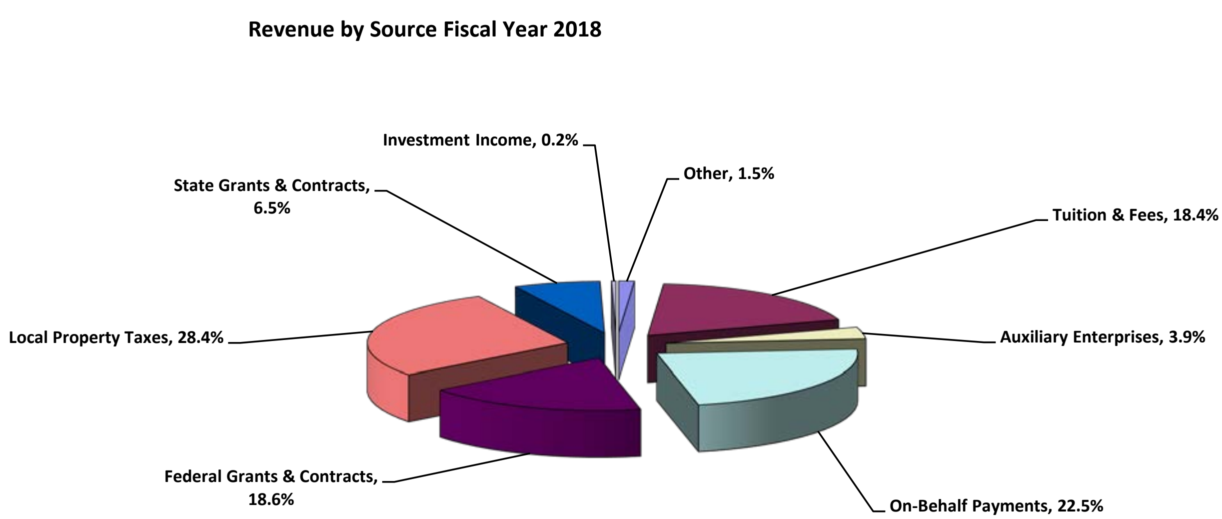
Fiscal Year 2017 Compared to 2016

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.

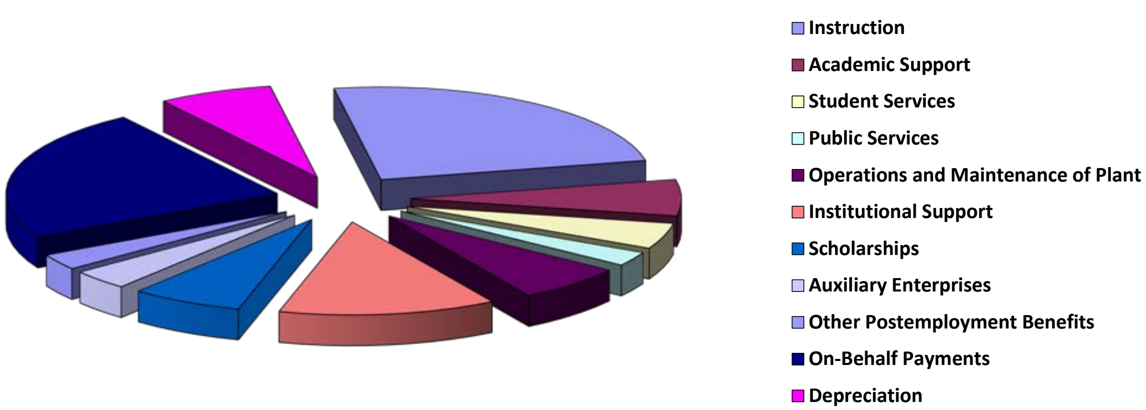
There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net position) or results of operation (revenue, expenses, and changes in net position).



Operating Expenses
For Year Ended June 30
(in millions)

	2018	2017	2016
Operating Expenses:			
Instruction	$ 26.8	$ 26.6	$ 28.5
Academic Support	6.9	5.7	6.9
Student Services	4.9	5.0	5.6
Public Service	2.7	2.4	2.6
Operations and Maintenance of Plant	7.1	6.8	7.4
Institutional Support	14.2	13.1	13.3
Scholarships	7.3	7.3	6.8
Auxiliary Enterprises	3.8	3.8	4.1
On-Behalf Payments	25.4	24.2	18.6
Other Postemployment Benefits	3.0	-	-
Depreciation	7.5	7.7	7.6
Total	$ 109.6	$ 102.6	$ 101.4

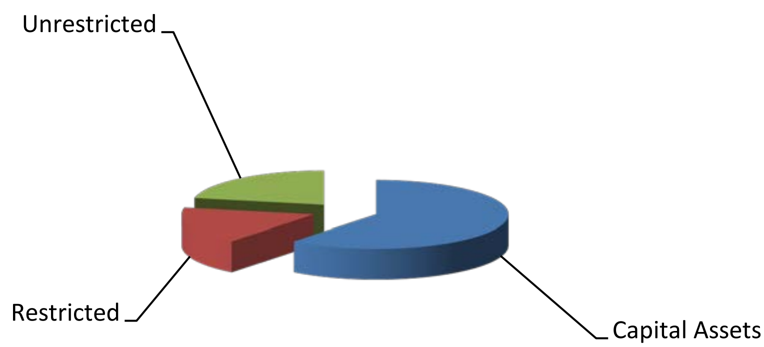
Operating Expenses Fiscal Year 2018



Analysis of Net Position
June 30
(in millions)

	2018	2017	2016
Net Position:			
Net Investment in Capital Assets	$ 48.9	$ 51.4	$ 54.3
Restricted	14.1	14.2	14.4
Unrestricted	(17.6)	15.2	9.7
Total	$ 45.4	$ 80.8	$ 78.4

Analysis of Net Position Fiscal Year 2018



Fiscal Year 2018 Compared to 2017

Total net position decreased by $35.4 million from fiscal year 2017 to fiscal year 2018. This included an equity restatement of $33.4 million. The net investment in capital assets decreased $2.5 million, or 4.9% 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 $0.1 million compared to the previous year and the unrestricted net position increased by $3.6 million during fiscal year 2018.

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.

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 2018, the College had $102.7 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and depreciation) of $5.3 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)

	2018	2017	2016
Land	$ 1.8	$ 1.8	$ 1.8
Construction in Progress	2.3	2.9	1.2
Buildings	75.1	79.2	82.9
Land Improvements	20.4	20.5	22.3
Equipment	3.1	3.6	3.8
Total	$ 102.7	$ 108.0	$ 112.0

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

PHS Bradley Entrance	$ 0.7
Equipment - Computers	0.6
PHS CDC/AE Roof	0.1
Total	$ 1.4

The College's fiscal year 2019 operating capital budget is $5.0 million. This capital budget will be used to finish the facility master plan and continue facility improvements.

Long-Term Debt Activity

The College's long-term debt increased during 2018 from $65.5 million to $97.4million. Net other postemployment benefit liabilities of $33.4 were recorded during the year. The general obligation bonds payable decreased $2.5 million during the year while the retirement obligation increased $0.5 million. The decrease in bond obligations was due to the annual bond principal payments made during the fiscal year. In August 2018, 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

In August of 2018, the College refinanced all of its outstanding bond debt. The Refunding Bond sale was very successful which is attributed to several factors including the College's health credit rating and financial position, strong market conditions at the time of the sale and marketing efforts of the underwriting team. The Refunding Bonds did not extend the payment schedule and will save nearly $6.6 million in aggregate.

For fiscal year 2019, the Parkland College Board of Trustees did not increase tuition rates for the first time since 1993. 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 4% - 5% EAV growth. With the passage of a FY19 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 third year with its health insurance administrator. The first couple of years yielded significant savings that will hopefully continue in FY19. The College continues to work with healthcare experts to determine the required actions of the College in the short and long term. The College hopes to realize savings on utilities through various green initiatives such as LED lighting, HVAC scheduling and a new waste hauling contract. Parkland continues to realize 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. Several items that have been completed are the transition to a new email system, singular password system and completion of the College website redesign. The College will continue to implement the technology master plan over the next several years with an emphasis on cybersecurity. The College recently had a cybersecurity consultation and is working toward employing specific recommendations from the report.

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 south B wing campus parking lots and walkways, exterior improvements (painting and staining, etc.) and campus energy savings improvements.

The College's approved operating budget for fiscal year 2019 is $57.5 million. The total College budget is $103.3 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 submitted the assurance argument to Higher Learning Commission during FY18.

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.

PARKLAND COLLEGE DISTRICT #505

Statements of Net Position

June 30, 2018 and 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2018	2017
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	$ 27,265,658	$ 20,320,926
Investments	6,145,051	6,056,261
Property Taxes Receivable, Net	1,584,865	909,392
Accounts Receivable, Net	1,790,349	6,655,106
Inventories	543,963	401,196
Prepaid Assets	1,000	11,729
Restricted:		
Cash and Cash Equivalents	12,719,879	12,896,155
Property Taxes Receivable, Net	342,865	214,875
Accounts Receivable, Net	782,796	1,124,037
Total Current Assets	51,176,426	48,589,677
Property and Equipment, Net	102,672,368	107,974,982
Total Assets	153,848,794	156,564,659
Deferred Outflows of Resources		
Deferred Charge on Refunding	164,420	241,590
Deferred Retirement Plan Contributions Subsequent to Measurement Date	84,337	72,189
Deferred Other Postemployement Benefit Contributions		
Subsequent to Measurement Date	371,734	-
Total Deferred Outflows of Resources	620,491	313,779
Total Assets and Deferred Outflows of Resources	$ 154,469,285	$ 156,878,438

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

	2018	2017
Current Liabilities		
Accounts Payable	$ 1,049,692	$ 2,541,901
Accrued Liabilities	2,666,941	2,753,716
Due to Student Groups	1,674,686	1,613,683
Due to Parkland Foundation	732,425	982,259
Unearned Revenue	2,663,019	2,656,620
Current Portion of Retirement Obligation	1,672,952	1,672,952
Capital Lease Obligations	-	19,717
Current Portion of Bonds Payable	2,830,000	2,495,000
Total Current Liabilities	13,289,715	14,735,848
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	4,158,773	3,684,233
Accrued Compensated Absences	1,613,549	1,600,878
Bonds Payable, Net of Current Portion	53,250,000	56,080,000
Net Other Postemployment Benefit Liability	33,871,311	-
Total Long-Term Liabilities	92,893,633	61,365,111
Total Liabilities	106,183,348	76,100,959
Deferred Inflows of Resources		
Other Postemployment Benefits	2,917,672	-
Net Position		
Net Investment in Capital Assets	48,921,300	51,375,273
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Debt Service	4,243,505	4,120,534
Purposes Allowed by Property Tax Levies	1,597,287	1,371,881
Aviation Program Operation	687,257	1,131,068
Unrestricted		
General Purposes	18,736,807	15,179,365
Related to OPEB	(36,417,249)	-
Total Net Position	45,368,265	80,777,479
Total Liabilities, Deferred Inflows, and Net Position	$ 154,469,285	$ 156,878,438

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Financial Position - Component Unit
June 30, 2018 and 2017

ASSETS

	2018	2017
Current Assets		
Due from Parkland College	$ 732,425	$ 982,259
Promises to Give, Net of Allowance of $0 and $5,000, Respectively	144,679	28,871
Total Current Assets	877,104	1,011,130
Property & Equipment, Net	1,291	2,582
Other Assets		
Investments	7,843,008	7,146,135
Promises to Give, Net of Current Portion, and Discount of $229,346 and $279,479, Respectively	349,328	414,195
Land Investment	2,026,109	1,999,709
Cash Surrender Value of Life Insurance	56,840	56,433
Other Assets	17,500	17,500
Total Other Assets	10,292,785	9,633,972
Total Assets	$ 11,171,180	$ 10,647,684

LIABILITIES AND NET ASSETS

	2018	2017
Current Liabilities		
Accounts Payable	$ -	$ 11,331
Accrued Vacation Payable	20,591	22,917
Total Current Liabilities	20,591	34,248
Long-Term Liabilities		
Land Investment Use Obligation	298,145	315,426
Total Liabilities	318,736	349,674
Net Assets		
Unrestricted	(2,011,058)	(1,997,088)
Temporarily Restricted	8,384,464	7,965,088
Permanently Restricted	4,479,038	4,330,010
Total Net Assets	10,852,444	10,298,010
Total Liabilities and Net Assets	$ 11,171,180	$ 10,647,684

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenues		
Student Tuition and Fees, Net of Scholarship		
Allowance of $10,416,589 and $10,721,748, Respectively	$ 20,707,270	$ 19,801,240
Auxiliary Enterprises Revenue	4,030,470	4,176,701
Other Operating Revenues	1,355,812	1,592,929
Total Operating Revenues	26,093,552	25,570,870
Operating Expenses		
Instruction	26,789,397	26,565,761
Academic Support	6,882,526	5,677,427
Student Services	4,932,335	4,977,179
Public Service	2,656,720	2,424,215
Auxiliary Expenses	3,785,335	3,838,950
Operation and Maintenance of Plant	7,106,843	6,760,534
Scholarships and Grants	7,345,752	7,348,957
Institutional Support	14,256,228	13,070,363
On-Behalf Payments	25,362,548	24,241,070
Other Postemployment Benefits	3,030,455	-
Depreciation and Amortization	7,499,953	7,720,432
Total Operating Expenses	109,648,092	102,624,888
Operating Income (Loss)	(83,554,540)	(77,054,018)
Non-Operating Revenues (Expenses)		
State Grants and Contracts	7,679,962	6,975,629
Local Property Tax Revenues	30,984,927	30,572,648
Federal Grants and Contracts	19,769,367	20,043,186
On-Behalf Payments	25,362,548	24,241,070
Investment Income Earned	415,851	233,382
Interest Expense	(2,680,535)	(2,657,127)
Total Non-Operating Revenues (Expenses)	81,532,120	79,408,788
Increase (Decrease) in Net Position	(2,022,420)	2,354,770
Net Position, Beginning of Year	80,777,479	78,422,709
Cumulative Effect of Adoption of GASB 75 for OPEB	(33,386,794)	-
Net Position, Beginning of Year as Restated	47,390,685	78,422,709
Net Position, End of Year	$ 45,368,265	$ 80,777,479

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Activities - Component Unit
For the Years Ended June 30, 2018 and 2017

	2018	2017
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	$ 189,788	$ 22,496
In-Kind Contributions	645,423	1,172,458
Special Events, Net of Direct Costs	63,953	104,314
Net Increase (Decrease) in Cash Surrender Value of Life Insurance	407	641
Net Assets Released from Restrictions	782,358	586,138
Total Support and Revenue	1,681,929	1,886,047
Expenses:		
Program Services		
Scholarships	438,587	342,075
Institutional Support	851,365	1,243,027
Total Program Services	1,289,952	1,585,102
Supporting Services		
Management and General	188,897	191,903
Fundraising	212,820	222,376
Total Supporting Services	401,717	414,279
Total Expenses	1,691,669	1,999,381
Reclassification of Net Assets	(4,230)	(24,673)
Change in Unrestricted Net Assets	(13,970)	(138,007)
Change in Temporarily Restricted Net Assets		
Support and Revenue:		
Contributions	653,228	844,519
Special Events, Net of Direct Costs	42,869	37,690
Interest and Dividends, Net of Fees	210,213	134,247
Net Realized and Unrealized Gain (Loss) on Investments	249,235	505,485
Net Unrealized Gain (Loss) on Land Investment	26,400	(213,899)
Change in Land Investment Use Obligation	17,281	13,296
Net Assets Released from Restrictions	(782,358)	(586,138)
Total Support and Revenue	416,868	735,200
Reclassification of Net Assets	2,508	22,538
Change in Temporarily Restricted Assets	419,376	757,738
Change in Permanently Restricted Net Assets		
Support and Revenue:		
Contributions	147,306	101,505
Total Support and Revenue	147,306	101,505
Reclassification of Net Assets	1,722	2,135
Change in Permanently Restricted Net Assets	149,028	103,640
Change in Net Assets	554,434	723,371
Net Assets, Beginning of Year	10,298,010	9,574,639
Net Assets, End of Year	$ 10,852,444	$ 10,298,010

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Student Tuition and Fees	$ 21,915,390	$ 18,972,241
Payments to Suppliers	(19,261,639)	(14,893,708)
Payments to Employees and Benefits Paid	(48,314,659)	(47,442,063)
Payments for Financial Aid and Scholarships	(7,345,752)	(7,348,957)
Auxiliary Enterprise Charges	4,030,470	4,176,701
Net Receipts from (Disbursements to) Parkland Foundation	(249,834)	262,424
Other Receipts	1,355,812	1,592,929
Net Cash Provided by (Used in) Operating Activities	(47,870,212)	(44,680,433)
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	30,181,464	30,584,215
State Grants and Contracts	11,342,998	3,119,550
Federal Grants and Contracts	20,110,608	19,764,609
Net Cash Provided by (Used in) Non-Capital Financing Activities	61,635,070	53,468,374
Cash Flows from Capital and Related Financing Activities		
Purchase of Property and Equipment	(2,744,036)	(3,519,680)
Refund of Purchase of Property and Equipment	546,698	-
Principal Paid on Capital Lease Obligations	(19,717)	(18,940)
Principal Paid on Bonds	(2,495,000)	(2,130,000)
Interest Paid on Bonds	(2,611,408)	(2,693,796)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(7,323,463)	(8,362,416)
Cash Flows from Investing Activities		
Purchase of Investments	(2,574,634)	(2,574,417)
Proceeds from Maturing of Investments	2,485,844	2,539,087
Interest on Cash and Cash Equivalents	415,851	233,382
Net Cash Provided by (Used in) Investing Activities	327,061	198,052
Net Increase (Decrease) in Cash and Cash Equivalents	6,768,456	623,577
Cash and Cash Equivalents, Beginning of Year	33,217,081	32,593,504
Cash and Cash Equivalents, End of Year	$ 39,985,537	$ 33,217,081
On the Statement of Net Position as Follows:		
Unrestricted - Cash and Cash Equivalents	$ 27,265,658	$ 20,320,926
Restricted - Cash and Cash Equivalents	12,719,879	12,896,155
Cash and Cash Equivalents, End of Year	$ 39,985,537	$ 33,217,081

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ (83,554,540)	$ (77,054,018)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization Expense	7,499,953	7,720,432
On-Behalf Payments	25,362,548	24,241,070
Other Postemployment Benefit Expense	3,030,455	-
Changes in Assets, Deferred Outflows, and Liabilities:		
Accounts Receivable, Net	1,201,721	(1,009,305)
Inventories	(142,767)	8,848
Prepaids	10,729	(11,729)
Deferred Retirement Plan Contributions Subsequent to Measurement Date	(12,148)	(18,386)
Accounts Payable	(1,492,209)	1,034,442
Accrued Liabilities	(78,733)	(357,473)
Due to Student Groups	61,003	20,978
Due to Parkland Foundation	(249,834)	262,424
Unearned Revenue	6,399	180,306
Retirement Obligations	474,540	419,410
Accrued Compensated Absences	12,671	(117,432)
Net Cash Provided by (Used in) Operating Activities	$ (47,870,212)	$ (44,680,433)

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

	2018	2017
Property and Equipment Additions from Capitalized Interest	$ -	$ 108,149

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, 2018 and 2017 was $2,821,986 and $2,309,317, 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 2017 tax levy was passed by the Board of Trustees on December 2017. 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 2017 tax levy be allocated and recognized 55 percent in fiscal year 2018 and 45 percent in fiscal year 2019. Property tax revenue for the years ended June 30, 2018 and 2017 were from the 2017 and 2016 levies and the 2016 and 2015 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, 2018 and 2017, 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 and for site improvements and buildings is $25,000 per project. 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.

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 three items that qualify for reporting in this category. These items, deferred charge on refunding and deferred retirement plan contributions subsequent to measurement date, and deferred other postemployment benefit (OPEB) 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, 2018 and 2017. The OPEB contributions subsequent to measurement date deferred outflow item is the amount of contributions made by the College to the Community College Health Insurance Security Fund (CIP) for health insurance benefits on grant funded salaries during the years ended June 30, 2018 and 2017. These contributions occurred after the SURS and CIP measurement dates of June 30, 2017 and 2016 for the net pension liability and net OPEB liability and will be included in the net pension liability and net OPEB liability measurement at June 30, 2018 and 2017, and pension expense and other postemployment 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. Other postemployment benefit related deferred inflows qualify for reporting in this category at June 30, 2018. The other postemployment benefit deferred inflow consists of the unamortized portion of changes in assumptions and the net difference between projected and actual experience of the total OPEB liability.

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 purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan net position of the Community College Health Insurance Security Fund (CIP) and additions to/deduction from CIP's plan net position has been determined on the same basis as they are reported by CIP. 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. In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement requires that interest costs incurred before the completion of a construction period be expensed in the period the cost is incurred as opposed to being capitalized as part of the asset's historical cost. This College has early adopted this statement and it is effective for the year ended June 30, 2018 and will be applied prospectively.

t. During Fiscal Year 2018, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, became effective. A specific change to the College's financial statements relates to the recognition of the College's OPEB Liabilities and related Deferred Inflows of Resources and Deferred Outflows of Resources with a net value of $36,417,249 that was not previously reported on the financial statements. Restatement of prior periods presented was not practical due to no Net OPEB Liability allocated to the College at June 30, 2015, so the College recorded a restatement of net position at July 1, 2017 of $33,386,794 for the cumulative effect of all prior periods.

3. Over Expenditure of Legal Budgets

The College over expended its legally adopted budget for the following fund in fiscal year 2018. 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 $2,455. The over expenditure was due to audit expenses being higher than expected.

4. Deposits and Investments

Investments

At June 30, 2018 and 2017, the College held the following investments:

	2018	2017
Certificates of Deposit		
Non-Negotiable	$ 3,166,886	$ 4,566,615
Negotiable	2,978,165	1,489,646
Total Investments	$ 6,145,051	$ 6,056,261

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, 2018, $27,034,908 of the College's $27,564,482 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, 2018 and 2017, the College held $13,049,989 and $10,628,569, 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, 2018 and 2017, the College held a total of $1,893 and $2,128, 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, 2018 and 2017, the District held the following investments subject to interest rate risk:

	Carrying Value	Weighted Average Maturity (Years)
Negotiable Certificates of Deposit	$ 2,978,165	1.98

5. Accounts Receivable, Net

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

	2018	2017
Tuition Receivables from Students, Net	$ 901,219	$ 803,862
State Replacement Tax	334,434	376,758
Tuition Receivables from Agencies	309,617	1,529,190
Grants from Federal and State Sources	782,796	1,124,037
Unrestricted State Funding	55,500	3,411,916
Other Receivables	189,579	533,380
Total Accounts Receivable, Net	$ 2,573,145	$ 7,779,143
Unrestricted	$ 1,790,349	$ 6,655,106
Restricted	782,796	1,124,037
Total Accounts Receivable, Net	$ 2,573,145	$ 7,779,143

6. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2018:

	June 30, 2017	Additions	Disposals	June 30, 2018
Assets Not Being Depreciated:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in Progress	2,906,998	1,521,984	2,101,302	2,327,680
Assets Being Depreciated:				
Buildings	117,169,948	-	546,698	116,623,250
Land Improvements	44,660,683	2,101,302	-	46,761,985
Equipment	22,887,066	1,222,053	-	24,109,119
Total Property and Equipment	189,466,440	4,845,339	2,648,000	191,663,779
Less: Accumulated Depreciation				
Buildings	(37,938,789)	(3,589,119)	-	(41,527,908)
Land Improvements	(24,150,255)	(2,308,597)	-	(26,458,852)
Equipment	(19,402,414)	(1,602,237)	-	(21,004,651)
Total Accumulated Depreciation and Amortization	(81,491,458)	(7,499,953)	-	(88,991,411)
Property and Equipment, Net	$ 107,974,982	$ (2,654,614)	$ 2,648,000	$ 102,672,368

The building disposal represented above consists entirely of a refund received by the College during 2018 for costs incurred in construction of the student services building which was placed in service in Fiscal Year 2015.

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	(73,771,026)	(7,720,432)	-	(81,491,458)
Property and Equipment, Net	$ 112,067,586	$ (3,530,545)	$ 562,059	$ 107,974,982

7. Unearned Revenue

Unearned revenue consists of the following at June 30:

	2018	2017
Unearned Student Tuition and Fees	$ 2,076,864	$ 2,314,283
Other Unearned Revenue	586,155	342,337
Total Unearned Revenue	$ 2,663,019	$ 2,656,620

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2018:

	June 30, 2017	Additions	Retired	June 30, 2018	Due Within One Year
Compensated Absences	$ 1,600,878	$ 1,430,000	$ 1,417,329	$ 1,613,549	$ -
Bonds	58,575,000	-	2,495,000	56,080,000	2,830,000
Retirement Obligation	5,357,185	2,169,379	1,694,839	5,831,725	1,672,952
Other Postemployment Benefit	33,802,905	310,655	242,249	33,871,311	-
Capital Lease Obligations	19,717	-	19,717	-	2,830,000
Total Long-Term Debt	$ 99,355,685	$ 3,910,034	$ 5,869,134	$ 97,396,585	$ 7,332,952

Other postemployment liability at June 30, 2017 presented above is included in the equity restatement on July 1, 2017.

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 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, 2018 was $30,360,000.

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, 2018, was $18,800,000.

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, 2018 was $6,920,000.

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 3.64 percent of such revenues. The principal and interest payments for fiscal years 2018 and 2017 were $743,978 and $742,503, respectively. The College's pledged revenues totaled $20,588,647 and $20,205,156 for fiscal years 2018 and 2017, respectively. At June 30, 2018, pledged future revenues totaled $8,896,980, 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
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	4,670,000	1,866,899	6,536,899
2024-2028	31,440,000	5,371,515	36,811,515
2029-2030	6,105,000	181,500	6,286,500
	$ 56,080,000	$ 16,629,658	$ 72,709,658

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	
2019	$ 77,170
2020	65,220
2021	22,030
	$ 164,420

Total amortization for the year ended June 30, 2018 and 2017 was $77,170. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2018 and 2017 was $2,680,536 and $2,765,275, respectively, including the amortization of the refunding expense. Of this amount, $0 and $108,149, respectively, was capitalized as part of the cost of multiple capital projects that were in progress during the fiscal year. The remaining $2,680,535 and $2,657,127, 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, 2018 and 2017, $2,500,000 and $3,175,000 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. Two of the office leases expire on September 30, 2018, one expires on June 30, 2019, and the other expires on June 30, 2023. 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, 2018 and 2017. The carrying value was $3,024,000 and $3,081,600 at June 30, 2018 and 2017, 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,		
2019	$	173,071
2020		79,535
2021		76,635
2022		76,635
2023		26,760
Thereafter		91,430
Total	$	524,066

10. Lease Commitments

The College is obligated under various non-cancellable operating leases for office equipment with terms expiring at various dates from October 2018 through June 2022. The College is obligated under one non-cancellable lease for a communications tower running through July 2028. 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,		
2019	$	114,504
2020		108,981
2021		108,248
2022		30,131
2023		12,442
Thereafter		62,001
Total	$	436,307

Total rental expense for leased equipment and facilities for the years ending June 30, 2018 and June 30, 2017, was $114,364 and $113,221, 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 $5,833 and $5,304 for each of the years ended June 30, 2018 and 2017. The initial stipend will be based on the July 1 rate closest to the retiree’s retirement date. At June 30, 2018 and 2017, this early retirement plan had 88 and 83 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, 2018 and 2017, this early retirement plan had 26 and 16 active participants, respectively.

Early retirement plan expense was $2,169,379 and $1,939,433 for fiscal years 2018 and 2017, respectively. At June 30, 2018 and 2017, the College had accrued a liability of $5,831,725 and $5,357,185, 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 5 and 4.25 percent at June 30, 2018 and 2017, 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, 2017 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 2017 and 2018 respectively, was 12.53 percent and 12.46 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, 2017, SURS reported a net pension liability (NPL) of $25,481,105,995.

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 $236,643,031 or 0.9287 percent. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2017, and the total pension used to calculate the net pension liability was determined based on the June 30, 2016 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 2017.

Pension Expense

At June 30, 2017, SURS reported a collective net pension expense of $2,412,918,129.

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 2017. As a result, the College recognized on-behalf revenue and pension expense of $22,408,771 for the fiscal year ended June 30, 2018.

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	$139,193,227	$1,170,771
Changes in assumption	205,004,315	259,657,577
Net difference between projected and actual earnings on pension plan investments	94,620,827	0
Total	$ 438,818,369	$ 260,828,348

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

Fiscal Year Ending June 30	
2018	$ 55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
Total	$ 177,990,021

Employer Deferral of Fiscal Year 2017 Pension Expense

The College paid $84,337 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date of June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2018.
Assumptions and Other Inputs

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2017, 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, 2017, 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%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	1%	6.71%
Total	100%	
Weighted Average		5.20%
Inflation		2.75%
Expected Arithmetic Return		7.95%

Discount Rate

A single discount rate of 7.09 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 3.56 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 7.09 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
$30,885,146,279	$25,481,105,995	$20,997,457,586

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.

13. Post-Employment Benefits Other Than Pension (OPEB)

Plan Description

The College participates in the State of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program "CIP"). CIP is a non-appropriated trust fund held outside the State Treasury, with State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. The Department of Central Management Services (Department) administers the plan with the cooperation of SURS and the boards of trustees of the various community college districts. Separate financial statements, including required supplementary information, may be obtained from the Department at 715 Stratton Office Building, Springfield, Illinois, 62706.

Plan Membership

All members receiving benefits from the SURS who have been full-time employees of a community college district or an association of a community who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

Benefits Provided

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

Contributions

The Act requires every active contributor (employee) of SURS to contribute .5% of covered payroll and every community college district to contribute .5% of covered payroll. Retirees pay a premium for coverage that is also determined by the ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires a special funding situation whereby the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the District to CIP and the College's contributions for the years ended June 30, 2018 and 2017 were and $159,254 and $161,139, respectively.

Net OPEB Liability

At June 30, 2017, CIP reported a net pension liability of $1,823,636,957.

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the College is $33,871,311. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of special funding situation. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined based on the June 30, 2016 actuarial valuation rolled forward. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2017, the College's proportion was 1.8573 percent.

OPEB Expense

At June 30, 2017, CIP reported a collective net OPEB expense of $169,446,479.

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2018, the College recognized proportionate share of collective OPEB expense of $3,030,455. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during fiscal year 2017.

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

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

Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$0	$95,863
Changes in assumption	0	2,821,452
Net difference between projected and actual earnings on pension plan investments	212,480	357
Total deferred amounts to be recognized in OPEB expense in future periods	212,480	2,917,672
OPEB contributions made subsequent to the measurement date	159,254	0
Total deferred amounts related to OPEB	$371,734	$2,917,672

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

Fiscal Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	$ 42,496	$ 583,534
2019	42,496	583,534
2020	42,496	583,534
2021	42,496	583,534
2022	42,496	583,534
Total	$ 212,480	$ 2,917,672

Employer Deferral of Fiscal Year 2017 OPEB Expense

The College paid $159,254 in OPEB contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2018.

Assumptions and Other Inputs

The total CIP plan's net OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

- Inflation – 2.75 percent
- Salary increases – depends on service and ranges from 10.00 percent at less than 1 year of service to 3.75 percent at 34 or more years of service. Salary increases include a 3.75 percent wage inflation assumption.
- Investment rate of return – 0 percent, net of OPEB plan investment expense, including inflation
- Healthcare cost rend rates – actual trend used for fiscal year 2017. For fiscal years on or after 2018, trend starts at 8.00 percent and 9.00 percent for non-Medicare costs and post Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.50 percent. Additional trend rate of 0.52 percent is added to non-Medicare cost on and after 2020 to account for the Excise tax.

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

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

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85 percent as of June 30, 2016 and 3.56 percent as of June 30, 2017.

Change in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2016	$ 33,092,172	$ (710,733)	$ 33,802,905
Changes for the year:			
Service Cost	2,747,916	-	2,747,916
Interest on Total OPEB Liability	1,013,792	-	1,013,792
Differences Between Expected and Actual Experience of the Total OPEB Liability	(115,035)	-	(115,035)
Changes of Assumptions	(3,385,735)	-	(3,385,735)
Employer Contributions	-	161,139	(161,139)
Active Member Contributions	-	81,110	(81,110)
Net Investment Income - Projected	-	446	(446)
Benefit Payments, including Refunds of Employee Contributions	(425,667)	(425,667)	-
Operating Expenses	-	(53,603)	53,603
Other	-	3,440	(3,440)
Net Changes	(164,729)	(233,135)	68,406
Balances at June 30, 2017	$ 32,927,443	$ (943,868)	$ 33,871,311

June 30, 2016 balances presented above is included in the equity restatement at July 1, 2017.

Sensitivity of total CIP's net OPEB liability to changes in the Single Discount Rate

The following presents the College's proportional share of the net OPEB liability, calculated using a Single Discount Rate of 3.56 percent, as well as what the total CIP's plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-perctnage-point higher (4.56 percent) than the current discount rate:

1% Decrease 2.56%	Current Single Discount Rate Assumption 3.56%	1% Increase 4.56%
$38,737,306	$33,871,311	$29,676,185

Sensitivity of the total CIP's plan Net OPEB liability to changes in the healthcare cost trend rates

The following presents the College's share of the net OPEB liability, calculated using the healthcare cost trend rates as well as what the total CIP's net OPEB liability would be if it were calculated using healthcare cost trend rates. The key trend rates are 8.00 percent in 2018 decreasing to an ultimate trend rate of 5.02 percent in 2025, for non-Medicare coverage and 9.00 percent in 2018 decreasing to an ultimate trend rate of 4.5 percent in 2027 for Medicare coverage.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$28,099,685	$33,871,311	$42,223,533

- One percentage point decrease in healthcare trend rates are 7.00 percent in 2018 decreasing to an ultimate trend rate of 4.02 percent in 2025, for non-Medicare coverage and 8.00 percent in 2018 decreasing to an ultimate trend rate of 3.5 percent in 2027 for Medicare coverage.

- One percentage point increase in healthcare trend rates are 9.00 percent in 2018 decreasing to an ultimate trend rate of 6.02 percent in 2025, for non-Medicare coverage and 10.00 percent in 2018 decreasing to an ultimate trend rate of 5.5 percent in 2027 for Medicare coverage.

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

14. On-Behalf Payments for Fringe Benefits

For the years ending June 30, 2018 and 2017, payments for fringe benefits made by the State of Illinois on behalf of the College to SURS were $22,408,771 and $24,079,931 for pensions and to CIP were $159,254 and $161,139 for other postemployment benefits, respectively.

15. 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, 2018 and 2017, the net amount owed to the Foundation was $732,425 and $982,259, respectively.

- During the years ended June 30, 2018 and 2017, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of $148,865 and $169,804, 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, 2018 and 2017, was $851,365 and $1,243,027, 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 2018 or 2017.

16. 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, 2018 and 2017, the submitted and estimated accrued claims were $720,000 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, 2018 and 2017 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:

	2018	2017
Accrued Claims, Beginning of Year	$ 720,000	$ 1,050,000
Incurred Claims	4,604,976	4,218,371
Claim Payments	(4,604,976)	(4,548,371)
Accrued Claims, End of Year	$ 720,000	$ 720,000

17. 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.

18. 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, 2018.

	Due to	Due from
Education Fund	$ -	$ 498,699
Restricted Purposes Fund	498,699	-
Total Inter-Sub-Fund Balances	$ 498,699	$ 498,699

	Transfer in	Transfer out
Education Fund	$ 8,912	$ 1,004,773
Bond and Interest Fund	710,031	-
Operations and Maintenance Fund - Restricted	-	710,031
Working Cash Fund	-	8,912
Auxiliary Athletics Fund	732,000	-
Auxiliary Reprographics	50,000	-
Auxiliary Business Development Center Fund	773	-
Auxiliary Student Government Fund	86,000	-
Auxiliary Prospectus Fund	11,000	-
Auxiliary Child Care Services Fund	125,000	-
Total Transfers	$ 1,723,716	$ 1,723,716

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

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

19. Other 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 $1,310,000 at June 30, 2018.

The College has a contract for the purchase of electricity through December 2020. The contract contains a set rate of $.04272 per kilowatt hours. Total electricity charges for the fiscal year ending June 30, 2018, were $1,174,399.

The College entered into a three-year software contract through August 2020 with annual fees of approximately $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. The remaining commitment on these contracts was approximately $2,058,000 at June 30, 2018.

20. Discretely Presented Component Unit

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

A. Nature of Organization

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 Parkland Community College, Community College District #505 (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 operates to secure gifts that support the mission of the College, its students, faculty and programs through scholarships and other forms of institutional support. 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 accounting principles generally accepted in the United States. 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, 2018 and 2017, was 5.00 and 4.25 percent, respectively, for promises to give of ten years or less. Promises to give of ten years or more are discounted at an effective interest rate of 4.23 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 $0 and $5,000 at June 30, 2018 and 2017, respectively.

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

   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. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are 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 September 14, 2018, the date which the financial statements were available to be issued.

C. Promises to Give

Promises to give at June 30, 2018, consist of amounts due in:

Less than One Year	$	144,679
One to Five Years		40,000
More than Five Years		538,674
Gross Promises to Give		723,353
Less: Discount on Long Term Promises to Give		(229,346)
Total Promises to Give, Net	$	494,007

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

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, 2018.

Cash and Cash Equivalents – Valued at the cash balance available to the Foundation as of June 30, 2018

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, 2018:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	$ 953,990	$ 953,990	1
Fixed Income Funds/Bonds	2,399,175	2,327,695	1
Mutual Funds	3,417,242	4,561,323	1
Total	$ 6,770,407	$ 7,843,008	

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	

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 various inputs, including sale prices for similar land sales in Champaign County, and was estimated to be valued at $2,026,109 at June 30, 2018.

The use obligation value is based on average cash rents, in Champaign County per the United States Department of Agriculture, discounted using an effective interest rate of 5.00 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 $298,145 at June 30, 2018.
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, 2018 and 2017, 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, 2018 and 2017, 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, 2018, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year, July 1, 2017	$ -	$3,039,975	$4,106,160	$7,146,135
Contributions (Distributions)	-	152,180	85,245	237,425
Interest and Dividends	-	217,230	-	217,230
Net Realized and				-
Unrealized Gain	-	249,235	-	249,235
Fees	-	(7,017)	-	(7,017)
Net Transfers Between Funds	-	1,060	(1,060)	-
End of Year, June 30, 2018	$ -	$3,652,663	$4,190,345	$7,843,008

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

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, 2018, the Foundation has investments in financial institutions in excess of the amounts insured by the SIPC in the amount of $7,343,008. Of the uninsured balance, $7,214,401, 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, 2018, consist of the following:

Furniture & Fixtures	$ 32,431
Equipment	15,886
Less: Accumulated Depreciation	(47,026)
Property and Equipment, Net	$ 1,291

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

G. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 are available for the following purposes:

Institutional Programs and Support	$	2,533,807
Unallocated Cumulative Investment Income		2,529,754
Land Investment		2,026,109
Scholarships		1,470,876
Promises to Give, Net Allowance and Discount		67,325
Other		54,738
Land Investment Use Obligation		(298,145)
Total	$	8,384,464

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

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

H. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2018, are restricted with earnings to be used for the following purposes:

Scholarships	$	3,219,904
Institutional Programs and Support		949,974
Promises to Give, Net Allowance and Discount		283,911
Other		25,249
Total	$	4,479,038

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

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 support to the Foundation by way of a related party loan to replenish restricted funds for operating expenditures. The balances in these accounts was $732,425 and $982,259 at June 30, 2018 and 2017, respectively, and have been classified as "Due from Related Party" 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, 2018 and 2017, the amount contributed and included as in-kind revenues totaled $148,865: $113,291 in salaries, $17,609 in benefits, $16,606 in facility space and utilities, $1,359, and $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, respectively.

During the years ended June 30, 2018 and 2017 the Foundation donated certain in-kind items to the College totaling $490,873 and $995,980, 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 $360,492 and $247,047, respectively. These items are classified as Institutional Support in the Statement of Changes in Net Assets.

J. Concentration of Revenue

The Foundation received $610,000 or 27 percent, of its total support and revenue from two donors, and $1,212,500 or 45 percent, of its total support and revenue from two donors for the years ended June 30, 2018 and 2017, respectively, of which $350,000 and $952,200, 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, 2018. 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 Standards

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. 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.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts from Customers (Topic 606)*, and subsequently issued clarifying ASUs 2015-14, 2016-08, 2016-10, and 2016-12, hereafter referred to as “the clarifying ASUs”. The provisions of ASU 2014-09 and the clarifying ASUs require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer or promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance, except as related to contributions and grants, in GAAP when it becomes effective. The standard will be effective for periods beginning after December 15, 2017 (Fiscal Year 2019). Early adoption is permitted. The Foundation has yet to select a transition method and is currently evaluating the effect, if any, that the updated standard will have on future financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The provisions of the ASU update existing guidance related to the recognition of revenue from contributions and grants. The standard will be effective for periods beginning after December 15, 2017 (Fiscal Year 2019) in 2019. Early adoption is permitted. The Foundation has yet to select a transition method and is currently evaluating the effect, if any, that the updated standard will have on future financial statements.

21. 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 2018, which are subsequent to the SURS net pension liability measurement date of June 30, 2017.

22. Subsequent Event

On August 14 and 28, 2018, the College issued Series 2018A, 2018B, and 2018C Refunding Bonds for a principal amount of $49,510,000. The newly issued bonds refunded the balances of the 2009, 2010A, and 2010B general obligation community college bonds. The bonds will mature annually beginning in 2019 and run through 2029. The interest rates on these bonds range from 2.80 percent to 5.00 percent. The College expects a significant economic benefit resulting from the offer price and the interest rates over the life of the bonds.

PARKLAND COLLEGE DISTRICT #505
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - SURS For the Year Ended June 30, 2018
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
a) Parkland's Proportionate Percentage of the Collective Net Pension Liability	0%	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	236,643,031
Total b) + c)	$ 202,577,602	$ 219,570,648	$ 243,648,397	$ 236,643,031
Parkland Defined Benefit Covered Payroll	$ 33,831,347	$ 33,645,622	$ 33,863,462	$ 32,745,297
Proportion of Collective Net Pension Liability Associated with Parkland as a Percentage of Defined Benefit Covered Payroll	599%	653%	720%	723%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%

Required Supplementary Information
Schedule of Contributions - SURS
For the Year Ended June 30, 2018
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Parkland's Federal, Trust, Grant, and Other Contribution	$ 35,613	$ 49,760	$ 53,803	$ 72,189	$ 84,337
Parkland's Contribution in Relation to Required Contribution	35,613	49,760	53,803	72,189	84,337
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Parkland's Covered Payroll	$ 299,018	$ 424,937	$ 423,983	$ 576,129	$ 676,862
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%

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, 2017.

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
Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability - CIP
For the Year Ended June 30, 2018
(Unaudited)

	Fiscal Year 2016	Fiscal Year 2017
a) Parkland's Proportionate Percentage of the Collective Net OPEB Liability	1.843339%	1.857349%
b) Parkland's Proportionate Amount of the Collective Net OPEB Liability	$ 33,547,933	$ 33,871,311
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Parkland	34,954,080	33,425,197
Total b) + c)	$ 68,502,013	$ 67,296,508
Parkland's Covered-Employee Payroll	$ 33,413,130	$ 32,227,736
Parkland's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered-Employee Payroll	100%	105%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

PARKLAND COLLEGE DISTRICT #505
Required Supplementary Information
Schedule of Contributions- CIP
For the Year Ended June 30, 2018
(Unaudited)

Year Ended June 30	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	$ 159,254	$ 31,850,706	0.50%
2017	$ 161,139	$ 32,227,736	0.50%
2016	$ 167,066	$ 33,413,130	0.50%
2015	$ 163,306	$ 32,661,156	0.50%
2014	$ 161,017	$ 32,203,368	0.50%
2013	$ 152,456	$ 30,491,122	0.50%

* Statutorily required contributions equal actual contributions recognized by the plan.

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

PARKLAND COLLEGE DISTRICT #505
Notes to Required Supplementary Information – OPEB Liability
For the Year Ended June 30, 2018
(Unaudited)

Changes of Benefit Terms

There were no benefit changes in the Total OPEB Liability as of June 30, 2017.

Assumptions Used

- Actuarial Cost Method – Entry Age Normal, used to measure the Total OPEB Liability
- Contribution Policy – Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but note paid plan costs.
- Asset Valuation Method – Market value
- Investment Rate of Return – 0 percent, net of OPEB plan investment expense, including inflation
- Inflation – 2.75 percent
- Salary Increases – Depends on service and ranges from 10.00 percent at less than 1 year of service to 3.75 percent at 34 or more years of service. Salary increase includes a 3.75 percent wage inflation assumption
- Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2014, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
- Healthcare Cost Trend Rates – Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00 percent and 9.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50 percent. Additional trend rate of 0.52 percent is added to non-Medicare cost on and after 2020 to account for the Excise tax.
- Aging Factors – Based on the 2013 Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims cost. Operating expenses are included as a component of the Annual OPEB Expense.

Schedule 1

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, 2018

	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	$ 20,406,654	$ 1,485,715	$ 3,836,564	$ 4,499,770	$ 2,326,432	$ 7,430,402	$ -	$ -	$ 39,985,537
Investments	6,145,051	-	-	-	-	-	-	-	6,145,051
Receivables:									
Property Taxes, Net	9,972,008	1,672,076	2,475,993	1,025,649	-	-	-	-	15,145,726
Replacement Taxes	334,434	-	-	-	-	-	-	-	334,434
Agency Tuition, Net	309,617	-	-	-	-	-	-	-	309,617
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of $2,309,317	786,315	-	-	-	114,904	-	-	-	901,219
Governmental Grants	55,500	-	-	-	-	-	-	-	55,500
Business and Industry Training	-	-	-	-	-	-	-	-	-
Other	154,039	782,796	-	-	35,540	-	-	-	972,375
Due from Parkland Foundation	4,000	10,866	-	260,000	-	1,843,679	-	-	2,118,545
Due from Other Funds	498,699	-	-	-	-	-	-	-	498,699
Prepaid Assets	-	1,000	-	-	-	-	-	-	1,000
Inventory	-	-	-	-	543,963	-	-	-	543,963
Property and Equipment, Net	-	-	-	-	131,817	-	102,540,550	-	102,672,367
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	4,243,505	4,243,505
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	55,995,268	55,995,268
Total Assets and Other Debits	$ 38,666,317	$ 3,952,453	$ 6,312,557	$ 5,785,419	$ 3,152,656	$ 9,274,081	$ 102,540,550	$ 60,238,773	$ 229,922,806

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, 2018

	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	$ 717,065	$ 45,072	$ -	$ 287,251	$ 267	$ -	$ -	$ -	$ 1,049,655
Vacation Payable	1,341,311	105,780	-	-	166,457	-	-	-	1,613,548
Retirement Payable	1,672,952	-	-	-	-	-	-	4,158,773	5,831,725
Accrued Liabilities	2,451,839	-	-	-	1,508	-	-	-	2,453,347
Unearned Revenue	12,107,009	2,042,282	2,069,052	983,754	236,567	-	-	-	17,438,664
Due to Other Funds	-	498,699	-	-	-	-	-	-	498,699
Due to Parkland Foundation	2,827,428	4,772	-	-	18,770	-	-	-	2,850,970
Due to Student Groups	-	-	-	-	-	1,674,723	-	-	1,674,723
G. O. Bonds	-	-	-	-	-	-	-	56,080,000	56,080,000
Total Liabilities	21,117,604	2,696,605	2,069,052	1,271,005	423,569	1,674,723	-	60,238,773	89,491,331
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	102,540,550	-	102,540,550
Fund Balance:									
Reserved For:									
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	7,599,358
Unreserved, Undesignated	17,548,713	1,255,848	4,243,505	4,514,414	-	-	-	-	27,562,480
Retained Earnings	-	-	-	-	2,729,087	-	-	-	2,729,087
Total College Equity	17,548,713	1,255,848	4,243,505	4,514,414	2,729,087	7,599,358	102,540,550	-	140,431,475
Total Liabilities and College Equity	$ 38,666,317	$ 3,952,453	$ 6,312,557	$ 5,785,419	$ 3,152,656	$ 9,274,081	$ 102,540,550	$ 60,238,773	$ 229,922,806

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, 2018

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	$ 21,232,420	$ 3,225,579	$ 4,519,347	$ 2,007,581	$ 30,984,927
State Sources	4,500,747	3,179,215	-	-	7,679,962
Federal Sources	107,755	19,661,612	-	-	19,769,367
Tuition and Fees	29,484,315	-	-	-	29,484,315
Facilities	739,394	-	-	710,031	1,449,425
Interest	369,711	-	-	35,401	405,112
Other Revenue	411,816	5,660	-	-	417,476
On-Behalf Payments	-	25,362,548	-	-	25,362,548
Total Revenue	56,846,158	51,434,614	4,519,347	2,753,013	90,190,584
Expenditures					
Instruction	24,074,061	820,503	-	-	24,894,564
Academic Support	4,786,975	2,931,183	-	7,588	7,725,746
Student Services	4,412,199	687,407	-	-	5,099,606
Public Service	450,861	645,251	-	-	1,096,112
Auxiliary Services	-	-	-	-	-
Operation and Maintenance of Plant	5,612,267	1,549,675	-	981,833	8,143,775
Scholarships and Grants	-	17,762,341	-	-	17,762,341
Institutional Support	12,827,710	1,450,498	-	-	14,278,208
Principal	-	-	2,495,000	-	2,495,000
Interest	-	-	2,611,407	-	2,611,407
On-Behalf Payments	-	25,362,548	-	-	25,362,548
Total Expenditures	52,164,073	51,209,406	5,106,407	989,421	84,106,759
Revenue Over (Under) Expenditures	4,682,085	225,208	(587,060)	1,763,592	6,083,825
Other Financing Sources (Uses)					
Operating Transfers, Net	(995,861)	-	710,031	(710,031)	(995,861)
Total Other Financing Sources (Uses)	(995,861)	-	710,031	(710,031)	(995,861)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,686,224	225,208	122,971	1,053,561	5,087,964
Fund Balance, July 1, 2017	13,862,489	1,030,640	4,120,534	3,460,853	22,474,516
Fund Balance, June 30, 2018	$ 17,548,713	$ 1,255,848	$ 4,243,505	$ 4,514,414	$ 27,562,480

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, 2018

	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	$ 21,396,654	$ 21,232,420	$ 3,241,602	$ 3,225,579	$ 4,458,288	$ 4,519,347	$ 2,033,323	$ 2,007,581	$ 31,129,867	$ 30,984,927
State Sources	4,453,790	4,500,747	4,473,795	3,179,215	-	-	-	-	8,927,585	7,679,962
Federal Sources	75,000	107,755	20,909,244	19,661,612	-	-	-	-	20,984,244	19,769,367
Tuition and Fees	30,304,317	29,484,315	-	-	-	-	-	-	30,304,317	29,484,315
Facilities	955,000	739,394	-	-	-	-	750,000	710,031	1,705,000	1,449,425
Interest	143,000	369,711	-	-	-	-	-	35,401	143,000	405,112
Other Revenue	419,000	411,816	88,288	5,660	-	-	-	-	507,288	417,476
Total Revenue	57,746,761	56,846,158	28,712,929	26,072,066	4,458,288	4,519,347	2,783,323	2,753,013	93,701,301	90,190,584
Expenditures										
Instruction	25,017,959	24,074,061	969,060	820,503		-	-	-	25,987,019	24,894,564
Academic Support	5,439,546	4,786,975	3,854,951	2,931,183	-	-	-	7,588	9,294,497	7,725,746
Student Services	4,795,455	4,412,199	1,214,440	687,407	-	-	-	-	6,009,895	5,099,606
Public Service	479,852	450,861	1,012,029	645,251	-	-	-	-	1,491,881	1,096,112
Auxiliary Services	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Plant	5,748,630	5,612,267	1,998,376	1,549,675	-	-	5,838,987	981,833	13,585,993	8,143,775
Scholarships and Grants	-	-	18,000,000	17,762,341	-	-	-	-	18,000,000	17,762,341
Institutional Support	13,895,262	12,827,710	1,559,880	1,450,498	-	-	-	-	15,455,142	14,278,208
Principal	-	-	-	-	2,495,000	2,495,000	-	-	2,495,000	2,495,000
Interest	-	-	-	-	2,611,408	2,611,407	-	-	2,611,408	2,611,407
Total Expenditures	55,376,704	52,164,073	28,608,736	25,846,858	5,106,408	5,106,407	5,838,987	989,421	94,930,835	84,106,759
Revenue Over (Under) Expenditures	2,370,057	4,682,085	104,193	225,208	(648,120)	(587,060)	(3,055,664)	1,763,592	(1,229,534)	6,083,825
Other Financing Sources (Uses)										
Operating Transfers, Net	(870,000)	(995,861)	-	-	750,000	710,031	(750,000)	(710,031)	(870,000)	(995,861)
Total Other Financing Sources (Uses)	(870,000)	(995,861)	-	-	750,000	710,031	(750,000)	(710,031)	(870,000)	(995,861)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 1,500,057	3,686,224	$ 104,193	225,208	$ 101,880	122,971	$ (3,805,664)	1,053,561	$ (2,099,534)	5,087,964
Fund Balance, July 1, 2017		13,862,489		1,030,640		4,120,534		3,460,853		22,474,516
Fund Balance, June 30, 2018		$ 17,548,713		$ 1,255,848		$ 4,243,505		$ 4,514,414		$ 27,562,480

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

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, 2018

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	$ -	$ -	$ 4,763,882	$ 4,009,605
Student Tuition and Fees	-	-	1,494,405	1,727,609
Other Revenue	-	-	67,200	52,286
Investment Revenue	10,000	8,912	3,000	1,827
Total Operating Revenue	10,000	8,912	6,328,487	5,791,327
Operating Expenses				
Salaries	-	-	2,318,182	2,365,464
Employee Benefits	-	-	447,023	437,778
Contractual Services	-	-	750,058	949,334
General Materials and Supplies	-	-	2,906,253	2,617,697
Conference and Meeting	-	-	297,137	248,869
Fixed Charges	-	-	813,510	560,239
Utilities	-	-	1,650	1,812
Capital Outlay	-	-	1,700	4,877
Depreciation	-	-	6,500	57,991
Other	-	-	331,915	136,903
Total Operating Expenses	-	-	7,873,928	7,380,964
Operating Income (Loss)	10,000	8,912	(1,545,441)	(1,589,637)
Other Financing Sources (Uses)				
Operating Transfers, Net	(8,912)	(8,912)	880,000	1,004,773
Net Income	$ 1,088	-	$ (665,441)	(584,864)
College Equity, July 1, 2017		7,600,000		3,313,951
College Equity, June 30, 2018		$ 7,600,000		$ 2,729,087

* **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, 2018

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	$ -	$ 4,009,605
Student Tuition and Fees	-	1,887,771
Payments to Suppliers	-	(4,672,481)
Payments to Employees and Benefits Paid	-	(2,797,472)
Payments from Third Party per Intergovernmental Agreement	-	-
Net Receipts from (Disbursements to) Parkland Foundation	-	-
Receipts of Miscellaneous Revenue	-	52,286
Interest on Investments	8,912	1,827
Net Cash Provided by (Used in) Operating Activities	8,912	(1,518,464)
Capital and Related Financing Activities		
Purchase of Equipment	-	(145,576)
Non-Capital Financing Activities		
Operating Transfers In (Out)	(8,912)	1,004,773
Net Increase (Decrease) in Cash and Cash Equivalents	-	(659,267)
Cash and Cash Equivalents, July 1, 2017	7,600,000	2,985,699
Cash and Cash Equivalents, June 30, 2018	$ 7,600,000	$ 2,326,432
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 8,912	$ (1,589,637)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	57,991
Changes in Assets and Liabilities:		
Receivables	-	64,175
Inventories	-	(142,767)
Accounts Payable	-	(9,983)
Vacation Payable	-	5,770
Unearned Revenue	-	95,987
Net Cash Provided by (Used in) Operating Activities	$ 8,912	$ (1,518,464)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2018

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 15,137,974	$ 5,268,680	$ 20,406,654
Investments	6,145,051	-	6,145,051
Receivables:			
Property Taxes, Net	7,202,011	2,769,997	9,972,008
Replacement Taxes	334,434	-	334,434
Agency Tuition, Net	309,617	-	309,617
Student Tuition and Fees, Net	786,315	-	786,315
Governmental Grants	55,500	-	55,500
Other	46,454	107,585	154,039
Due From Parkland Foundation	-	4,000	4,000
Due From Other Funds	498,699	-	498,699
Total Assets	$ 30,516,055	$ 8,150,262	$ 38,666,317
LIABILITIES			
Accounts Payable	$ 406,470	$ 310,595	$ 717,065
Vacation Payable	1,204,179	137,132	1,341,311
Retirement Payable	1,672,952	-	1,672,952
Due to Parkland Foundation	2,827,428	-	2,827,428
Accrued Liabilities	2,451,839	-	2,451,839
Unearned Revenue	9,664,208	2,442,801	12,107,009
Total Liabilities	18,227,076	2,890,528	21,117,604
FUND BALANCE			
Unreserved	12,288,979	5,259,734	17,548,713
Total Fund Balance	12,288,979	5,259,734	17,548,713
Total Liabilities and Fund Balance	$ 30,516,055	$ 8,150,262	$ 38,666,317

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, 2018

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	$ 15,879,943	$ 5,352,477	$ 21,232,420
State Sources	4,500,747	-	4,500,747
Federal Sources	107,755	-	107,755
Tuition and Fees	29,484,315	-	29,484,315
Facilities	-	739,394	739,394
Interest	364,376	5,335	369,711
Other Revenue	411,816	-	411,816
Total Revenue	50,748,952	6,097,206	56,846,158
Expenditures			
Instruction	24,074,061	-	24,074,061
Academic Support	4,786,975	-	4,786,975
Student Services	4,412,199	-	4,412,199
Public Service	450,861	-	450,861
Operation and Maintenance of Plant	-	5,612,267	5,612,267
Institutional Support	12,827,710	-	12,827,710
Total Expenditures	46,551,806	5,612,267	52,164,073
Revenue Over (Under) Expenditures	4,197,146	484,939	4,682,085
Other Financing Sources (Uses)			
Operating Transfers, Net	(995,861)	-	(995,861)
Total Other Financing Sources (Uses)	(995,861)	-	(995,861)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,201,285	484,939	3,686,224
Fund Balance, July 1, 2017	9,087,694	4,774,795	13,862,489
Fund Balance, June 30, 2018	$ 12,288,979	$ 5,259,734	$ 17,548,713

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2018

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	$ -	$ 154,079	$ 1,331,636	$ 1,485,715
Receivables:				
Property Taxes, Net	-	38,897	1,633,179	1,672,076
Due from Parkland Foundation	10,866	-	-	10,866
Prepaid Assets	-	-	1,000	1,000
Other Receivable	782,796	-	-	782,796
Total Assets	$ 793,662	$ 192,976	$ 2,965,815	$ 3,952,453
LIABILITIES				
Accounts Payable	$ 35,290	$ 8,850	$ 932	$ 45,072
Vacation Payable	14,739	-	91,041	105,780
Unearned Revenue	586,373	34,199	1,421,710	2,042,282
Due to Parkland Foundation	-	-	4,772	4,772
Due to Other Funds	498,699	-	-	498,699
Total Liabilities	1,135,101	43,049	1,518,455	2,696,605
FUND BALANCE				
Unreserved, Undesignated	(341,439)	149,927	1,447,360	1,255,848
Total Fund Balance	(341,439)	149,927	1,447,360	1,255,848
Total Liabilities and Fund Balance	$ 793,662	$ 192,976	$ 2,965,815	$ 3,952,453

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, 2018

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	$ -	$ 74,935	$ 3,150,644	$ 3,225,579
State Sources	3,179,215	-	-	3,179,215
Federal Sources	19,661,612	-	-	19,661,612
Facilities	-	-	-	-
Interest	-	-	-	-
Other	5,660	-	-	5,660
On-Behalf Payments	25,362,548	-	-	25,362,548
Total Revenue	48,209,035	74,935	3,150,644	51,434,614
Expenditures				
Instruction	820,503	-	-	820,503
Academic Support	2,931,183	-	-	2,931,183
Student Services	687,407	-	-	687,407
Public Service	645,251	-	-	645,251
Auxiliary Services	-	-	-	-
Operations and Maintenance of Plant	-	-	1,549,675	1,549,675
Institutional Support	-	65,454	1,385,044	1,450,498
Scholarships and Grants	17,762,341	-	-	17,762,341
On-Behalf Payments	25,362,548	-	-	25,362,548
Total Expenditures	48,209,233	65,454	2,934,719	51,209,406
Revenue Over (Under) Expenditures	(198)	9,481	215,925	225,208
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	(198)	9,481	215,925	225,208
Fund Balance, July 1, 2017	(341,241)	140,446	1,231,435	1,030,640
Fund Balance, June 30, 2018	$ (341,439)	$ 149,927	$ 1,447,360	$ 1,255,848

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Enterprise Funds
June 30, 2018

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	$ 188,917	$ 61,162	$ (68,102)	$ (7,040)	$ (148,173)	$ 1,373,840	$ 22,228	$ 903,600	$ 2,326,432
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	114,904	-	-	-	114,904
Business and Industry Training	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	35,540	-	-	35,540
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	543,963	-	-	543,963
Property and Equipment, Net of Accumulated Depreciation	-	-	115,799	2,922	1,669	11,427	-	-	131,817
Total Assets	$ 188,917	$ 61,162	$ 47,697	$ (4,118)	$ (31,600)	$ 1,964,770	$ 22,228	$ 903,600	$ 3,152,656
LIABILITIES									
Account Payable	$ -	$ -	$ -	$ -	$ 267	$ -	$ -	$ -	$ 267
Vacation Payable	37,736	8,638	31,756	-	65,722	13,347	-	9,258	166,457
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Parkland Foundation	-	-	-	-	-	-	18,770	-	18,770
Unearned Revenue	-	-	29,699	-	-	(217)	-	207,085	236,567
Total Liabilities	37,736	8,638	62,963	-	65,989	13,130	18,770	216,343	423,569
RETAINED EARNINGS (ACCUMULATED DEFICIT)	151,181	52,524	(15,266)	(4,118)	(97,589)	1,951,640	3,458	687,257	2,729,087
Total Liabilities and Retained Earnings (Accumulated Deficit)	$ 188,917	$ 61,162	$ 47,697	$ (4,118)	$ (31,600)	$ 1,964,770	$ 22,228	$ 903,600	$ 3,152,656

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Revenue, Expenses,
and Changes in Retained Earnings (Deficit)
Enterprise Funds
For the Year Ended June 30, 2018

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Operating Revenue									
Student and Community Services	$ 344,850	$ 231,739	$ 32,674	$ -	$ 817,303	$ 2,563,327	$ 19,712	$ -	$ 4,009,605
Student Tuition and Fees	-	-	160,993	62,961	518,424	-	24,665	960,566	1,727,609
Other Revenue	-	-	9	-	38,188	-	-	15,916	54,113
Total Operating Revenue	344,850	231,739	193,676	62,961	1,373,915	2,563,327	44,377	976,482	5,791,327
Operating Expenses									
Salaries	352,761	75,567	54,573	383,490	740,218	234,103	19,597	505,155	2,365,464
Employee Benefits	78,156	10,990	11,577	68,360	112,614	58,819	-	97,262	437,778
Contractual Services	1,225	-	32,960	76,388	419,542	15,762	-	403,457	949,334
General Materials and Supplies	34,377	52,197	1,823	69,929	166,337	1,967,181	21,649	304,204	2,617,697
Conference and Meeting	-	391	37,113	172,500	12,443	5,000	-	21,422	248,869
Fixed Charges	-	106,821	-	9,250	10,200	345,175	-	88,793	560,239
Utilities	-	-	-	-	1,812	-	-	-	1,812
Capital Outlay	-	-	-	-	2,417	2,460	-	-	4,877
Interest	-	-	-	-	-	-	-	-	-
Depreciation	-	-	38,431	5,732	5,804	8,024	-	-	57,991
Other	2,305	-	32,712	6,730	95,116	40	-	-	136,903
Total Operating Expenses	468,824	245,966	209,189	792,379	1,566,503	2,636,564	41,246	1,420,293	7,380,964
Operating Income (Loss)	(123,974)	(14,227)	(15,513)	(729,418)	(192,588)	(73,237)	3,131	(443,811)	(1,589,637)
Other Financing Sources									
Operating Transfers, Net	125,000	50,000	86,000	732,000	773	-	11,000	-	1,004,773
Net Income (Loss)	1,026	35,773	70,487	2,582	(191,815)	(73,237)	14,131	(443,811)	(584,864)
Retained Earnings (Deficit), July 1, 2017	150,155	16,751	(85,753)	(6,700)	94,226	2,024,877	(10,673)	1,131,068	3,313,951
Retained Earnings (Deficit), June 30, 2018	$ 151,181	$ 52,524	$ (15,266)	$ (4,118)	$ (97,589)	$ 1,951,640	$ 3,458	$ 687,257	$ 2,729,087

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2018

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Cash Flows from Operating Activities									
Auxiliary Enterprise Charges	$ 344,850	$ 231,739	$ 32,674	$ -	$ 817,303	$ 2,563,327	$ 19,712	$ -	$ 4,009,605
Student Tuition and Fees	-	-	157,703	62,961	484,183	98,416	24,665	1,059,843	1,887,771
Payments to Suppliers	(37,907)	(159,409)	(104,608)	(334,797)	(707,709)	(2,478,385)	(21,649)	(828,017)	(4,672,481)
Payments to Employees and Benefits Paid	(425,836)	(86,705)	(62,850)	(451,850)	(844,874)	(305,181)	(19,597)	(600,579)	(2,797,472)
Net Receipts from (Disbursements to) Parkland Foundation	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	9	-	38,188	-	-	15,916	54,113
Net Cash Provided by (Used in) Operating Activities	(118,893)	(14,375)	22,928	(723,686)	(212,909)	(121,823)	3,131	(352,837)	(1,518,464)
Capital and Related Financing Activities									
Purchase of Equipment	-	-	(145,576)	-	-	-	-	-	(145,576)
Non-Capital Financing Activities									
Change in Due To (From) Other Funds	-	-	-	-	-	-	-	-	-
Operating Transfers In	125,000	50,000	86,000	732,000	773	-	11,000	-	1,004,773
Net Cash Provided by (Used in) Non-Capital Financing Activities	125,000	50,000	86,000	732,000	773	-	11,000	-	1,004,773
Net Increase (Decrease) in Cash and Cash Equivalents	6,107	35,625	(36,648)	8,314	(212,136)	(121,823)	14,131	(352,837)	(659,267)
Cash and Cash Equivalents, July 1, 2017	182,810	25,537	(31,454)	(15,354)	63,963	1,495,663	8,097	1,256,437	2,985,699
Cash and Cash Equivalents, June 30, 2018	$ 188,917	$ 61,162	$ (68,102)	$ (7,040)	$ (148,173)	$ 1,373,840	$ 22,228	$ 903,600	$ 2,326,432
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	$ (123,974)	$ (14,227)	$ (15,513)	$ (729,418)	$ (192,588)	$ (73,237)	$ 3,131	$ (443,811)	$ (1,589,637)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	-	-	38,431	5,732	5,804	8,024	-	-	57,991
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	(34,241)	98,416	-	-	64,175
Inventories	-	-	-	-	-	(142,767)	-	-	(142,767)
Accounts Payable	-	-	-	-	158	-	-	(10,141)	(9,983)
Vacation Payable	5,081	(148)	3,300	-	7,958	(12,259)	-	1,838	5,770
Unearned Revenue	-	-	(3,290)	-	-	-	-	99,277	95,987
Net Cash Provided By (Used in) Operating Activities	$ (118,893)	$ (14,375)	$ 22,928	$ (723,686)	$ (212,909)	$ (121,823)	$ 3,131	$ (352,837)	$ (1,518,464)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Fiduciary Funds
June 30, 2018

	Non-Expendable Trust Working Cash Fund	Trust and Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 7,600,000	$ (169,598)	$ 7,430,402
Receivables:			
Due from Parkland Foundation	-	1,843,679	1,843,679
Total Assets	$ 7,600,000	$ 1,674,081	$ 9,274,081
LIABILITIES			
Due to Student Groups	$ -	$ 1,674,723	$ 1,674,723
FUND BALANCE			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	$ 7,600,000	$ 1,674,081	$ 9,274,081

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, 2018

(With comparative totals as of June 30, 2017)

		Operations and Maintenance Funds									Account Groups		Totals (Memorandum Only)	
	Education Fund	Operational	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	General Fixed Assets	General Long-Term Debt	June 30, 2018	June 30, 2017
ASSETS														
Cash and Cash Equivalents	$ 15,137,974	$ 5,268,680	$ 4,499,770	$ 2,326,432	$ -	$ 7,600,000	$ (169,598)	$ 3,836,564	$ 154,079	$ 1,331,636	$ -	$ -	$ 39,985,537	$ 33,506,075
Investments	6,145,051	-	-	-	-	-	-	-	-	-	-	-	6,145,051	6,056,261
Receivables:														
Property Taxes, Net	7,202,011	2,769,997	1,025,649	-	-	-	-	2,475,993	38,897	1,633,179	-	-	15,145,726	13,873,228
Replacement Taxes	334,434	-	-	-	-	-	-	-	-	-	-	-	334,434	376,758
Agency Tuition, Net	309,617	-	-	-	-	-	-	-	-	-	-	-	309,617	1,529,190
Student Tuition and Fees, Net	786,315	-	-	114,904	-	-	-	-	-	-	-	-	901,219	803,862
Governmental Grants	55,500	-	-	-	-	-	-	-	-	-	-	-	55,500	3,411,916
Business and Industry Training	-	-	-	-	-	-	-	-	-	-	-	-	-	24,556
Other	46,454	107,585	-	35,540	782,796	-	-	-	-	-	-	-	972,375	1,632,861
Due from Parkland Foundation	-	4,000	260,000	-	10,866	-	1,843,679	-	-	-	-	-	2,118,545	1,689,157
Due from Other Funds	498,699	-	-	-	-	-	-	-	-	-	-	-	498,699	799,142
Prepaid Assets	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000	11,729
Inventory	-	-	-	543,963	-	-	-	-	-	-	-	-	543,963	401,196
Property and Equipment at Cost, Net	-	-	-	131,817	-	-	-	-	-	-	102,540,550	-	102,672,367	107,974,982
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	4,243,505	4,243,505	4,120,534
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	55,995,268	55,995,268	58,138,699
Total Assets	$ 30,516,055	$ 8,150,262	$ 5,785,419	$ 3,152,656	$ 793,662	$ 7,600,000	$ 1,674,081	$ 6,312,557	$ 192,976	$ 2,965,815	$ 102,540,550	$ 60,238,773	$ 229,922,806	$ 234,350,146
LIABILITIES														
Accounts Payable	$ 406,470	$ 310,595	$ 287,251	$ 267	$ 35,290	$ -	$ 37	$ -	$ 8,850	$ 932	$ -	$ -	$ 1,049,692	$ 2,541,901
Vacation Payable	1,204,179	137,132	-	166,457	14,739	-	-	-	-	91,041	-	-	1,613,548	1,600,878
Retirement Payable	1,672,952	-	-	-	-	-	-	-	-	-	-	4,158,773	5,831,725	5,357,185
Accrued Liabilities	2,451,839	-	-	1,508	-	-	-	-	-	-	-	-	2,453,347	2,532,080
Due to Other Funds	-	-	-	-	498,699	-	-	-	-	-	-	-	498,699	1,088,136
Due to Parkland Foundation	2,827,428	-	-	18,770	-	-	-	-	-	4,772	-	-	2,850,970	2,671,416
Unearned Revenue	9,664,208	2,442,801	983,754	236,567	586,373	-	-	2,069,052	34,199	1,421,710	-	-	17,438,664	17,051,295
Due to Student Groups	-	-	-	-	-	-	1,674,686	-	-	-	-	-	1,674,686	1,613,683
Bonds	-	-	-	-	-	-	-	-	-	-	-	56,080,000	56,080,000	58,575,000
Total Liabilities	18,227,076	2,890,528	1,271,005	423,569	1,135,101	-	1,674,723	2,069,052	43,049	1,518,455	-	60,238,773	89,491,331	93,031,574
COLLEGE EQUITY														
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	102,540,550	-	102,540,550	107,930,747
Fund Balance:														
Reserved For:														
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	-	7,599,358	7,599,358
Unreserved, Undesignated	12,288,979	5,259,734	4,514,414	-	(341,439)	-	-	4,243,505	149,927	1,447,360	-	-	27,562,480	22,474,516
Retained Earnings (Accumulated Deficit)	-	-	-	2,729,087	-	-	-	-	-	-	-	-	2,729,087	3,313,951
Total College Equity (Deficit)	12,288,979	5,259,734	4,514,414	2,729,087	(341,439)	7,600,000	(642)	4,243,505	149,927	1,447,360	102,540,550	-	140,431,475	141,318,572
Total Liabilities and College Equity	$ 30,516,055	$ 8,150,262	$ 5,785,419	$ 3,152,656	$ 793,662	$ 7,600,000	$ 1,674,081	$ 6,312,557	$ 192,976	$ 2,965,815	$ 102,540,550	$ 60,238,773	$ 229,922,806	$ 234,350,146

Schedule 15

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, 2018
(with Comparative totals for the Year Ended June 30, 2017)

		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	2018	2017
Revenue											
Local Sources	$ 15,879,943	$ 5,352,477	$ 2,007,581	$ -	$ -	$ -	$ 4,519,347	$ 74,935	$ 3,150,644	$ 30,984,927	$ 30,572,648
State Sources	4,500,747	-	-	-	3,179,215	-	-	-	-	7,679,962	6,975,629
Federal Sources	107,755	-	-	-	19,661,612	-	-	-	-	19,769,367	20,043,186
Tuition and Fees	29,484,315	-	-	1,727,609	-	-	-	-	-	31,211,924	30,756,634
Facilities	-	739,394	710,031	3,203	-	-	-	-	-	1,452,628	1,661,583
Other Revenue	776,192	5,335	35,401	4,060,515	5,660	8,912	-	-	-	4,892,015	4,918,278
On-Behalf Payments	-	-	-	-	25,362,548	-	-	-	-	25,362,548	24,241,070
Total Revenue	50,748,952	6,097,206	2,753,013	5,791,327	48,209,035	8,912	4,519,347	74,935	3,150,644	121,353,371	119,169,028
Expenditures											
Instruction	24,074,061	-	-	1,420,293	820,503	-	-	-	-	26,314,857	26,326,231
Academic Support	4,786,975	-	7,588	245,966	2,931,183	-	-	-	-	7,971,712	6,101,193
Student Services	4,412,199	-	-	-	687,407	-	-	-	-	5,099,606	5,073,345
Public Service	450,861	-	-	1,560,608	645,251	-	-	-	-	2,656,720	2,424,215
Auxiliary Services	-	-	-	4,096,106	-	-	-	-	-	4,096,106	4,180,383
Operation and Maintenance of Plant	-	5,612,267	981,833	-	-	-	-	-	1,549,675	8,143,775	9,546,171
Institutional Support	12,827,710	-	-	-	-	-	-	65,454	1,385,044	14,278,208	13,522,798
Scholarships and Grants	-	-	-	-	17,762,341	-	-	-	-	17,762,341	18,070,705
Principal	-	-	-	-	-	-	2,495,000	-	-	2,495,000	2,130,000
Interest	-	-	-	-	-	-	2,611,407	-	-	2,611,407	2,693,796
Depreciation	-	-	-	57,991	-	-	-	-	-	57,991	30,327
On-Behalf Payments	-	-	-	-	25,362,548	-	-	-	-	25,362,548	24,241,070
Total Expenditures	46,551,806	5,612,267	989,421	7,380,964	48,209,233	-	5,106,407	65,454	2,934,719	116,850,271	114,340,234
Revenue Over (Under) Expenditures	4,197,146	484,939	1,763,592	(1,589,637)	(198)	8,912	(587,060)	9,481	215,925	4,503,100	4,828,794
Other Financing Sources (Uses)											
Operating Transfers, Net	(995,861)	-	(710,031)	1,004,773	-	(8,912)	710,031	-	-	-	-
Total Other Financing Sources (Uses)	(995,861)	-	(710,031)	1,004,773	-	(8,912)	710,031	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,201,285	484,939	1,053,561	(584,864)	(198)	-	122,971	9,481	215,925	4,503,100	4,828,794
College Equity, Beginning 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
College Equity, End of Year	$ 12,288,979	$ 5,259,734	$ 4,514,414	$ 2,729,087	$ (341,439)	$ 7,600,000	$ 4,243,505	$ 149,927	$ 1,447,360	$ 37,891,567	$ 33,388,467

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, 2018 and 2017

	2018	2017
College Equity	$ 140,431,475	$ 141,318,572
Reconciling Items:		
Recognition of Summer School Revenues	1,557,649	1,645,714
Deferred Revenue for Property Taxes Not Received	13,217,996	12,748,961
Property Taxes Receivable Not Earned and Not Received	(13,217,996)	(12,748,961)
Reclassification of Long Term Debt	(60,238,773)	(62,278,950)
Deferred Refunding Expense	164,420	241,590
Deferred Retirement Plan Contributions	84,337	72,189
Recognition of Other Postemployment Benefit Liability	(33,871,311)	-
Deferred Other Postemployment Benefit Contributions	371,734	-
Deferred Postemployment Benefits	(2,917,672)	-
Recognition of Interest Payable on Long Term Debt	(213,594)	(221,636)
Net Position	$ 45,368,265	$ 80,777,479

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, 2018 and 2017

	2018	2017
Change in College Equity	$ 4,503,100	$ 4,828,794
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(310,771)	(341,433)
Remove Rent Expense from the Bookstore	310,771	341,433
Remove Revenue Paid by the Education Fund to Reprographics	(231,739)	(235,416)
Remove Expenditures from the Education Fund	231,739	235,416
Remove Student Aid and Scholarship Payments from Revenue	(10,404,441)	(10,703,362)
Remove Student Aid and Scholarship Payments from Expense	10,404,441	10,703,362
Change in Recognition of Summer School Revenues	(88,065)	(233,646)
General Obligation Debt Retired	2,495,000	2,130,000
Change in Retirement Obligations	(474,540)	(260,173)
Added Other Postemployment Benefit Expense	(3,189,709)	-
Change in Deferred Other Postemployment Benefit Contributions	159,254	-
Remove Capital Expenditures and Interest Expenditures Related to Capitalized Assets	2,051,765	3,614,054
Record Depreciation on the Capital Assets	(7,441,962)	(7,690,105)
Remove Rent Expense Related to Capital Leases	19,717	18,940
Change in Deferred Refunding Expense	(77,170)	(77,170)
Change in Deferred Retirement Plan Contributions	12,148	18,386
Change in Accrued Interest on Long Term Debt	8,042	5,690
Change in Net Position	$ (2,022,420)	$ 2,354,770

Schedule 17

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2018

	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY	2011 LEVY	2010 LEVY	2009 LEVY	2008 LEVY
Assessed Valuations										
County:										
Champaign	$ 3,970,870,297	$ 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
Coles	10,096,352	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
DeWitt	92,463,660	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
Douglas	310,106,381	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
Edgar	5,042,910	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
Ford	248,312,269	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
Iroquois	99,038,017	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
Livingston	70,368,714	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
McLean	201,099,761	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
Moultrie	4,896,109	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
Piatt	407,636,547	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
Vermilion	18,757,472	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
TOTAL	$ 5,438,688,489	$ 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
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	0.0847	0.0841	0.0824	0.0794	0.0770	0.0715	0.0678	0.0639	0.0610	0.0439
Tort and Immunity	0.0341	0.0355	0.0372	0.0369	0.0375	0.0374	0.0354	0.0344	0.0389	0.0376
Audit	0.0014	0.0014	0.0015	0.0010	0.0010	0.0010	0.0010	0.0019	0.0019	0.0019
Worker's Compensation	0.0021	0.0016	0.0015	0.0014	0.0019	0.0019	0.0019	0.0018	0.0016	0.0010
Unemployment Insurance	0.0003	0.0005	0.0008	0.0010	0.0010	0.0010	0.0002	0.0002	0.0002	0.0004
Protection, Health, and Safety	0.0368	0.0384	0.0400	0.0267	0.0271	0.0263	0.0264	0.0264	0.0266	0.0500
Medicare Insurance	0.0120	0.0125	0.0126	0.0113	0.0115	0.0117	0.0125	0.0115	0.0117	0.0097
Property Insurance	0.0097	0.0096	0.0100	0.0082	0.0083	0.0083	0.0068	0.0063	0.0063	0.0070
TOTAL	0.5411	0.5436	0.5460	0.5259	0.5253	0.5191	0.5120	0.5064	0.5082	0.5115

Schedule 17
(Continued)

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2018

	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY	2011 LEVY	2010 LEVY	2009 LEVY	2008 LEVY
Tax Extensions										
Education Fund	$ 14,140,590	$ 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
Operations and Maintenance:										
Operational Fund	5,438,688	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
Bond	4,606,569	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	1,854,593	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
Audit	76,142	73,091	74,632	48,782	47,972	48,160	47,968	91,156	90,120	88,145
Worker's Compensation	114,212	83,532	74,632	68,295	91,147	91,505	91,139	86,359	75,890	46,392
Unemployment Insurance	16,316	26,104	39,804	48,782	47,972	48,160	9,594	9,595	9,486	18,557
Protection, Health, and Safety	2,001,437	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
Medicare Insurance	652,643	652,597	626,905	551,236	551,677	563,478	599,601	551,735	554,948	450,003
Property Insurance	527,553	501,194	497,544	400,012	398,167	399,732	326,183	302,255	298,818	324,745
	29,428,743	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
Tax Collections Prior to Year End	(12,304,470)	(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)
	17,124,273	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
Taxes Not Collectible Due to Taxpayer Exemption	-	-	-	-	-	(358,909)	-	-	-	-
Allowance for Uncollectible Taxes and Potential Refunds	(1,978,547)	(1,978,547)	(1,978,547)	(1,503,174)	(1,503,174)	(1,129,370)	(1,129,370)	(973,951)	(793,426)	(613,073)
Property Taxes Receivable	$ 15,145,726	$ 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
Property Taxes Receivable by Fund										
Education Fund	$ 7,202,011	$ 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
Operations and Maintenance:										
Operational Fund	2,769,997	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
Restricted Fund	1,025,649	980,806	984,981	578,447	568,014	623,221	624,652	638,385	656,048	1,282,096
Bond Fund	2,475,993	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	38,897	35,416	36,739	21,461	20,692	23,470	23,487	48,374	49,052	48,804
Liability, Protection, and Settlement Fund	1,633,179	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
TOTAL	$ 15,145,726	$ 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

PARKLAND COLLEGE DISTRICT #505
Schedule of Legal Debt Margin
June 30, 2018

ASSESSED VALUATIONS - 2017 LEVY	$	5,438,688,489
Debt Limit, 2.875 Percent of Assessed Valuation	$	156,362,294
Indebtedness:		
G. O. Bonds		49,160,000
Legal Debt Margin	$	107,202,294

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, 2018
(Unaudited)

	Student Enrollment	Full-Time Equivalency Semester
School Quarter		
Summer 2017	3,962	2,168
Fall 2017	7,974	4,756
Spring 2018	7,541	4,380
Semester Average (Exclusive of Summer School)	7,758	4,568

PARKLAND COLLEGE DISTRICT #505
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2018

	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, 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
Revenues:										
Local Tax Revenue	13,916,441	5,352,477	1,999,035	4,500,631	-	-	-	74,623	3,137,358	28,980,565
All Other Local Revenue	1,963,502	-	8,546	18,716	-	-	-	312	13,286	2,004,362
ICCB Grants	3,979,575	-	-	-	-	593,450	-	-	-	4,573,025
All Other State Revenue (Including SURS On-Behalf)	521,172	-	-	-	-	27,948,313	-	-	-	28,469,485
Federal Revenue	107,755	-	-	-	-	19,661,612	-	-	-	19,769,367
Student Tuition and Fees	29,484,315	-	-	-	1,727,609	-	-	-	-	31,211,924
All Other Revenue	776,192	744,729	745,432	-	4,063,718	5,660	8,912	-	-	6,344,643
Total Revenue	50,748,952	6,097,206	2,753,013	4,519,347	5,791,327	48,209,035	8,912	74,935	3,150,644	121,353,371
Expenditures:										
Instruction	24,074,061	-	-	-	1,420,293	13,915,375	-	-	-	39,409,729
Academic Support	4,786,975	-	7,588	-	245,966	4,888,528	-	-	-	9,929,057
Student Services	4,412,199	-	-	-	-	3,008,635	-	-	-	7,420,834
Public Service/Continuing Education	450,861	-	-	-	1,566,412	1,523,485	-	-	-	3,540,758
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	4,148,293	640,118	-	-	-	4,788,411
Operations and Maintenance	-	5,612,267	981,833	-	-	1,831,929	-	-	1,549,675	9,975,704
Institutional Support	12,827,710	-	-	5,106,407	-	4,565,750	-	65,454	1,385,044	23,950,365
Scholarships, Student Grants, & Waivers	-	-	-	-	-	17,835,413	-	-	-	17,835,413
Total Expenditures	46,551,806	5,612,267	989,421	5,106,407	7,380,964	48,209,233	-	65,454	2,934,719	116,850,271
Net Transfers	(995,861)	-	(710,031)	710,031	1,004,773	-	(8,912)	-	-	-
Fund Balance, June 30, 2018	$ 12,288,979	$ 5,259,734	$ 4,514,414	$ 4,243,505	$ 2,729,087	$ (341,439)	$ 7,600,000	$ 149,927	$ 1,447,360	$ 37,891,567

PARKLAND COLLEGE DISTRICT #505
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2018

	Capital Assets / Long Term Debt			
	July 1, 2017	Additions	Deletions	June 30, 2018
Fixed Assets:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Land Improvements	44,660,683	2,101,302	-	46,761,985
Buildings, Additions, and Improvements	117,169,948	-	(546,698)	116,623,250
Equipment	20,544,890	1,076,479	-	21,621,369
Other Fixed Assets	2,906,998	1,521,984	(2,101,302)	2,327,680
Accumulated Depreciation	(79,193,517)	(7,441,962)	-	(86,635,479)
Net Fixed Assets	$ 107,930,747	$ (2,742,197)	$ (2,648,000)	$ 102,540,550
Fixed Debt:				
Bonds	$ 58,575,000	$ -	$ (2,495,000)	$ 56,080,000
Net Other Postemployment Benefit Liability	33,802,905	310,655	(242,249)	33,871,311
Early Retirement Benefits	3,684,233	2,051,879	(1,577,339)	4,158,773
Capital Lease Obligations	19,717	-	(19,717)	-
Total Fixed Debt	$ 96,081,855	$ 2,362,534	$ (4,314,588)	$ 94,110,084

	Outstanding			
	July 1, 2017	Issued	Redeemed	June 30, 2018
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, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
Local Government			
Local Taxes	$ 13,916,441	$ 5,352,477	$ 19,268,918
Chargeback Revenue	700	-	700
CPPRT	1,962,802	-	1,962,802
Total Local Government	15,879,943	5,352,477	21,232,420
State Government			
ICCB Base Operating Grant	3,903,790	-	3,903,790
ICCB Equalization Grant	50,000	-	50,000
ICCB Performance Grant	25,785	-	25,785
Other State	521,172	-	521,172
Total State Government	4,500,747	-	4,500,747
Federal Government			
Department of Education	107,755	-	107,755
Total Federal Government	107,755	-	107,755
Student Tuition and Fees			
Tuition	26,018,597	-	26,018,597
Fees	3,465,718	-	3,465,718
Total Student Tuition and Fees	29,484,315	-	29,484,315
Other Sources			
Sales and Service Fees	252,604	-	252,604
Facilities Revenue	-	739,394	739,394
Investment Revenue	364,376	5,335	369,711
Other	159,212	-	159,212
Total Other Sources	776,192	744,729	1,520,921
Total Operating Revenues	50,748,952	6,097,206	56,846,158
Less: Non-Operating Items			
Tuition Chargeback Revenue	(700)	-	(700)
Adjusted Operating Revenue	$ 50,748,252	$ 6,097,206	$ 56,845,458

PARKLAND COLLEGE DISTRICT #505
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	$ 24,074,061	$ -	$ 24,074,061
Academic Support	4,786,975	-	4,786,975
Student Services	4,412,199	-	4,412,199
Public Service/Continuing Education	450,861	-	450,861
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,612,267	5,612,267
Institutional Support	12,827,710	-	12,827,710
Scholarships, Grants, Waivers	-	-	-
Total Operating Expenditures by Program	46,551,806	5,612,267	52,164,073
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	$ 46,551,806	$ 5,612,267	$ 52,164,073
Operating Expenditures by Object:			
Salaries	$ 34,473,805	$ 1,879,943	$ 36,353,748
Employee Benefits	4,755,436	550,689	5,306,125
Contractual Services	1,499,805	510,008	2,009,813
General Materials and Supplies	2,576,889	387,131	2,964,020
*Library Materials **	*229,724*	-	*229,724*
Conference and Meeting Expenses	329,899	-	329,899
Fixed Charges	28,115	50,049	78,164
Utilities	13,647	2,040,554	2,054,201
Capital Outlay	771,617	193,893	965,510
Other	2,102,593	-	2,102,593
Transfers	995,861	-	995,861
Total Operating Expenditures by Object	47,547,667	5,612,267	53,159,934
Less: Non-Operating Items			
Transfers	(995,861)	-	(995,861)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	$ 46,551,806	$ 5,612,267	$ 52,164,073

* Per ICCB reporting requirements, this line is presented as a memo only figure and is not added into the total expenditure amount.

PARKLAND COLLEGE DISTRICT #505
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2018

	Restricted Purposes Fund
Revenue by Source:	
State Government	
ICCB - Adult Education	$ 504,900
ICCB - ESLTP	30,642
ICCB - Perkins Program Improvement	57,908
Illinois State Board of Education	2,493,562
SURS - On Behalf	25,362,548
Other	92,203
Total State Government	28,541,763
Federal Government	
Department of Education	19,319,226
Department of Labor	25,659
Department of Transportation	316,727
Total Federal Government	19,661,612
Other Sources	
Other	5,660
Total Other Sources	5,660
Total Restricted Purposes Fund Revenues	$ 48,209,035

PARKLAND COLLEGE DISTRICT #505
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2018

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	$ 13,915,375
Academic Support	4,888,528
Student Services	3,008,635
Public Service/Continuing Education	1,523,485
Auxiliary Services	640,118
Operations and Maintenance	1,831,929
Institutional Support	4,565,750
Scholarships, Student Grants, and Waivers	17,835,413
Total Restricted Purposes Fund Expenditures by Program	$ 48,209,233
Expenditures by Object:	
Salaries	$ 1,524,813
Employee Benefits (Including SURS On-Behalf)	25,569,922
Contractual Services	2,337,114
General Materials and Supplies	278,141
Travel & Conference/Meeting Expenses	208,242
Fixed Charges	82,689
Utilities	10,175
Capital Outlay	355,169
Other	17,842,968
*Scholarships, Grants, Waivers **	*17,835,413*
Total Restricted Purposes Fund Expenditures by Object	$ 48,209,233

* Per ICCB reporting requirements, this line is presented as a memo only figure and is not added into the total expenditure amount.

PARKLAND COLLEGE DISTRICT #505
Current Funds* Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2018

Instruction:	
Instructional Programs	$ 26,314,857
Academic Support:	
Library Center	1,128,063
Academic Computing Support	1,634,666
Other	5,201,395
Total Academic Support	7,964,124
Student Services Support:	
Admissions and Records	775,371
Counseling and Career Services	1,275,889
Financial Aid Administration	690,320
Other	2,358,026
Total Student Services Support	5,099,606
Public Service/Continuing Education:	
Community Education	40,011
Customized Training (Instructional)	1,846,131
Community Services	459,582
Other	316,800
Total Public Service/Continuing Education	2,662,524

PARKLAND COLLEGE DISTRICT #505
Current Funds Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2018

Auxiliary Services	4,148,293
Operations and Maintenance of Plant:	
Maintenance	1,003,447
Custodial Services	1,674,888
Grounds	502,110
Campus Security	1,424,730
Transportation	51,740
Utilities	2,040,554
Administration	339,528
Other	124,945
Total Operations and Maintenance of Plant	7,161,942
Institutional Support:	
Executive Management	441,116
Fiscal Operations	858,293
Community Relations	90,867
Board of Trustees	42,083
General Institutional	4,408,714
Institutional Research	341,134
Administrative Data Processing	2,180,197
Other	11,022,211
Total Institutional Support	19,384,615
Scholarships, Student Grants, and Waivers	17,762,341
Total Current Funds Expenditures	$ 90,498,302

* Current funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement; and Bond and Interest Funds

PARKLAND COLLEGE DISTRICT #505
Certificate of Chargeback Reimbursement
For the Year Ended June 30, 2018

All Fiscal Year 2018 Non-Capital Audited Operating Expenditures from the Following Funds:		
Education	$	45,780,189
Operations and Maintenance Fund		5,418,374
Restricted Purposes Fund		22,491,516
Audit Fund		65,454
Liability, Protection and Settlement Fund		2,934,719
Auxiliary Enterprise Fund (subsidy only)		1,004,773
Total Non-Capital Expenditures		77,695,025
Depreciation on Capital Outlay Expenditures from Sources Other than State and Federal Funds		3,846,369
Total Costs Included		81,541,394
Total Certified Semester Credit Hours for Fiscal Year 2018		130,478
Per Capita Cost		624.95
All fiscal year 2018 State and Federal Operating Grants for Non-Capital Expenditures, Except ICCB Grants		22,876,304
Fiscal Year 2018 State and Federal Grants Per Semester Credit Hour		175.33
District's Average ICCB Grant Rate (excluding equalization grants) for Fiscal Year 2019		30.00
District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2019		164.00
Chargeback Reimbursement Per Semester Credit Hour	$	255.62

Approved: Christy Russell
Chief Fiscal Officer

Approved: Thomas R. Ramage
Chief Executive Officer

Martin | Hood

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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, 2018, 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, 2018, 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 LLC

Champaign, Illinois
October 2, 2018

PARKLAND COLLEGE DISTRICT #505
State Adult Education Restricted Funds
(State Basic and Performance)
Balance Sheet
June 30, 2018

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, 2018

	State Basic	Performance	Total
Revenues			
ICCB Grant	$ 317,625	$ 187,275	$ 504,900
Expenditures			
Instructional Student Services:			
Instruction	279,545	113,678	393,223
Social Work Services	-	-	-
Guidance Services	15,991	4,992	20,983
Assistive and Adaptive Equipment	-	-	-
Assessment and Testing	-	-	-
Student Transportation Services	-	-	-
Literacy Services	-	-	-
Childcare Services	-	-	-
Total Instructional Student Services	295,536	118,670	414,206
Program Support:			
Improvement of Instructional Services	13,319	61,330	74,649
General Administration	8,770	7,275	16,045
Operation and Maintenance of Plant Services	-	-	-
Workforce Coordination	-	-	-
Data and Information Services	-	-	-
Approved Indirect Costs	-	-	-
Total Program Support	22,089	68,605	90,694
Total Expenditures	317,625	187,275	504,900
Excess of Revenue Over Expenditures	-	-	-
Fund Balance, July 01, 2017	-	-	-
Fund Balance, June 30, 2018	$ -	$ -	$ -

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, 2018

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	$ 279,545	88.01%
General Administration (15 Percent Maximum Allowed)	8,770	2.76%

PARKLAND COLLEGE DISTRICT #505
Career and Technical Education
(Program Improvement)
Balance Sheet
June 30, 2018

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, 2018

Revenue	
ICCB Grant	$ 57,908
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	-
Instructional Materials	-
Staff Development	-
Instructional Equipment	57,908
Total Expenditures	57,908
Excess of Revenues Over Expenditures	-
Fund Balance, June 30, 2017	-
Fund Balance, June 30, 2018	$ -

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, 2018. 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, 2018.

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, 2018 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 October 2, 2018, 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 LLC

Champaign, Illinois
October 2, 2018

Schedule 31

PARKLAND COLLEGE DISTRICT #505
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed
For the Year Ended June 30, 2018

Categories	Summer		Fall		Spring		Total	
	Total Reimbursable Semester Credit Hours by Term							
	Unrestricted	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**
Baccalaureate	11,017.0	-	36,157.0	-	33,601.0	-	80,775.0	-
Business Occupational	167.5	-	1,718.5	-	1,531.0	-	3,417.0	-
Technical Occupational	1,018.5	462.0	7,613.5	953.0	7,049.5	839.0	15,681.5	2,254.0
Health Occupational	1,159.0	-	5,830.5	-	5,739.5	-	12,729.0	-
Remedial Developmental	836.0	-	6,294.0	-	3,542.0	-	10,672.0	-
Adult Basic/Secondary Education	143.0	114.0	597.0	1,746.0	486.0	1,863.0	1,226.0	3,723.0
TOTAL CREDIT HOURS CERTIFIED	14,341.0	576.0	58,210.5	2,699.0	51,949.0	2,702.0	124,500.5	5,977.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	102,260.0	-	102,260.0

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	7,114.0	134.0

District 2017 Equalized Assessed Valuation $ 5,438,688,489

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)

Chief Financial Officer (CFO)

PARKLAND COLLEGE DISTRICT #505
For the Year Ended June 30, 2018

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	80,775.0	80,775.0	-	-	-	-
Business Occupational	3,417.0	3,417.0	-	-	-	-
Technical Occupational	15,681.5	15,681.5	-	2,254	2,254	-
Health Occupational	12,729.0	12,729.0	-	-	-	-
Remedial Developmental	10,672.0	10,672.0	-	-	-	-
Adult Basic / Secondary Education	1,226.0	1,226.0	-	3,723.0	3,723.0	-
Total Credit Hours Certified	124,500.5	124,500.5	-	5,977.0	5,977.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	102,260.0	102,260.0	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	102,260.0	102,260.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	7,114.0	7,114.0	-
Dual Enrollment	134.0	134.0	-
Total	7,248.0	7,248.0	-

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	**Federal CFDA Number**	**Identifying Number**		**Federal Expenditures**	**Provided to Subrecipients**
Department of Ag					
Passed through the Illinois State Board of Education (ISBE)					
Child & Adult Care Food Program	10.558	4226		$ 20,330	$ -
Department of Labor					
Passed through the Champaign County Regional Planning Commission					
WIA Youth Activities	17.259	16-1Y-6050-YETP		25,659	-
Department of Transportation					
Passed through the Illinois Department of Transportation (IDOT)					
ICCB/IDOT HCCTP	20.205	HCCTP505		316,727	-
Department of Education					
Direct					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007			134,299	-
Federal Work Study (FWS)	84.033			119,237	-
Pell Grant Program	84.063			9,277,762	-
Federal Direct Loans	84.268			5,108,508	-
Direct Plus: Department of Education	84.268			705,795	-
Unsubsidized Direct Loan Even: Department of Education	84.268			2,416,740	-
Total Student Financial Aid Cluster			*	17,762,341	-
Other Direct Programs					
Title III	84.031a			396,119	-
Trio Cluster					
Trio Student Support Services	84.042a			268,227	-
Total Other Direct Programs				664,346	-
Passed through the Illinois Community College Board (ICCB)					
Adult Education - Basic	84.002a	50501 Federal Basic		111,920	-
V.E. Perkins IIC Special Populations and Other	84.048	CTE50518	*	379,821	-
Passed through the Illinois State Board of Education (ISBE)					
Title I - Migrant Education	84.011	4340		314,638	-
Title I - Migrant Education Incentive	84.144F	4341		1,235	-
				315,873	-
Pass through Champaign/Ford Regional Office of Education #9					
Title I - School Improvement & Accountability	84.010A			3,151	-
Pass through University of Illinois - Center for Global Studies					
Title VI National Resources Grant	84.015A			7,600	-
Total Department of Education				19,245,052	-
National Science Foundation					
Direct					
Research Pheno Plasticity	47.074			10,197	-
Precision Ag Curriculum Enhancement	47.076			53,367	-
Total National Science Foundation				63,564	-
Department of Health and Human Services					
Passed through Illinois Department of Public Health					
Oral Health WorkForce	93.236	None		10,610	-
Total Expenditures of Federal Awards				$ 19,681,942	$ -

*** -** Denotes a major program.

PARKLAND COLLEGE DISTRICT #505
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

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, 2018. 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, 2018.

3. Property and Equipment

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

PARKLAND COLLEGE DISTRICT #505
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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
- Perkins - CFDA # 84.048

(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, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 2, 2018.

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 LLC

Champaign, Illinois
October 2, 2018

Martin | Hood

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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, 2018. 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, 2018.

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 LLC

Champaign, Illinois
October 2, 2018