PARKLAND COLLEGE DISTRICT #505

Champaign, Illinois

Comprehensive Annual Financial Report

For the Years Ended

June 30, 2015 and 2014

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Parkland College District #505 (the College) and its discretely presented component unit (Parkland College Foundation) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, 2015 and 2014 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 14 and the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the College and its discretely presented component unit as of and for the years ended June 30, 2015 and 2014. 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and are also not a required part of the basic financial statements. As described in Note 19, 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. 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, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated September 17, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 17, 2015

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, 2015, 2014 and 2013. 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 2015, 2014 and 2013 only.

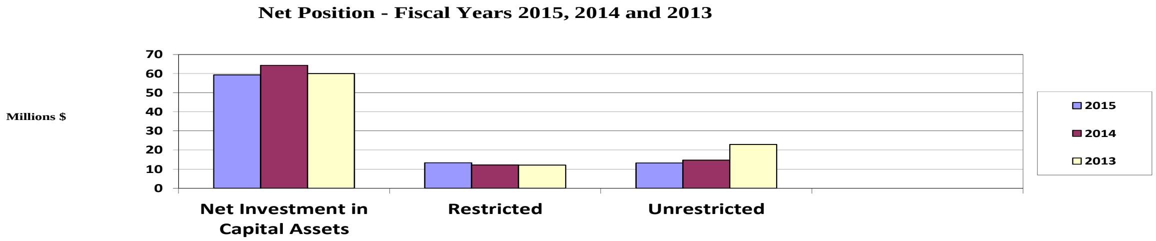
Using This Annual Report

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

The Management Discussion and Analysis contains financial activity of Parkland. The College’s component unit, the Foundation, has separately issued financial statements. These statements should be used for detailed information on the Foundation’s financial activity for the year ending June 30, 2015. Copies of the Foundation’s annual audit can be obtained from the Foundation office at Parkland College.

Primary Institution Financial Highlights

Comparative Net Position Chart



The Statement of Net Position

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

Financial Analysis of the College as a Whole

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

	2015	2014	2013
Current Assets	$ 48.0	$ 55.7	$ 77.6
Non-Current Assets:			
Capital Assets, Net of Depreciation	115.9	114.6	93.8
Total Assets	163.9	170.3	171.4
Deferred Outflows of Resources	0.4	0.5	0.5
Total Assets and Deferred Outflows of Resources	164.3	170.8	171.9
Current Liabilities	12.5	13.4	9.0
Non-Current Liabilities	66.0	66.2	68.0
Total Liabilities	78.5	79.6	77.0
Net Position:			
Net Investment in Capital Assets	59.3	64.3	60.0
Restricted	13.3	12.4	12.1
Unrestricted	13.2	14.5	22.9
Total Net Position	$ 85.8	$ 91.2	$ 95.0

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 2015 Compared to 2014

Net position decreased $5.4 million during fiscal year 2015. This decrease was due to investment in capital assets decreasing by $5.0 million and unrestricted net position decreasing $1.3 million, offset by a $0.9 million increase in restricted net position.

Total liabilities decreased by $1.1million to $78.5 million. This decrease was due to non-current liabilities decreasing by $0.2 million and current liabilities decreasing by $0.9 million.

The College also adopted GASB 68 in fiscal year 2015 and as a result recorded deferred retirement plan contributions subsequent to the measurement date of the net pension liability (June 30, 2014) as deferred outflows of resources. See Note 12 for additional information.

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

Fiscal Year 2014 Compared to 2013

Net position decreased $3.8 million during fiscal year 2014. This decrease was due to investment in capital assets increasing by $4.3 million and restricted net position increasing by $0.1 million, offset by an $8.2 million decrease in unrestricted net position.

Total liabilities increased by $2.6 million to $79.6 million. This was all due to the increase in non-current liabilities

The College also adopted GASB 65 that removes debt issuance costs that were recorded as assets under prior accounting standards. See Note 20 of the audit.

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)

	2015	2014	2013
Operating Revenue:			
Tuition and Fees	$ 19.4	$ 16.9	$ 17.8
Auxiliary Enterprises	4.8	5.1	5.0
Other	1.1	1.2	1.7
Total	25.3	23.2	24.5
Less: Operating Expenses	102.7	99.1	101.3
Operating Loss	(77.4)	(75.9)	(76.8)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	11.0	10.6	10.9
Local Property Taxes	25.9	25.0	25.0
Federal Grants and Contracts	21.0	23.8	26.5
On-Behalf Payments	15.5	13.1	12.3
Loss on Disposal of Property and Equipment	(0.1)	-	-
Interest Expense	(2.4)	(1.9)	(1.5)
Investment Income	0.1	0.1	0.1
Total	71.0	70.7	73.3
Income (Loss) Before Capital Contributions	(6.4)	(5.2)	(3.5)
Capital Contributions	1.0	1.4	11.1
Increase (Decrease) in Net Position	(5.4)	(3.8)	7.6
Net Position, Beginning of Year	91.2	95.0	87.4
Net Position, End of Year	$ 85.8	$ 91.2	$ 95.0

Fiscal Year 2015 Compared to 2014

Operating revenues increased $2.1 million from the prior year. Operating revenue increased by $2.5 million in the tuition & fees category, offset by a decrease of $0.3 million in auxiliary revenues and a $0.1 million decrease in other revenues. The increase in tuition and fees revenue reflects the increase in fee revenue of $1.5 million combined with a decrease of $0.6 million in scholarship allowance from the prior year.

In total, operating expenses increased by $3.6 million. This is due to an increase of $4.3 million in instructional expenses, an increase of $0.5 million in academic support, an increase of $0.3 million in student services, an increase of $2.4 million in on-behalf payments, and a $0.9 million increase in depreciation expense. These increases were offset by a $2.4 million decrease in grants and scholarships due to less financial aid being available and a decrease of $2.5 million in the operation and maintenance of plant expense. Generally, increases in total operating expenses are anticipated to accommodate raises for personnel as well as the rising costs associated with providing a quality education product to our student body.

The non-operating revenues increased $0.3 million. This is due to an increase in contributions of $2.4 million from the State of Illinois for the SURS pension plan (see note 12), an increase of $0.4 million in State Grants and Contracts and the property tax increase of $0.9 million. These increases were offset by a decrease of $2.8 million in Federal Grants and Contracts (Federal Aid). Also, interest expense increased $0.5 million and disposals of property and equipment increased $0.1 million to offset the overall increase in non-operating revenues.

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).

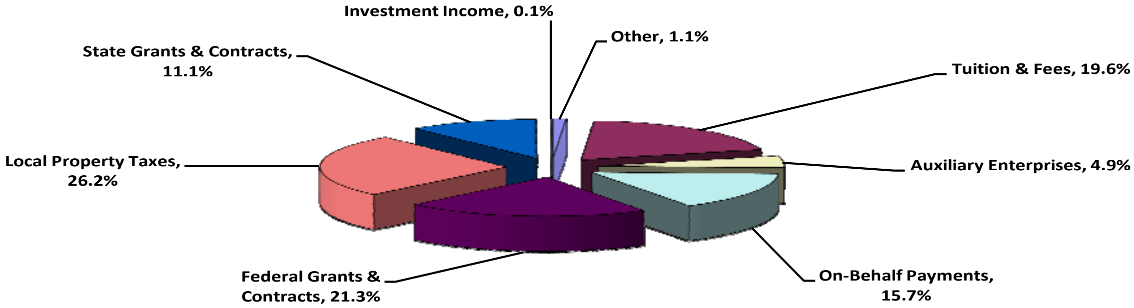
Fiscal Year 2014 Compared to 2013

Operating revenues decreased $1.3 million from last year. Operating revenue decreased by $0.9 million in the tuition & fees category and decreased $0.5 million in other revenues. This was offset by a $0.1 million increase in Auxiliary Enterprises. The decrease in tuition and fees revenue reflects decreased enrollment from the prior year while Other Operating Revenues saw a decrease in sales and service.

In total, operating expenses decreased by $2.2 million. This is due to a decrease of $2.8 million in instructional expenses along with $1.1 million less in academic support caused by a combination of decreased enrollment and a concerted effort to cut expenses across all College departments. These decreases were offset by $1.6 million increase in institutional support due in large part to increase medical expenses. Generally, increases in total operating expenses are anticipated to accommodate raises for personnel as well as the rising costs associated with providing a quality education product to our student body.

The non-operating revenues decreased $2.6 million. This is due to a decrease of $2.7 million in Federal Grants and Contracts (federal aid) and $0.3 decrease in State Grants and Contracts. Also, increased interest expense of $0.4 million contributed to the decrease in non-operating revenues. These decreases were offset by increased contributions of $0.8 million from the State of Illinois for the SURS pension plan (see Note 12) while property tax revenue remained nearly unchanged.

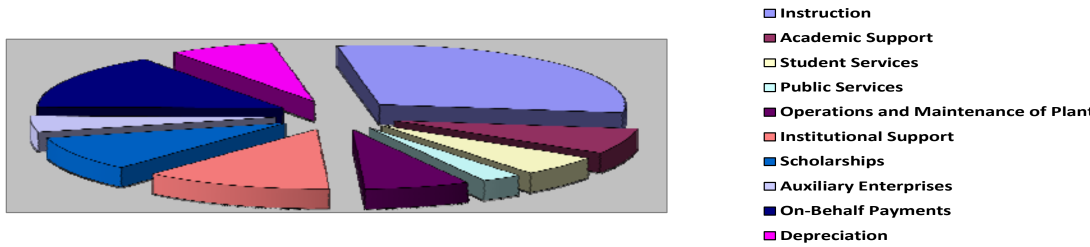
Revenue by Source Fiscal Year 2015



Operating Expenses
For Year Ended June 30
(in millions)

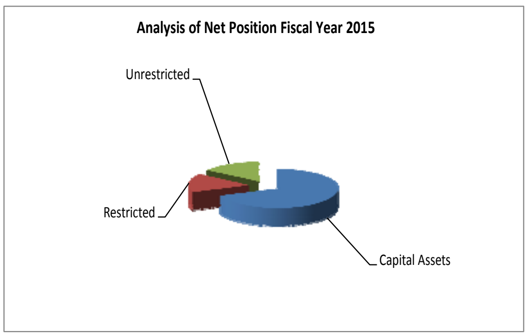
	2015	2014	2013
Operating Expenses:			
Instruction	$ 30.8	$ 26.5	$ 29.3
Academic Support	7.2	6.6	7.7
Student Services	5.6	5.2	5.4
Public Service	2.7	2.6	2.6
Operations and Maintenance of Plant	7.1	9.7	8.5
Institutional Support	12.7	12.6	11.0
Scholarships	9.6	12.0	13.5
Auxiliary Enterprises	4.5	4.6	5.1
On-Behalf Payments	15.5	13.1	12.3
Depreciation	7.0	6.2	5.9
Total	$ 102.7	$ 99.1	$ 101.3

Operating Expenses Fiscal Year 2015



Analysis of Net Position
June 30
(in millions)

	2015	2014	2013
Net Position:			
Net Investment in Capital Assets	$ 59.3	$ 64.3	$ 60.0
Restricted	13.3	12.4	12.1
Unrestricted	13.2	14.5	22.9
Total	$ 85.8	$ 91.2	$ 95.0



Fiscal Year 2015 Compared to 2014

Total net position decreased by $5.4 million from fiscal year 2014 to fiscal year 2015. The net investment in capital assets decreased $5.0 million, or 7.7% over the previous year. This decrease was due mainly to depreciation exceeding the sum of capital asset additions funded with non-debt resources (see Note 6) and payments of principal on outstanding bonds related to capital assets. Restricted net position increased by $0.9 million compared to the previous year and the unrestricted net position decreased by $1.3 million during fiscal year 2015.

Fiscal Year 2014 Compared to 2013

Total net position decreased by $3.8 million from fiscal year 2013 to fiscal year 2014. The net investment in capital assets increased $4.3 million or 7.2% over the previous year. This was due to the additions of property and equipment less annual depreciation (see Note 6) adjusted for outstanding bonds related to capital assets. The majority of the property and equipment additions are due to the construction in progress category as noted on page 13. Unrestricted net position decreased by $8.2 million compared to the previous year. The majority of this decrease ($3.0 million) was due to a deficit in the operating funds. The restricted net position also increased by $0.1 million during fiscal year 2014.

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 2015, the College had $115.9 million invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and depreciation) of $1.3 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)

	2015	2014	2013
Land	$ 1.8	$ 1.8	$ 1.8
Construction in Progress	9.5	43.8	33.7
Buildings	76.8	46.3	32.5
Land Improvements	23.1	16.5	20.0
Equipment	4.7	6.2	5.8
Total	$ 115.9	$ 114.6	$ 93.8

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

Drainage Phase 14	$ 0.6
Student Services Building	1.5
L Wing Remodel	0.9
HVAC Project	0.4
Student Center Third Floor	0.3
Athletic Field Improvements	0.1
C Wing Remodel	0.1
Art Building Remodel	2.5
Backfill Remodel	0.6
Equipment	1.2
Total	$ 8.2

The College's fiscal year 2016 operating capital budget is $6.3 million. This capital budget will be used to complete the facility master plan.

Long-Term Debt Activity

The College's long-term debt increased during 2015 from $68.4 million to $68.8 million. The general obligation bonds payable decreased $1.6 million during the year while the retirement obligation increased $1.8 million. The decrease in bond obligations was due to the annual bond principal payments made during the fiscal year. More detailed information about long-term debt can be found in Note 8 to the Basic Financial Statements.

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

Economic Factors That Will Affect the Future

For fiscal year 2016, the Parkland College Board of Trustees has authorized a tuition increase of $9.00 - $21.00 per credit hour depending on a student's residency status. The Board also approved adjustments to select additional course fees. This equates to a reasonable increase in tuition and fee revenues assuming the enrollment and residency mix stay constant for the upcoming fiscal year. The College also expects a modest increase in local property tax revenue due to anticipated EAV growth. The College hopes that the ICCB State funding as well as Corporate Personal Property Replacement Tax revenues remain stable. However, the lack of a State budget continues to be a major concern.

Parkland College continues to face the financial consequences of a poor economy. This includes the rising cost of quality personnel and health care costs. These costs may increase at rates previously unexpected due to a variety of State and Federal legislation. This includes potential SURS pension cost being passed on to the College and the economic impact of the Federal health care reform legislation. The College will continue to be proactive in monitoring these areas which make up the bulk of its operating budget. The College's current high deductible health plan qualifies for discounts from many of our highly used local service providers. This high deductible plan was implemented to be effective in fiscal year 2016 based on union negotiations. The hope is that the new plan will yield savings in healthcare cost compared to prior healthcare plans. The College continues to work with healthcare experts to determine the required actions of the College in the short and long term. Other potential volatile expense areas such as utilities due to increased square footage caused by new buildings will also be watched closely. Parkland currently realizes savings on gas and electric use through guaranteed contracts with suppliers. The College's Administration and its Board continue to monitor other major factors related to its financial state including student enrollment and State funding.

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

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 Phase II of the first alarm system via protection health safety proceeds.

The College's approved operating budget for fiscal year 2016 is $57.3 million. The total College budget is $107.1 million.

The Parkland Foundation will continue to raise money for the College's needs as described in its mission statement. This will include raising funds for scholarships and future capital projects. Also, the Foundation is preparing for the College's 50 year anniversary.

The College received its 10 year accreditation from the Higher Learning Commission in late 2012.

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

Exhibit A

PARKLAND COLLEGE DISTRICT #505
Statements of Net Position
June 30, 2015 and 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2015	2014
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	$ 22,684,621	$ 27,924,962
Investments	4,999,534	-
Property Taxes Receivable, Net	536,037	353,448
Accounts Receivable, Net	2,302,651	3,291,015
Inventories	541,740	590,368
Restricted:		
Cash and Cash Equivalents	16,057,120	22,823,936
Property Taxes Receivable, Net	72,455	44,735
Accounts Receivable, Net	783,597	677,894
Total Current Assets	47,977,755	55,706,358
Property and Equipment, Net	115,891,828	114,632,727
Total Assets	163,869,583	170,339,085
Deferred Outflows of Resources		
Deferred Charge on Refunding	395,930	473,100
Deferred Retirement Plan Contributions Subsequent to Measurement Date	49,760	-
Total Deferred Outflows of Resources	445,690	473,100
Total Assets and Deferred Outflows of Resources	$ 164,315,273	$ 170,812,185

LIABILITIES AND NET POSITION

	2015	2014
Current Liabilities		
Accounts Payable	$ 1,442,498	$ 3,428,665
Accrued Liabilities	3,085,180	3,024,313
Due to Student Groups	1,362,844	1,314,947
Due to Parkland Foundation	1,047,517	329,669
Unearned Revenue	2,712,687	3,012,707
Retirement Obligation	952,297	704,943
Current Portion of Bonds Payable	1,840,000	1,570,000
Total Current Liabilities	12,443,023	13,385,244
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	3,574,416	1,974,604
Accrued Compensated Absences	1,744,275	1,652,514
Bonds Payable, Net of Current Portion	60,705,000	62,545,000
Total Long-Term Liabilities	66,023,691	66,172,118
Total Liabilities	78,466,714	79,557,362
Net Position		
Net Investment in Capital Assets	59,349,158	64,274,696
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Debt Service	3,715,477	3,442,120
Purposes Allowed by Property Tax Levies	1,145,364	1,246,837
Aviation Program Operation	842,965	183,769
Unrestricted	13,196,237	14,508,043
Total Net Position	85,848,559	91,254,823
Total Liabilities and Net Position	$ 164,315,273	$ 170,812,185

See Accompanying Notes

Exhibit B

PARKLAND COLLEGE DISTRICT #505
Statements of Financial Position - Component Unit
June 30, 2015 and 2014

ASSETS

	2015	2014
Current Assets		
Due from Parkland College	$ 1,047,517	$ 329,669
Life Insurance Receivable	100,000	-
Promises to Give, Net of Allowance of $11,696 and $0, Respectively	76,000	148,500
Total Current Assets	1,223,517	478,169
Property & Equipment, Net	850	915
Other Assets		
Investments	6,248,066	6,093,682
Promises to Give, Net of Current Portion, Allowance of $61,174 and $87,000, and Discount of $344,403 and $357,374, Respectively	208,847	211,047
Land Investment	2,322,947	1,880,000
Cash Surrender Value of Life Insurance	54,973	109,389
Other Assets	17,500	17,500
Total Other Assets	8,852,333	8,311,618
Total Assets	$ 10,076,700	$ 8,790,702

LIABILITIES AND NET ASSETS

	2015	2014
Current Liabilities		
Accounts Payable	$ 14,207	$ -
Accrued Vacation Payable	19,636	15,380
Total Current Liabilities	33,843	15,380
Long-Term Liabilities		
Land Investment Use Obligation	349,179	280,000
Total Liabilities	383,022	295,380
Net Assets		
Unrestricted	(1,839,070)	(2,182,014)
Temporarily Restricted	7,429,622	6,018,781
Permanently Restricted	4,103,126	4,658,555
Total Net Assets	9,693,678	8,495,322
Total Liabilities and Net Assets	$ 10,076,700	$ 8,790,702

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
Operating Revenues		
Student Tuition and Fees, Net of Scholarship Allowance of $9,705,153 and $10,356,760	$ 19,415,858	$ 16,928,643
Auxiliary Enterprises Revenue	4,830,089	5,158,067
Other Operating Revenues	1,063,751	1,169,026
Total Operating Revenues	25,309,698	23,255,736
Operating Expenses		
Instruction	30,791,611	26,475,180
Academic Support	7,151,467	6,605,482
Student Services	5,575,336	5,231,186
Public Service	2,669,419	2,566,992
Auxiliary Expenses	4,525,238	4,590,517
Operation and Maintenance of Plant	7,139,487	9,685,166
Grants and Scholarships	9,618,593	12,028,023
Institutional Support	12,706,931	12,650,907
On-Behalf Payments	15,505,504	13,072,895
Depreciation	7,035,420	6,179,808
Total Operating Expenses	102,719,006	99,086,156
Operating Income (Loss)	(77,409,308)	(75,830,420)
Non-Operating Revenues (Expenses)		
State Grants and Contracts	11,012,003	10,645,967
Local Property Tax Revenues	25,923,765	24,962,462
Federal Grants and Contracts	21,021,864	23,825,297
On-Behalf Payments	15,505,504	13,072,895
Investment Income Earned	96,894	87,547
Loss on Disposal of Property and Equipment	(124,800)	-
Interest Expense	(2,390,809)	(1,861,871)
Total Non-Operating Revenues (Expenses)	71,044,421	70,732,297
Income (Loss) Before Other Revenue	(6,364,887)	(5,098,123)
Other Revenue		
Capital Contributed	958,623	1,382,409
Increase (Decrease) in Net Position	(5,406,264)	(3,715,714)
Net Position, Beginning of Year	91,254,823	94,970,537
Net Position, End of Year	$ 85,848,559	$ 91,254,823

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Activities - Component Unit
For the Years Ended June 30, 2015 and 2014

	2015	2014
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	$ 454,802	$ 63,266
In-Kind Contributions	614,309	-
Special Events, Net of Direct Costs	40,564	32,182
Net Assets Released from Restrictions	458,239	1,134,082
Total Support and Revenue	1,567,914	1,229,530
Expenses:		
Program Services		
Scholarships	216,390	224,477
Institutional Support	517,756	616,574
Total Program Services	734,146	841,051
Supporting Services		
Management and General	300,485	261,713
Fundraising	344,312	367,045
Total Supporting Services	644,797	628,758
Total Expenses	1,378,943	1,469,809
Reclassification of Net Assets	154,973	(36,062)
Change in Unrestricted Net Assets	343,944	(276,341)
Change in Temporarily Restricted Net Assets		
Support and Revenue:		
Contributions	892,402	602,597
In-Kind Contributions	-	578,987
Special Events, Net of Direct Costs	74,829	68,907
Interest and Dividends, Net of Fees	50,724	63,289
Net Realized and Unrealized Gain (Loss) on Investments	(23,643)	483,487
Net Unrealized Gain (Loss) on Land Investment	442,947	-
Change in Land Investment Use Obligation	(69,179)	(10,000)
Net Assets Released from Restrictions	(458,239)	(1,134,082)
Total Support and Revenue	909,841	653,185
Reclassification of Net Assets	500,000	414,169
Change in Temporarily Restricted Assets	1,409,841	1,067,354
Change in Permanently Restricted Net Assets		
Support and Revenue:		
Contributions	97,117	176,060
Net Increase (Decrease) in Cash Surrender Value of Life Insurance	2,427	8,271
Total Support and Revenue	99,544	184,331
Reclassification of Net Assets	(654,973)	(378,107)
Change in Permanently Restricted Net Assets	(555,429)	(193,776)
Change in Net Assets	1,198,356	597,237
Net Assets, Beginning of Year	8,495,322	7,898,085
Net Assets, End of Year	$ 9,693,678	$ 8,495,322

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Student Tuition and Fees	$ 19,068,337	$ 18,083,571
Payments to Suppliers	(20,280,003)	(13,677,907)
Payments to Employees and Benefits Paid	(50,216,550)	(50,888,873)
Payments for Financial Aid and Scholarships	(9,618,593)	(12,028,023)
Auxiliary Enterprise Charges	4,830,089	5,158,067
Net Receipts from (Disbursements to) Parkland Foundation	717,848	153,911
Other Receipts	1,063,751	1,169,026
Net Cash Provided by (Used in) Operating Activities	(54,435,121)	(52,030,228)
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	25,713,456	26,528,371
State Grants and Contracts	12,047,868	10,984,025
Federal Grants and Contracts	20,916,161	23,847,262
Net Cash Provided by (Used in) Non-Capital Financing Activities	58,677,485	61,359,658
Cash Flows from Capital and Related Financing Activities		
Purchase of Property and Equipment	(6,973,261)	(24,592,850)
Principal Paid on Bonds	(1,570,000)	(1,325,000)
Interest Paid on Bonds	(2,803,620)	(2,839,820)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(11,346,881)	(28,757,670)
Cash Flows from Investing Activities		
Purchase of Investments	(4,999,534)	-
Interest on Cash and Cash Equivalents	96,894	87,547
Net Cash Provided by (Used in) Investing Activities	(4,902,640)	87,547
Net Increase (Decrease) in Cash and Cash Equivalents	(12,007,157)	(19,340,693)
Cash and Cash Equivalents, Beginning of Year	50,748,898	70,089,591
Cash and Cash Equivalents, End of Year	$ 38,741,741	$ 50,748,898
On the Statement of Net Position as Follows:		
Unrestricted - Cash and Cash Equivalents	$ 22,684,621	$ 27,924,962
Restricted - Cash and Cash Equivalents	16,057,120	22,823,936
Cash and Cash Equivalents, End of Year	$ 38,741,741	$ 50,748,898

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ (77,409,308)	$ (75,830,420)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	7,035,420	6,179,808
On-Behalf Payments	15,505,504	13,072,895
Changes in Assets, Deferred Outflows, and Liabilities:		
Accounts Receivable, Net	(47,501)	538,570
Inventories	48,628	78,247
Prepaids	-	10,446
Deferred Retirement Plan Contributions Subsequent to Measurement Date	(49,760)	-
Accounts Payable	(1,986,167)	2,703,778
Accrued Liabilities	63,411	436,449
Due to Student Groups	47,897	43,271
Due to Parkland Foundation	717,848	153,911
Unearned Revenue	(300,020)	616,358
Retirement Obligations	1,847,166	6,424
Accrued Compensated Absences	91,761	(39,965)
Net Cash Provided by (Used in) Operating Activities	$ (54,435,121)	$ (52,030,228)

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

	2015	2014
Property and Equipment Contributed	$ 958,623	$ 1,382,409
Property and Equipment Additions from Capitalized Interest	$ 487,437	$ 1,051,629

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 55, *The Hierarchy of GAAP for State and Local Governments.*

b. For the year ended June 30, 2015, the College implemented GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*. The adoption of this standard did not cause the College to record a prior period adjustment. The College has disclosed pension information in this fiscal year based on the requirements of GASB Statement Number 68.

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. Investments are held at fair value.

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 delinquent. 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, 2015 and 2014 was $3,574,496 and $3,294,475, 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 2014 tax levy was passed by the Board of Trustees on November 19, 2014. 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 2014 tax levy be allocated and recognized 55 percent in fiscal year 2015 and 45 percent in fiscal year 2016. Property tax revenue for the years ended June 30, 2015 and 2014 were from the 2014 and 2013 levies and the 2013 and 2012 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, 2015 and 2014, the College has recorded an allowance of $1,503,174 and $1,503,174, respectively, for a potential property tax refund identified by the Champaign County Treasurer.

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

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

j. Non-operating revenues include non-exchange transactions, in which the College receives value without directly giving equal value in return; this includes property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, the revenues from property taxes are recognized in the period for which they are intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, or expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

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

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

The College capitalizes interest incurred on long-term debt issued for construction purposes during the project construction period.

m. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College has two items that qualify for reporting in this category. These items, deferred charge on refunding and deferred retirement plan contributions subsequent to measurement date, are reported in the Statements of Net Position. The deferred charge on refunding represents the excess of cash paid to the refunded bond escrow agent over the amount of refunded principal payments. The amount is deferred and recognized as an outflow of resources (expense) over the shorter of the remaining life of the refunded debt or the life of the refunding debt. The retirement plan contributions subsequent to measurement date deferred outflow item is the amount of contributions made by the College to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the year ended June 30, 2015. These contributions occurred after the SURS measurement date of June 30, 2014 for the net pension liability and will be included in the net pension liability measurement at June 30, 2015 and pension expense in fiscal year 2016.

   The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has no item that qualifies for reporting in this category at June 30, 2015.

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

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

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

Net Position

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

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

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

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

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

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

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

s. Certain reclassifications have been made to the statement of net position for June 30, 2014 to conform to the presentation for June 30, 2015. Such reclassifications had no impact on the change in net position as previously reported for the year ended June 30, 2014.

3. Overexpenditure of Legal Budgets

The College overexpended its legally adopted budget for the following fund in fiscal year 2015.

- The Audit Fund budget was overexpended by $2,784. The overexpenditure was due to audit expenses being higher than expected.

4. Deposits and Investments

Investments

At June 30, 2015 and 2014, the College held the following investments:

	2015	2014
Certificates of Deposit		
Non-Negotiable	$ 2,197,200	$ -
Negotiable	2,802,334	-
Total Investments	$ 4,999,534	$ -

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, 2015, $31,396,167 of the College's $32,896,951 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, 2015 and 2014, the College held $6,780,609 and $15,190,580, respectively, in the Illinois Funds Money Market Fund. The fair value of the College's position in this fund is equal to the value of the College's fund shares. 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. 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.

At June 30, 2015 and 2014, the College held a total of $162,857 and $13,880,006, respectively, in the Illinois School District Liquid Asset Fund Plus. The fair value of the College's position in this fund is equal to the value of the College's fund shares. The Illinois School District Liquid Asset Fund Plus is regulated by private rating agencies. The portfolio has 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. 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.

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, 2015, the District held the following investments subject to interest rate risk:

	Carrying Value	Weighted Average Maturity (Years)
Negotiable Certificates of Deposit	$ 2,802,334	1.62

5. Accounts Receivable, Net

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

	2015	2014
Tuition Receivables from Students, Net	$ 550,649	$ 567,500
State Replacement Tax	387,098	372,208
Tuition Receivables from Agencies	539,334	488,817
Grants from Federal and State Sources	688,771	579,025
Unrestricted State Funding	748,223	1,504,809
Other Receivables	172,173	456,550
Total Accounts Receivable, Net	$ 3,086,248	$ 3,968,909
Unrestricted	$ 2,302,651	$ 3,291,015
Restricted	783,597	677,894
Total Accounts Receivable, Net	$ 3,086,248	$ 3,968,909

6. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2015:

	June 30, 2014	Additions	Disposals	June 30, 2015
Assets Not Being Depreciated:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in Progress	43,816,566	7,325,899	41,597,847	9,544,618
Assets Being Depreciated:				
Buildings	77,207,562	32,058,854	520,000	108,746,416
Land Improvements	31,724,068	9,538,993	-	41,263,061
Equipment	19,574,469	1,093,422	-	20,667,891
Total Property and Equipment	174,164,410	50,017,168	42,117,847	182,063,731
Less: Accumulated Depreciation				
Buildings	(30,889,265)	(1,567,541)	(395,200)	(32,061,606)
Land Improvements	(15,229,129)	(2,957,356)	-	(18,186,485)
Equipment	(13,413,289)	(2,510,523)	-	(15,923,812)
Total Accumulated Depreciation	(59,531,683)	(7,035,420)	(395,200)	(66,171,903)
Property and Equipment, Net	$ 114,632,727	$ 42,981,748	$ 41,722,647	$ 115,891,828

The following is a summary of changes in property and equipment for the year ended June 30, 2014:

	June 30, 2013	Additions	Disposals	June 30, 2014
Assets Not Being Depreciated:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in Progress	35,997,434	24,414,808	16,595,676	43,816,566
Assets Being Depreciated:				
Buildings	62,090,039	15,117,523	-	77,207,562
Land Improvements	30,245,915	1,478,153	-	31,724,068
Equipment	16,962,389	2,612,080	-	19,574,469
Total Property and Equipment	147,137,522	43,622,564	16,595,676	174,164,410
Less: Accumulated Depreciation				
Buildings	(29,674,854)	(1,214,411)	-	(30,889,265)
Land Improvements	(12,465,446)	(2,763,683)	-	(15,229,129)
Equipment	(11,211,575)	(2,201,714)	-	(13,413,289)
Total Accumulated Depreciation	(53,351,875)	(6,179,808)	-	(59,531,683)
Property and Equipment, Net	$ 93,785,647	$ 37,442,756	$ 16,595,676	$ 114,632,727

7. Unearned Revenue

Unearned revenue consists of the following at June 30:

	2015	2014
Unearned Student Tuition	$ 2,281,272	$ 2,512,002
Unearned Student Fees	79,001	80,293
Other Unearned Revenue	352,414	420,412
Total Unearned Revenue	$ 2,712,687	$ 3,012,707

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	June 30, 2014	Additions	Retired	June 30, 2015	Due Within One Year
Compensated Absences	$ 1,652,514	$ 1,520,000	$ 1,428,239	$ 1,744,275	$ -
Bonds	64,115,000	-	1,570,000	62,545,000	1,840,000
Retirement Obligation	2,679,547	2,759,133	911,967	4,526,713	952,297
Total Long-Term Debt	$ 68,447,061	$ 4,279,133	$ 3,910,206	$ 68,815,988	$ 2,792,297

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	June 30, 2013	Additions	Retired	June 30, 2014	Due Within One Year
Compensated Absences	$ 1,692,479	$ 1,460,000	$ 1,499,965	$ 1,652,514	$ -
Bonds	65,440,000	-	1,325,000	64,115,000	1,570,000
Retirement Obligation	2,673,123	606,045	599,621	2,679,547	704,943
Total Long-Term Debt	$ 69,805,602	$ 2,066,045	$ 3,424,586	$ 68,447,061	$ 2,274,943

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, 2015 was $33,000,000.

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, 2015, was $21,345,000.

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, 2015 was $8,200,000.

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 3.84 percent of such revenues. The principal and interest payments for fiscal years 2015 and 2014 were $739,790 and $738,190, respectively. The College's pledged revenues totaled $19,492,289 and $17,951,889 for fiscal years 2015 and 2014, respectively. At June 30, 2015, pledged future revenues totaled $11,128,044, 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
2016	$ 1,840,000	$ 2,755,895	$ 4,595,895
2017	2,130,000	2,693,795	4,823,795
2018	2,495,000	2,611,408	5,106,408
2019	2,830,000	2,507,708	5,337,708
2020	3,225,000	2,387,333	5,612,333
2021-2025	23,580,000	9,212,080	32,792,080
2026-2030	26,445,000	2,522,538	28,967,538
	$ 62,545,000	$ 24,690,757	$ 87,235,757

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		
2016	$	77,170
2017		77,170
2018		77,170
2019		77,170
2020		65,220
2021-2025		22,030
	$	395,930

Total amortization for the year ended June 30, 2015 and 2014 was $77,170. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2015 and 2014 was $2,878,246 and $2,913,500, respectively, including the amortization of the refunding expense. Of this amount, $487,437 and $1,051,629, respectively, was capitalized as part of the cost of multiple capital projects that were in progress during the fiscal year. The remaining $2,390,809 and $1,861,871, 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, 2015 and 2014, $4,435,000 and $5,020,000 of debt principal is considered defeased.

9. Lease Revenue

The College is the lessor of office and rooftop space under four operating leases. One expires on June 30, 2018, two expire on September 30, 2018, and one expires on June 30, 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, 2015 and 2014. The carrying value was $3,196,800 and $3,254,400 at June 30, 2015 and 2014, respectively.

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

Fiscal Year Ending June 30,		
2016	$	345,859
2017		345,859
2018		345,859
2019		79,036
Total	$	1,116,613

10. Lease Commitments

The College is obligated under various non-cancellable operating leases for office equipment with terms expiring at various dates from December 2015 through June 2017. The College is obligated under one non-cancellable operating lease for telecommunications equipment space with terms running through August 2016, one non-cancellable operating lease for equipment running through June 2018, and one non-cancellable lease for a communications tower running through July 2018. Additionally, the College is obligated for one cancellable operating lease for the airplanes used in its aviation program, with terms running through August 2017. 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,		
2016	$	142,421
2017		33,931
2018		22,084
2019		864
Total	$	199,300

Total rental expense for leased equipment and facilities for the years ending June 30, 2015 and June 30, 2014, was $158,379 and $153,610, 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. 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 rates were $5,304 and $4,704 for the years ended June 30, 2015 and 2014, respectively. The initial stipend will be based on the July 1 rate closest to the retiree’s retirement date.

At June 30, 2015 and 2014, the early retirement plan had 48 and 40 active participants, respectively. Early retirement plan expense was $2,759,133 and $606,045 for fiscal years 2015 and 2014, respectively. At June 30, 2015 and 2014, the College had accrued a liability of $4,526,713 and $2,679,547, respectively, for future required payments for the College’s declared retirees under the Plan described above. The liability was calculated based on the present value of future payments discounted at the Wall Street Journal Prime Rate, which was 3.25 percent at June 30, 2015 and 2014, respectively. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

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, 2015, and 2014, the early retirement plan had 9 and 0 active participants.

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 Section 5/15, Chapter 40 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, 2014 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 2014 and 2015 respectively, was 11.91 percent and 11.71 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, 2014, SURS reported a net pension liability (NPL) of $21,790,983,139. The net pension liability was measured as of June 30, 2013.

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 $202,577,602 or 0.9296 percent. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30, 2013 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 2014.

Pension Expense

At June 30, 2014 SURS reported a collective net pension expense of $1,650,338,263.

Employer Proportionate Share of Pension Expense

The College 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 2014. As a result, the College recognized on-behalf revenue and pension expense of $15,342,198 for the fiscal year ended June 30, 2015.

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	$0	$0
Changes in assumption	88,940,815	0
Net difference between projected and actual earnings on pension plan investments	0	1,271,105,952
Total	$88,940,815	$1,271,105,952

Employer Deferral of Fiscal Year 2015 Pension Expense

The College paid $49,760 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014, and are recognized as Deferred Outflows of Resources as of June 30, 2015.

Assumptions and Other Inputs

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period June 30, 2006 – 2010 and an economic study completed June 2014. The total pension liability in the June 30, 2014, 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 12.00 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 RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

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, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	31%	7.65%
Private Equity	6%	8.65%
Non-U.S. Equity	21%	7.85%
Global Equity	8%	7.90%
Fixed Income	19%	2.50%
Treasury-Inflation Protected Securities	4%	2.30%
Real Estate	6%	6.20%
REITS	4%	6.20%
Opportunity Fund	1%	2.50%
Total	100%	5.00%
Inflation		2.75%
Expected Geometrical Normal Return		7.75%

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 4.29 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 2065. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2065, 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 1-percentagepoint lower or 1-percentage-point higher:

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
$26,583,701,134	$21,790,983,139	$17,796,570,836

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

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

13. 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, 2015 and 2014, the net amount owed to the Foundation was $1,047,517 and $329,669, respectively.

- During the years ended June 30, 2015 and 2014, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of $187,962 and $164,539, 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, 2015 and 2014, was $517,756 and $616,574, 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 recoded revenue or equivalent expense for this lease in fiscal years 2015 or 2014.

14. 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 their 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, 2015 and 2014, the accrued claims were $1,050,000 and $1,050,000, respectively, and are included in the accrued liabilities on the Statement of Net Position.

The stop-loss limits for the health insurance plan at June 30, 2015 and 2014, were $200,000 and $175,000, respectively. 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:

	2015	2014
Accrued Claims, Beginning of Year	$1,050,000	$ 647,021
Incurred Claims	7,145,545	7,226,721
Claim Payments	(7,145,545)	(6,823,742)
Accrued Claims, End of Year	$1,050,000	$1,050,000

15. 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.

16. 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, 2015.

	Due to	Due from
Education Fund	$ -	$ 639,214
Restricted Purposes Fund	639,214	-
Total Inter-Sub-Fund Balances	$ 639,214	$ 639,214

	Transfer in	Transfer out
Education Fund	$ 8,258	$ 737,880
Bond and Interest Fund	827,222	-
Operations and Maintenance Fund - Restricted	-	827,222
Working Cash Fund	-	8,258
Auxiliary Athletics Fund	525,000	-
Auxiliary Business Development Center Fund	62,880	-
Auxiliary Child Care Services Fund	150,000	-
Total Transfers	$ 1,573,360	$ 1,573,360

Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2014.

	Due to	Due from
Education Fund	$ -	$ 481,666
Restricted Purposes Fund	481,666	-
Total Inter-Sub-Fund Balances	$ 481,666	$ 481,666

	Transfer in	Transfer out
Education Fund	$ 6,558	$ 793,158
Bond and Interest Fund	892,579	-
Operations and Maintenance Fund - Restricted	-	892,579
Working Cash Fund	-	6,558
Auxiliary Athletics Fund	550,000	-
Auxiliary Business Development Center Fund	68,158	-
Auxiliary Child Care Services Fund	175,000	-
Total Transfers	$ 1,692,295	$ 1,692,295

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

17. Commitments

The College has seven uncompleted major construction contracts and one equipment contract in progress through the date of the Independent Auditor's Report. The remaining commitment on the eight contracts was approximately $2,587,000 at June 30, 2015.

The College has a contract for the purchase of electricity through March 2016. The contract contains set rates for summer, non-summer, peak, and off peak kilowatt hours. The approximate per fiscal year cost related to this contract is $439,000. The contract allows for the use of rates outside the set rates in cases of material changes in capacity or usage by the College. The rates used in those circumstances may be the then applicable market rate or an alternative rate agreed upon between the College and the provider.

18. Discretely Presented Component Unit

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

A. Nature of Organization

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

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

B. Summary of Significant Accounting Policies

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

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

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

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

b. Investments consist of a managed investment accounts comprised of various index funds, equity securities, fixed income investments, 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, 2015 and 2014, was 3.25 percent. 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.

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 estimated cost or, if donated, fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful life of assets.

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

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

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

The Foundation has estimated the fair market value of certain investments. Due to the level of risk associated with certain investment securities and the valuation techniques used for investments, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the financial statements.

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

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

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

j. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2015, the federal and state tax filings of the Foundation that fall within the applicable statutes of limitation remain open for review by tax authorities.

k. The Foundation has evaluated subsequent events through August 27, 2014, the date which the financial statements were available to be issued.

C. Promises to Give

Promises to give at June 30, 2015, consist of amounts due in:

Less than One Year	$ 87,696
One to Five Years	84,251
More than Five Years	530,173
Gross Promises to Give	702,120
Less: Allowance for Doubtful Accounts	(72,870)
Less: Discount on Long Term Promises to Give	(344,403)
Total Promises to Give, Net	$ 284,847

Promises to give at June 30, 2014, consist of amounts due in:

Less than One Year	$ 148,500
One to Five Years	151,247
More than Five Years	504,174
Gross Promises to Give	803,921
Less: Allowance for Doubtful Accounts	(87,000)
Less: Discount on Long Term Promises to Give	(357,374)
Total Promises to Give, Net	$ 359,547

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, 2015.

Cash and Cash Equivalents – Valued at the cash balance available to the Foundation as of June 30, 2015

Equities, Mutual Funds, and 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, 2015:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	$ 3,304,265	$ 3,304,265	1
Common Stock	990,944	1,103,866	1
Mutual Funds	1,228,860	1,285,940	1
Index Funds	436,390	484,410	1
Real Estate Investment Trust	14,690	14,311	1
Municipal Bonds	50,000	55,274	1
Total	$ 6,025,149	$ 6,248,066	

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2014:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	$ 3,146,842	$ 3,146,840	1
Common Stock	1,206,972	1,435,504	1
Mutual Funds	1,117,571	1,449,860	1
Index Funds	5,937	6,120	1
Municipal Bonds	50,000	55,358	1
Total	$ 5,527,322	$ 6,093,682	

Land Investment and Related Use Obligation – While the land investment and related use obligation is presented separately on the statement of financial position, the value of these items is also based on fair market value. The land investment value is based on sale prices of similar land sales in Champaign County.

The use obligation value is based on average cash rents, in Champaign County per the United State Department of Agriculture, discounted using an effective interest rate of 3.25 percent and an estimated period based on life expectancy tables per the Internal Revenue Service's Publication 590 Individual Retirement Arrangements.

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, 2015 and 2014, 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, 2015 and 2014, the Board elected not to charge such a fee.

Endowment net asset composition and changes in net assets as of and for the year ended June 30, 2015, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year, July 1, 2014	$ -	$ 1,747,182	$ 4,346,500	$ 6,093,682
Contributions	-	127,304	-	127,304
Interest and Dividends	-	75,143	-	75,143
Net Realized and Unrealized Loss	-	(23,644)	-	(23,644)
Fees	-	(24,419)	-	(24,419)
Net Transfers Between Funds	-	752,538	(752,538)	-
End of Year, June 30, 2015	$ -	$ 2,654,104	$ 3,593,962	$ 6,248,066

Endowment net asset composition and changes in net assets as of and for the year ended June 30, 2014, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year, July 1, 2013	$ -	$ 1,008,967	$ 4,535,539	$ 5,544,506
Contributions	-	2,400	-	2,400
Interest and Dividends	-	88,814	-	88,814
Net Realized and Unrealized Loss	-	483,487	-	483,487
Fees	-	(25,525)	-	(25,525)
Net Transfers Between Funds	-	189,039	(189,039)	-
End of Year, June 30, 2014	$ -	$ 1,747,182	$ 4,346,500	$ 6,093,682

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, 2015, the Foundation has investments in financial institutions in excess of the amounts insured by the SIPC in the amount of $4,701,328. Of the uninsured balances, $4,661,179 is held in trust management companies. 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, 2015, consist of the following:

Furniture & Fixtures	$	32,431
Equipment		12,013
Less: Accumulated Depreciation		(43,594)
Property and Equipment, Net	$	850

Property and equipment at June 30, 2014, consist of the following:

Furniture & Fixtures	$	32,431
Equipment		9,462
Less: Accumulated Depreciation		(40,978)
Property and Equipment, Net	$	915

G. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 are available for the following purposes:

Institutional Programs and Support	$	2,963,579
Land Investment		2,322,947
Unallocated Cumulative Investment Income		1,404,203
Scholarships		945,830
Promises to Give, Net Allowance and Discount		88,700
Land Investment Use Obligation		(349,179)
Other		53,542
Total	$	7,429,622

Temporarily restricted net assets at June 30, 2014 are available for the following purposes:

Institutional Programs and Support	$	1,929,370
Land Investment		1,880,000
Unallocated Cumulative Investment Income		1,377,179
Scholarships		913,403
Promises to Give, Net Allowance and Discount		156,881
Land Investment Use Obligation		(280,000)
Other		41,948
Total	$	6,018,781

H. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2015, are restricted with earnings to be used for the following purposes:

Scholarships	$ 2,972,802
Institutional Programs and Support	934,499
Promises to Give, Net Allowance and Discount	170,576
Other	25,249
Total	$ 4,103,126

Permanently restricted net assets at June 30, 2014, are restricted with earnings to be used for the following purposes:

Scholarships	$ 2,908,802
Institutional Programs and Support	1,412,449
Promises to Give, Net Allowance and Discount	202,666
Cash Surrender Value of Life Insurance	109,389
Other	25,249
Total	$ 4,658,555

I. Related Party Transactions

The Foundation's cash balance is automatically swept to a cash account owned by the College. In addition, the Foundation has an operating agreement with the College that provides that the College will provide a non-interest bearing loan to the Foundation for the purpose of replenishing restricted funds for operating expenditures. The balances in these accounts 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, 2015 and 2014, the amount contributed and included as in-kind revenues totaled $187,962: $130,660 in salaries, $26,655 in benefits, $16,606 in facility space and utilities, $5,119 in materials, and $8,922 in consulting service fees, and $164,539: $128,339 in salaries, $24,922 in benefits, $5,430 in utilities, and $5,848 in materials, respectively.

During the years the Foundation donated certain in-kind items to the College totaling $415,915 and $414,448, respectively, including the annual lease value of agricultural equipment of $350,000. In addition, for 2015, the Foundation paid for certain items on behalf of the College, totaling $101,841. These items are classified as Institutional Support in the Statement of Changes in Net Assets.

J. Concentration of Revenue

The Foundation received approximately $1,270,724 or 49 percent, of its total support and revenue from four donors, and $611,500 or 29 percent, of its total support and revenue from two donors for the years ended June 30, 2015 and 2014, respectively, of which $350,000 was the in-kind use of agricultural equipment.

K. Negative Unrestricted Net Assets

The Foundation receives a substantial amount 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 & general and fundraising expenses. Cumulatively this has resulted in a shortfall of assets to comply with donor restrictions of approximately $1.8 million as of June 30, 2015. 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 $2.3 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. Reclassification of Net Assets

During the years, certain reclassifications of net asset restrictions occurred as a result of a change in a donor agreement, which resulted in a change in donor restrictions.

19. 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 2015, which are subsequent to the SURS net pension liability measurement date of June 30, 2014.

PARKLAND COLLEGE DISTRICT #505
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability – SURS
For the Year Ended June 30, 2014
(Unaudited)

	Fiscal Year 2014
(a) Parkland's Proportionate Percentage of the Collective Net Pension Liability	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
Total (b) + (c)	202,577,602
Parkland Covered-employee Payroll	33,884,294
Parkland's Proportionate Share of Collective Net Pension Liability as a Percentage of Covered-employee Payroll	0%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%

Required Supplementary Information
Schedule of Contributions – SURS
For the Year Ended June 30, 2014
(Unaudited)

	Fiscal Year 2014
Parkland's Federal, Trust, and Other Contribution	$ 49,760
Parkland's Contribution in relation to required contribution	49,760
Contribution deficiency (excess)	-
Parkland's Covered-employee payroll	432,188
Contributions as a percentage of covered-employee payroll	11.51%

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The Schedule is 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, 2014.

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every five 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. There are no changes of assumptions that affect measurement of the total collective pension liability since the prior measurement date.

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, 2015

	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	$ 17,104,695	$ 1,129,165	$ 3,529,218	$ 6,705,774	$ 2,150,767	$ 8,122,122	$ -	$ -	$ 38,741,741
Investments	4,999,534	-	-	-	-	-	-	-	4,999,534
Receivables:									
Property Taxes, Net	8,252,029	1,392,698	1,928,913	578,447	-	-	-	-	12,152,087
Replacement Taxes	387,098	-	-	-	-	-	-	-	387,098
Agency Tuition, Net	539,334	-	-	-	-	-	-	-	539,334
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of $3,574,496	353,931	-	-	-	-	-	-	-	353,931
Governmental Grants	748,223	-	-	-	-	-	-	-	748,223
Business and Industry Training	-	-	-	-	47,304	-	-	-	47,304
Student Loans	-	94,826	-	-	-	-	-	-	94,826
Other	226,761	688,771	-	-	-	-	-	-	915,532
Due from Parkland Foundation	4,000	22,737	-	260,000	-	840,080	-	-	1,126,817
Due from Other Funds	639,214	-	-	-	-	-	-	-	639,214
Inventory	-	-	-	-	541,740	-	-	-	541,740
Property and Equipment, Net	-	-	-	-	60,826	-	115,831,002	-	115,891,828
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	3,715,477	3,715,477
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	62,403,939	62,403,939
Total Assets and Other Debits	$ 33,254,819	$ 3,328,197	$ 5,458,131	$ 7,544,221	$ 2,800,637	$ 8,962,202	$ 115,831,002	$ 66,119,416	$ 243,298,625

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, 2015

	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	$ 94,604	$ 16,723	$ -	$ 1,308,346	$ 22,825	$ -	$ -	$ -	$ 1,442,498
Vacation Payable	1,517,645	101,812	-	-	124,818	-	-	-	1,744,275
Retirement Payable	952,297	-	-	-	-	-	-	3,574,416	4,526,713
Accrued Liabilities	2,851,685	-	-	-	1,508	-	-	-	2,853,193
Unearned Revenue	11,852,265	1,666,364	1,742,654	696,951	170,896	-	-	-	16,129,130
Due to Other Funds	-	639,214	-	-	-	-	-	-	639,214
Due to Parkland Foundation	2,155,497	-	-	-	18,837	-	-	-	2,174,334
Due to Student Groups	-	-	-	-	-	1,362,844	-	-	1,362,844
G. O. Bonds	-	-	-	-	-	-	-	62,545,000	62,545,000
Total Liabilities	19,423,993	2,424,113	1,742,654	2,005,297	338,884	1,362,844	-	66,119,416	93,417,201
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	115,831,002	-	115,831,002
Fund Balance:									
Reserved For:									
Student Loans	-	94,826	-	-	-	-	-	-	94,826
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	7,599,358
Unreserved, Undesignated	13,830,826	809,258	3,715,477	5,538,924	-	-	-	-	23,894,485
Retained Earnings	-	-	-	-	2,461,753	-	-	-	2,461,753
Total College Equity	13,830,826	904,084	3,715,477	5,538,924	2,461,753	7,599,358	115,831,002	-	149,881,424
Total Liabilities and College Equity	$ 33,254,819	$ 3,328,197	$ 5,458,131	$ 7,544,221	$ 2,800,637	$ 8,962,202	$ 115,831,002	$ 66,119,416	$ 243,298,625

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, 2015

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	$ 20,204,063	$ 2,947,136	$ 3,819,755	$ 1,310,929	$ 28,281,883
State Sources	5,292,315	2,195,458	-	958,623	8,446,396
Federal Sources	41,315	20,980,549	-	-	21,021,864
Tuition and Fees	27,761,519	-	-	-	27,761,519
Facilities	828,225	-	-	827,219	1,655,444
Interest	84,031	1	-	2,684	86,716
Other Revenue	523,667	13,552	-	-	537,219
On-Behalf Payments	15,505,504	-	-	-	15,505,504
Total Revenue	70,240,639	26,136,696	3,819,755	3,099,455	103,296,545
Expenditures					
Instruction	28,322,752	528,882	-	-	28,851,634
Academic Support	4,686,791	2,132,584	-	6,645	6,826,020
Student Services	5,088,962	493,990	-	-	5,582,952
Public Service	878,868	585,176	-	-	1,464,044
Auxiliary Services	-	3,302	-	-	3,302
Operation and Maintenance of Plant	5,486,481	1,605,358	-	7,402,957	14,494,796
Scholarships and Grants	-	19,396,654	-	-	19,396,654
Institutional Support	11,431,749	1,495,196	-	-	12,926,945
Principal	-	-	1,570,000	-	1,570,000
Interest	-	-	2,803,620	-	2,803,620
On-Behalf Payments	15,505,504	-	-	-	15,505,504
Total Expenditures	71,401,107	26,241,142	4,373,620	7,409,602	109,425,471
Revenue Over (Under) Expenditures	(1,160,468)	(104,446)	(553,865)	(4,310,147)	(6,128,926)
Other Financing Sources (Uses)					
Operating Transfers, Net	(729,622)	-	827,222	(827,222)	(729,622)
Total Other Financing Sources (Uses)	(729,622)	-	827,222	(827,222)	(729,622)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,890,090)	(104,446)	273,357	(5,137,369)	(6,858,548)
Fund Balance, July 1, 2014	15,720,916	1,008,530	3,442,120	10,676,293	30,847,859
Fund Balance, June 30, 2015	$ 13,830,826	$ 904,084	$ 3,715,477	$ 5,538,924	$ 23,989,311

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, 2015

	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	$ 19,952,311	$ 20,204,063	$ 2,954,009	$ 2,947,136	$ 3,714,998	$ 3,819,755	$ 1,308,596	$ 1,310,929	$ 27,929,914	$ 28,281,883
State Sources	5,867,202	5,292,315	2,577,124	2,195,458	-	-	-	958,623	8,444,326	8,446,396
Federal Sources	175,000	41,315	22,212,252	20,980,549	-	-	-	-	22,387,252	21,021,864
Tuition and Fees	30,116,682	27,761,519	-	-	-	-	-	-	30,116,682	27,761,519
Facilities	1,015,500	828,225	-	-	-	-	969,261	827,219	1,984,761	1,655,444
Interest	99,000	84,031	5,250	1	-	-	-	2,684	104,250	86,716
Other Revenue	567,000	523,667	166,135	13,552	-	-	-	-	733,135	537,219
Total Revenue	57,792,695	54,735,135	27,914,770	26,136,696	3,714,998	3,819,755	2,277,857	3,099,455	91,700,320	87,791,041
Expenditures										
Instruction	28,544,343	28,322,752	541,002	528,882		-	-	-	29,085,345	28,851,634
Academic Support	5,117,602	4,686,791	2,501,336	2,132,584	-	-	-	6,645	7,618,938	6,826,020
Student Services	5,339,103	5,088,962	797,918	493,990	-	-	-	-	6,137,021	5,582,952
Public Service	905,769	878,868	818,948	585,176	-	-	-	-	1,724,717	1,464,044
Auxiliary Services	-	-	3,303	3,302	-	-	-	-	3,303	3,302
Operation and Maintenance of Plant	5,519,807	5,486,481	1,745,049	1,605,358	-	-	15,633,594	7,402,957	22,898,450	14,494,796
Grants and Scholarships	-	-	20,100,000	19,396,654	-	-	-	-	20,100,000	19,396,654
Institutional Support	11,588,578	11,431,749	1,619,589	1,495,196	-	-	-	-	13,208,167	12,926,945
Principal	-	-	-	-	1,570,000	1,570,000	-	-	1,570,000	1,570,000
Interest	-	-	-	-	2,803,620	2,803,620	-	-	2,803,620	2,803,620
Total Expenditures	57,015,202	55,895,603	28,127,145	26,241,142	4,373,620	4,373,620	15,633,594	7,409,602	105,149,561	93,919,967
Revenue Over (Under) Expenditures	777,493	(1,160,468)	(212,375)	(104,446)	(658,622)	(553,865)	(13,355,737)	(4,310,147)	(13,449,241)	(6,128,926)
Other Financing Sources (Uses)										
Operating Transfers, Net	(747,200)	(729,622)	-	-	969,261	827,222	(969,261)	(827,222)	(747,200)	(729,622)
Total Other Financing Sources (Uses)	(747,200)	(729,622)	-	-	969,261	827,222	(969,261)	(827,222)	(747,200)	(729,622)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 30,293	(1,890,090)	$ (212,375)	(104,446)	$ 310,639	273,357	$ (14,324,998)	(5,137,369)	$ (14,196,441)	(6,858,548)
Fund Balance, July 1, 2014		15,720,916		1,008,530		3,442,120		10,676,293		30,847,859
Fund Balance, June 30, 2015		$ 13,830,826		$ 904,084		$ 3,715,477		$ 5,538,924		$ 23,989,311

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, 2015

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	$ -	$ -	$ 5,676,000	$ 4,361,690
Student Tuition and Fees	-	-	1,009,416	1,466,837
State Sources	-	-	250,000	1,166,112
Other Revenue	-	-	32,000	62,049
Investment Revenue	10,000	8,258	1,000	-
Total Operating Revenue	10,000	8,258	6,968,416	7,056,688
Operating Expenses				
Salaries	-	-	1,836,268	1,926,696
Employee Benefits	-	-	584,600	609,275
Contractual Services	-	-	510,995	737,190
General Materials and Supplies	-	-	3,628,642	2,898,663
Conference and Meeting	-	-	177,347	200,177
Fixed Charges	-	-	886,391	750,050
Utilities	-	-	1,625	1,650
Capital Outlay	-	-	-	262
Depreciation	-	-	12,600	40,361
Other	-	-	228,501	307,958
Total Operating Expenses	-	-	7,866,969	7,472,282
Operating Income (Loss)	10,000	8,258	(898,553)	(415,594)
Other Financing Sources (Uses)				
Operating Transfers, Net	(10,000)	(8,258)	757,200	737,880
Net Income	$ -	-	$ (141,353)	322,286
College Equity, July 1, 2014		7,600,000		2,139,467
College Equity, June 30, 2015		$ 7,600,000		$ 2,461,753

PARKLAND COLLEGE DISTRICT #505
Combined Statement of Cash Flows
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2015

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	$ -	$ 4,361,690
Student Tuition and Fees	-	1,484,447
Payments to Suppliers	-	(4,824,526)
Payments to Employees and Benefits Paid	-	(2,522,986)
Payments from Third Party per Intergovernmental Agreement	-	1,162,500
Net Receipts from (Disbursements to) Parkland Foundation	-	(23)
Receipts of Miscellaneous Revenue	-	63,741
Interest on Investments	8,258	1,920
Net Cash Provided by (Used in) Operating Activities	8,258	(273,237)
Capital and Related Financing Activities		
Purchase of Equipment	-	(6,341)
Non-Capital Financing Activities		
Operating Transfers In (Out)	(8,258)	737,880
Net Increase (Decrease) in Cash and Cash Equivalents	-	458,302
Cash and Cash Equivalents, July 1, 2014	7,600,000	1,692,465
Cash and Cash Equivalents, June 30, 2015	$ 7,600,000	$ 2,150,767
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 8,258	$ (415,594)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	40,361
Changes in Assets and Liabilities:		
Receivables	-	(28,624)
Inventories	-	48,628
Accounts Payable		22,796
Vacation Payable	-	12,985
Unearned Revenue	-	46,234
Due To Parkland Foundation		(23)
Net Cash Provided by (Used in) Operating Activities	$ 8,258	$ (273,237)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2015

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 13,279,042	$ 3,825,653	$ 17,104,695
Investments	4,999,534	-	4,999,534
Receivables:			
Property Taxes, Net	5,959,804	2,292,225	8,252,029
Replacement Taxes	320,148	66,950	387,098
Agency Tuition, Net	539,334	-	539,334
Student Tuition and Fees, Net	353,931	-	353,931
Governmental Grants	748,223	-	748,223
Other	226,742	19	226,761
Due From Parkland Foundation	-	4,000	4,000
Due From Other Funds	639,214	-	639,214
Total Assets	$ 27,065,972	$ 6,188,847	$ 33,254,819
LIABILITIES			
Accounts Payable	$ 23,234	$ 71,370	$ 94,604
Vacation Payable	1,371,067	146,578	1,517,645
Retirement Payable	952,297	-	952,297
Due to Parkland Foundation	2,155,497	-	2,155,497
Accrued Liabilities	2,851,685	-	2,851,685
Unearned Revenue	9,657,487	2,194,778	11,852,265
Total Liabilities	17,011,267	2,412,726	19,423,993
FUND BALANCE			
Unreserved	10,054,705	3,776,121	13,830,826
Total Fund Balance	10,054,705	3,776,121	13,830,826
Total Liabilities and Fund Balance	$ 27,065,972	$ 6,188,847	$ 33,254,819

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, 2015

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	$ 14,919,199	$ 5,284,864	$ 20,204,063
State Sources	5,292,315	-	5,292,315
Federal Sources	41,315	-	41,315
Tuition and Fees	27,761,519	-	27,761,519
Facilities	-	828,225	828,225
Interest	80,586	3,445	84,031
Other Revenue	523,667	-	523,667
On-Behalf Payments	15,505,504	-	15,505,504
Total Revenue	64,124,105	6,116,534	70,240,639
Expenditures			
Instruction	28,322,752	-	28,322,752
Academic Support	4,686,791	-	4,686,791
Student Services	5,088,962	-	5,088,962
Public Service	878,868	-	878,868
Operation and Maintenance of Plant	-	5,486,481	5,486,481
Institutional Support	11,431,749	-	11,431,749
On-Behalf Payments	15,505,504	-	15,505,504
Total Expenditures	65,914,626	5,486,481	71,401,107
Revenue Over (Under) Expenditures	(1,790,521)	630,053	(1,160,468)
Other Financing Sources (Uses)			
Operating Transfers, Net	(729,622)	-	(729,622)
Total Other Financing Sources (Uses)	(729,622)	-	(729,622)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,520,143)	630,053	(1,890,090)
Fund Balance, July 1, 2014	12,574,848	3,146,068	15,720,916
Fund Balance, June 30, 2015	$ 10,054,705	$ 3,776,121	$ 13,830,826

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2015

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	$ -	$ 147,964	$ 981,201	$ 1,129,165
Receivables:				
Property Taxes, Net	-	21,461	1,371,237	1,392,698
Student Loans	94,826	-	-	94,826
Due from Parkland Foundation	10,866	-	11,871	22,737
Other Receivable	688,771	-	-	688,771
Total Assets	$ 794,463	$ 169,425	$ 2,364,309	$ 3,328,197
LIABILITIES				
Accounts Payable	$ 7,791	$ 8,000	$ 932	$ 16,723
Vacation Payable	34,852	-	66,960	101,812
Unearned Revenue	353,886	21,948	1,290,530	1,666,364
Due to Other Funds	639,214	-	-	639,214
Total Liabilities	1,035,743	29,948	1,358,422	2,424,113
FUND BALANCE				
Reserved For:				
Student Loans	94,826	-	-	94,826
Unreserved, Undesignated	(336,106)	139,477	1,005,887	809,258
Total Fund Balance	(241,280)	139,477	1,005,887	904,084
Total Liabilities and Fund Balance	$ 794,463	$ 169,425	$ 2,364,309	$ 3,328,197

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, 2015

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	$ -	$ 48,769	$ 2,898,367	$ 2,947,136
State Sources	2,195,458	-	-	2,195,458
Federal Sources	20,980,549	-	-	20,980,549
Facilities	-	-	-	-
Interest	-	-	1	1
Other	4,608	-	8,944	13,552
Total Revenue	23,180,615	48,769	2,907,312	26,136,696
Expenditures				
Instruction	528,882	-	-	528,882
Academic Support	2,132,584	-	-	2,132,584
Student Services	493,990	-	-	493,990
Public Service	585,176	-	-	585,176
Auxiliary Services	3,302	-	-	3,302
Operations and Maintenance of Plant	-	-	1,605,358	1,605,358
Institutional Support	43,000	68,784	1,383,412	1,495,196
Scholarships and Grants	19,396,654	-	-	19,396,654
Total Expenditures	23,183,588	68,784	2,988,770	26,241,142
Revenue Over (Under) Expenditures	(2,973)	(20,015)	(81,458)	(104,446)
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	(2,973)	(20,015)	(81,458)	(104,446)
Fund Balance, July 1, 2014	(238,307)	159,492	1,087,345	1,008,530
Fund Balance, June 30, 2015	$ (241,280)	$ 139,477	$ 1,005,887	$ 904,084

Schedule 10

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Enterprise Funds
June 30, 2015

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	$ 149,829	$ (16,200)	$ 36,881	$ (312,036)	$ 109,551	$ 1,252,401	$ 7,012	$ 923,329	$ 2,150,767
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	-	-	-	-	-
Business and Industry Training	-	-	-	-	47,304	-	-	-	47,304
Other	-	-	-	-	-	-	-	-	-
Due from Other Funds		-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	541,740	-	-	541,740
Property and Equipment, Net of Accumulated Depreciation	2,084	2	25,962	-	15,061	17,717	-	-	60,826
Total Assets	$ 151,913	$ (16,198)	$ 62,843	$ (312,036)	$ 171,916	$ 1,811,858	$ 7,012	$ 923,329	$ 2,800,637
LIABILITIES									
Account Payable	$ -	$ -	$ -	$ -	$ 33	$ -	$ -	$ 22,792	$ 22,825
Vacation Payable	35,161	6,920	23,693	-	26,351	28,350	-	4,343	124,818
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-		-	-
Due to Parkland Foundation	-	-	-	-	-	-	18,837	-	18,837
Unearned Revenue	-	-	117,884	-	-	(217)	-	53,229	170,896
Capital Lease Obligations	-	-	-	-	-	-	-	-	-
Total Liabilities	35,161	6,920	143,085	-	26,384	28,133	18,837	80,364	338,884
RETAINED EARNINGS (ACCUMULATED DEFICIT)	116,752	(23,118)	(80,242)	(312,036)	145,532	1,783,725	(11,825)	842,965	2,461,753
Total Liabilities and Retained Earnings (Accumulated Deficit)	$ 151,913	$ (16,198)	$ 62,843	$ (312,036)	$ 171,916	$ 1,811,858	$ 7,012	$ 923,329	$ 2,800,637

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Revenue, Expenses,
and Changes in Retained Earnings (Deficit)
Enterprise Funds
For the Year Ended June 30, 2015

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Operating Revenue									
Student and Community Services	$ 470,689	$ 255,683	$ 33,827	$ -	$ 439,600	$ 3,140,752	$ 21,139	$ -	$ 4,361,690
Student Tuition and Fees	-	-	289,500	78,324	677,698	-	25,653	395,662	1,466,837
State Sources	-	-	-	-	3,612	-	-	1,162,500	1,166,112
Other Revenue	-	-	23	7,272	39,350	-	-	15,404	62,049
Total Operating Revenue	470,689	255,683	323,350	85,596	1,160,260	3,140,752	46,792	1,573,566	7,056,688
Operating Expenses									
Salaries	380,558	80,098	60,946	400,254	406,001	277,029	25,865	295,945	1,926,696
Employee Benefits	200,082	24,970	11,661	74,918	121,248	84,230	-	92,166	609,275
Contractual Services	-	-	36,792	61,958	416,355	15,085	-	207,000	737,190
General Materials and Supplies	43,528	60,475	3,079	44,426	124,004	2,386,216	22,711	214,224	2,898,663
Conference and Meeting	237	1,967	54,991	121,336	6,676	-	230	14,740	200,177
Fixed Charges	-	150,701	-	-	10,200	498,854	-	90,295	750,050
Utilities	-	-	-	-	1,650	-	-	-	1,650
Capital Outlay	-	-	-	-	-	262	-	-	262
Interest	-	-	-	-	-	-	-	-	-
Depreciation	2,084	5,665	9,500	-	10,548	12,564	-	-	40,361
Other	1,259	-	142,224	37,060	127,415	-	-	-	307,958
Total Operating Expenses	627,748	323,876	319,193	739,952	1,224,097	3,274,240	48,806	914,370	7,472,282
Operating Income (Loss)	(157,059)	(68,193)	4,157	(654,356)	(63,837)	(133,488)	(2,014)	659,196	(415,594)
Other Financing Sources									
Operating Transfers, Net	150,000	-	-	525,000	62,880	-	-	-	737,880
Net Income (Loss)	(7,059)	(68,193)	4,157	(129,356)	(957)	(133,488)	(2,014)	659,196	322,286
Retained Earnings (Deficit), July 1, 2014	123,811	45,075	(84,399)	(182,680)	146,489	1,917,213	(9,811)	183,769	2,139,467
Retained Earnings (Deficit), June 30, 2015	$ 116,752	$ (23,118)	$ (80,242)	$ (312,036)	$ 145,532	$ 1,783,725	$ (11,825)	$ 842,965	$ 2,461,753

PARKLAND COLLEGE DISTRICT #505
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Cash Flows from Operating Activities									
Auxiliary Enterprise Charges	$ 470,689	$ 255,683	$ 33,827	$ -	$ 439,600	$ 3,140,752	$ 21,139	$ -	$ 4,361,690
Student Tuition and Fees	-	-	282,505	78,324	649,074	-	25,653	448,891	1,484,447
Payments to Suppliers	(45,024)	(213,143)	(237,086)	(264,780)	(686,296)	(2,851,789)	(22,941)	(503,467)	(4,824,526)
Payments to Employees and Benefits Paid	(580,145)	(102,764)	(69,822)	(475,172)	(525,022)	(360,428)	(25,865)	(383,768)	(2,522,986)
Net Receipts from (Disbursements to) Parkland Foundation	-	-	-	-	-	-	(23)	-	(23)
Other Receipts	-	-	23	7,272	42,962	-	-	1,177,904	1,228,161
Net Cash Provided by (Used in) Operating Activities	(154,480)	(60,224)	9,447	(654,356)	(79,682)	(71,465)	(2,037)	739,560	(273,237)
Capital and Related Financing Activities									
Purchase of Equipment	-	-	-	-	-	(6,341)	-	-	(6,341)
Non-Capital Financing Activities									
Change in Due To (From) Other Funds	-	-	-	-	-	-	-	-	-
Operating Transfers In	150,000	-	-	525,000	62,880	-	-	-	737,880
Net Cash Provided by (Used in) Non-Capital Financing Activities	150,000	-	-	525,000	62,880	-	-	-	737,880
Net Increase (Decrease) in Cash and Cash Equivalents	(4,480)	(60,224)	9,447	(129,356)	(16,802)	(77,806)	(2,037)	739,560	458,302
Cash and Cash Equivalents, July 1, 2014	154,309	44,024	27,434	(182,680)	126,353	1,330,207	9,049	183,769	1,692,465
Cash and Cash Equivalents, June 30, 2015	$ 149,829	$ (16,200)	$ 36,881	$ (312,036)	$ 109,551	$ 1,252,401	$ 7,012	$ 923,329	$ 2,150,767
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	$ (157,059)	$ (68,193)	$ 4,157	$ (654,356)	$ (63,837)	$ (133,488)	$ (2,014)	$ 659,196	$ (415,594)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	2,084	5,665	9,500	-	10,548	12,564	-	-	40,361
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	(28,624)	-	-	-	(28,624)
Inventories	-	-	-	-	-	48,628	-	-	48,628
Accounts Payable	-	-	-	-	4	-	-	22,792	22,796
Vacation Payable	495	2,304	2,785	-	2,227	831	-	4,343	12,985
Unearned Revenue	-	-	(6,995)	-	-	-	-	53,229	46,234
Due To Parkland Foundation	-	-	-	-	-	-	(23)	-	(23)
Net Cash Provided By (Used in) Operating Activities	$ (154,480)	$ (60,224)	$ 9,447	$ (654,356)	$ (79,682)	$ (71,465)	$ (2,037)	$ 739,560	$ (273,237)

PARKLAND COLLEGE DISTRICT #505
Combining Balance Sheet
Fiduciary Funds
June 30, 2015

	Non-Expendable Trust Working Cash Fund	Trust and Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 7,600,000	$ 522,122	$ 8,122,122
Receivables:			
Due from Parkland Foundation	-	840,080	840,080
Total Assets	$ 7,600,000	$ 1,362,202	$ 8,962,202
LIABILITIES			
Due to Student Groups	$ -	$ 1,362,844	$ 1,362,844
FUND BALANCE			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	$ 7,600,000	$ 1,362,202	$ 8,962,202

Schedule 14

PARKLAND COLLEGE DISTRICT #505

Balance Sheet - Modified Accrual Basis (Governmental Fund Types and Account Groups) and GAAP Basis (Proprietary and Fiduciary Fund Types)

All Funds and Account Groups

June 30, 2015

(With Comparative Totals as of June 30, 2014)

	Education Fund	Operations and Maintenance Funds: Operational	Operations and Maintenance Funds: Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Account Groups: General Fixed Assets	Account Groups: General Long-Term Debt	Totals (Memorandum Only): June 30, 2015	Totals (Memorandum Only): June 30, 2014
ASSETS														
Cash and Cash Equivalents	$ 13,279,042	$ 3,825,653	$ 6,705,774	$ 2,150,767	$ -	$ 7,600,000	$ 522,122	$ 3,529,218	$ 147,964	$ 981,201	$ -	$ -	$ 38,741,741	$ 50,748,898
Investments	4,999,534	-	-	-	-	-	-	-	-	-	-	-	4,999,534	-
Receivables:														
Property Taxes, Net	5,959,804	2,292,225	578,447	-	-	-	-	1,928,913	21,461	1,371,237	-	-	12,152,087	11,732,956
Replacement Taxes	320,148	66,950	-	-	-	-	-	-	-	-	-	-	387,098	372,208
Agency Tuition, Net	539,334	-	-	-	-	-	-	-	-	-	-	-	539,334	488,817
Student Tuition and Fees, Net	353,931	-	-	-	-	-	-	-	-	-	-	-	353,931	567,500
Governmental Grants	748,223	-	-	-	-	-	-	-	-	-	-	-	748,223	1,504,809
Business and Industry Training	-	-	-	47,304	-	-	-	-	-	-	-	-	47,304	18,680
Student Loans	-	-	-	-	94,826	-	-	-	-	-	-	-	94,826	98,869
Other	226,742	19	-	-	688,771	-	-	-	-	-	-	-	915,532	918,026
Due from Parkland Foundation	-	4,000	260,000	-	10,866	-	840,080	-	-	11,871	-	-	1,126,817	1,004,303
Due from Other Funds	639,214	-	-	-	-	-	-	-	-	-	-	-	639,214	481,666
Prepaid Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	541,740	-	-	-	-	-	-	-	-	541,740	590,368
Property and Equipment at Cost, Net	-	-	-	60,826	-	-	-	-	-	-	115,831,002	-	115,891,828	114,632,727
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	3,715,477	3,715,477	3,442,120
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	62,403,939	62,403,939	62,647,484
Total Assets	$ 27,065,972	$ 6,188,847	$ 7,544,221	$ 2,800,637	$ 794,463	$ 7,600,000	$ 1,362,202	$ 5,458,131	$ 169,425	$ 2,364,309	$ 115,831,002	$ 66,119,416	$ 243,298,625	$ 249,249,431
LIABILITIES														
Accounts Payable	$ 23,234	$ 71,370	$ 1,308,346	$ 22,825	$ 7,791	$ -	$ -	$ -	$ 8,000	$ 932	$ -	$ -	$ 1,442,498	$ 3,428,665
Vacation Payable	1,371,067	146,578	-	124,818	34,852	-	-	-	-	66,960	-	-	1,744,275	1,652,514
Retirement Payable	952,297	-	-	-	-	-	-	-	-	-	-	3,574,416	4,526,713	2,679,547
Accrued Liabilities	2,851,685	-	-	1,508	-	-	-	-	-	-	-	-	2,853,193	2,789,782
Due to Other Funds	-	-	-	-	639,214	-	-	-	-	-	-	-	639,214	481,666
Due to Parkland Foundation	2,155,497	-	-	18,837	-	-	-	-	-	-	-	-	2,174,334	1,333,972
Unearned Revenue	9,657,487	2,194,778	696,951	170,896	353,886	-	-	1,742,654	21,948	1,290,530	-	-	16,129,130	16,328,777
Due to Student Groups	-	-	-	-	-	-	1,362,844	-	-	-	-	-	1,362,844	1,314,947
Bonds	-	-	-	-	-	-	-	-	-	-	-	62,545,000	62,545,000	64,115,000
Total Liabilities	17,011,267	2,412,726	2,005,297	338,884	1,035,743	-	1,362,844	1,742,654	29,948	1,358,422	-	66,119,416	93,417,201	94,124,870
COLLEGE EQUITY														
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	115,831,002	-	115,831,002	114,537,877
Fund Balance:														
Reserved For:														
Student Loans	-	-	-	-	94,826	-	-	-	-	-	-	-	94,826	98,869
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	-	7,599,358	7,599,358
Unreserved, Undesignated	10,054,705	3,776,121	5,538,924	-	(336,106)	-	-	3,715,477	139,477	1,005,887	-	-	23,894,485	29,446,337
Retained Earnings (Accumulated Deficit)	-	-	-	2,461,753	-	-	-	-	-	-	-	-	2,461,753	3,442,120
Total College Equity (Deficit)	10,054,705	3,776,121	5,538,924	2,461,753	(241,280)	7,600,000	(642)	3,715,477	139,477	1,005,887	115,831,002	-	149,881,424	155,124,561
Total Liabilities and College Equity	$ 27,065,972	$ 6,188,847	$ 7,544,221	$ 2,800,637	$ 794,463	$ 7,600,000	$ 1,362,202	$ 5,458,131	$ 169,425	$ 2,364,309	$ 115,831,002	$ 66,119,416	$ 243,298,625	$ 249,249,431

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, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

		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	2015	2014
Revenue											
Local Sources	$ 14,919,199	$ 5,284,864	$ 1,310,929	$ -	$ -	$ -	$ 3,819,755	$ 48,769	$ 2,898,367	$ 28,281,883	$ 27,155,118
State Sources	5,292,315	-	958,623	1,166,112	2,195,458	-	-	-	-	9,612,508	9,835,720
Federal Sources	41,315	-	-	-	20,980,549	-	-	-	-	21,021,864	23,825,297
Tuition and Fees	27,761,519	-	-	1,467,941	-	-	-	-	-	29,229,460	27,682,963
Facilities	-	828,225	827,219	-	-	-	-	-	-	1,655,444	1,798,677
Other Revenue	604,253	3,445	2,684	4,422,635	4,608	8,258	-	-	8,945	5,054,828	5,385,132
On-Behalf Payments	15,505,504	-	-	-	-	-	-	-	-	15,505,504	13,072,895
Total Revenue	64,124,105	6,116,534	3,099,455	7,056,688	23,180,615	8,258	3,819,755	48,769	2,907,312	110,361,491	108,755,802
Expenditures											
Instruction	28,322,752	-	-	389,847	528,882	-	-	-	-	29,241,481	28,671,042
Academic Support	4,686,791	-	6,645	842,734	2,132,584	-	-	-	-	7,668,754	7,289,180
Student Services	5,088,962	-	-	-	493,990	-	-	-	-	5,582,952	5,231,186
Public Service	878,868	-	-	1,213,549	585,176	-	-	-	-	2,677,593	2,566,992
Auxiliary Services	-	-	-	4,985,791	3,302	-	-	-	-	4,989,093	5,168,128
Operation and Maintenance of Plant	-	5,486,481	7,402,957	-	-	-	-	-	1,605,358	14,494,796	33,048,345
Institutional Support	11,431,749	-	-	-	43,000	-	-	68,784	1,383,412	12,926,945	12,650,907
Scholarships and Grants	-	-	-	-	19,396,654	-	-	-	-	19,396,654	22,384,783
Principal	-	-	-	-	-	-	1,570,000	-	-	1,570,000	1,325,000
Interest	-	-	-	-	-	-	2,803,620	-	-	2,803,620	2,839,820
Depreciation	-	-	-	40,361	-	-	-	-	-	40,361	59,780
On-Behalf Payments	15,505,504	-	-	-	-	-	-	-	-	15,505,504	13,072,895
Total Expenditures	65,914,626	5,486,481	7,409,602	7,472,282	23,183,588	-	4,373,620	68,784	2,988,770	116,897,753	134,308,058
Revenue Over (Under) Expenditures	(1,790,521)	630,053	(4,310,147)	(415,594)	(2,973)	8,258	(553,865)	(20,015)	(81,458)	(6,536,262)	(25,552,256)
Other Financing Sources (Uses)											
Operating Transfers, Net	(729,622)	-	(827,222)	737,880	-	(8,258)	827,222	-	-	-	-
Total Other Financing Sources (Uses)	(729,622)	-	(827,222)	737,880	-	(8,258)	827,222	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,520,143)	630,053	(5,137,369)	322,286	(2,973)	-	273,357	(20,015)	(81,458)	(6,536,262)	(25,552,256)
College Equity, Beginning of Year	12,574,848	3,146,068	10,676,293	2,139,467	(238,307)	7,600,000	3,442,120	159,492	1,087,345	40,587,326	66,139,582
College Equity, End of Year	$ 10,054,705	$ 3,776,121	$ 5,538,924	$ 2,461,753	$ (241,280)	$ 7,600,000	$ 3,715,477	$ 139,477	$ 1,005,887	$ 34,051,064	$ 40,587,326

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, 2015 and 2014

	2015	2014
College Equity	$ 149,881,424	$ 155,124,561
Reconciling Items:		
Recognition of Summer School Revenues	1,872,848	1,981,297
Property Taxes Receivable Not Earned and Not Received	11,543,595	11,334,773
Deferred Revenue for Property Taxes Not Received	(11,543,595)	(11,334,773)
Reclassification of Long Term Debt	(66,119,416)	(66,089,604)
Deferred Refunding Expense	395,930	473,100
Deferred Retirement Plan Contributions	49,760	-
Recognition of Interest Payable on Long Term Debt	(231,987)	(234,531)
Net Position	$ 85,848,559	$ 91,254,823

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, 2015 and 2014

	2015	2014
Change in College Equity	$ (6,536,262)	$ (25,552,256)
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(463,855)	(470,629)
Remove Rent Expense from the Bookstore	463,855	470,629
Remove Revenue Paid by the Education Fund to Reprographics	(255,683)	(298,540)
Remove Expenditures from the Education Fund	255,683	298,540
Remove Student Aid and Scholarship Payments from Revenue	(9,778,061)	(10,356,760)
Remove Student Aid and Scholarship Payments from Expense	9,778,061	10,356,760
Change in Recognition of Summer School Revenues	(108,449)	(397,560)
General Obligation Debt Retired	1,570,000	1,325,000
Change in Retirement Obligations	(1,599,812)	177,605
Remove Capital Expenditures and Interest Expenditures Related to Capitalized Assets	8,412,984	26,925,205
Record Depreciation on the Capital Assets	(6,995,059)	(6,120,028)
Loss on Disposal of Property and Equipment	(124,800)	-
Change in Deferred Refunding Expense	(77,170)	(77,170)
Change in Deferred Retirement Plan Contributions	49,760	-
Change in Accrued Interest on Long Term Debt	2,544	3,490
Change in Net Position	$ (5,406,264)	$ (3,715,714)

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2015

	2014 Levy	2013 Levy	2012 Levy	2011 Levy	2010 Levy	2009 Levy	2008 Levy	2007 Levy	2006 Levy	2005 Levy
Assessed Valuations										
County:										
Champaign	$ 3,542,030,898	$ 3,495,210,920	$ 3,555,879,362	$ 3,577,235,959	$ 3,602,160,901	$ 3,578,173,147	$ 3,525,443,054	$ 3,326,466,857	$ 3,072,418,417	$ 2,827,890,748
Coles	9,227,401	8,632,210	8,080,907	7,575,377	7,072,734	6,114,626	5,758,277	5,306,338	5,573,540	5,963,210
DeWitt	86,559,619	79,976,784	77,636,422	76,496,177	72,965,141	74,274,090	62,936,083	60,557,367	56,796,370	57,235,909
Douglas	266,599,451	262,791,029	254,139,581	251,636,058	248,720,699	240,503,383	229,699,701	218,607,217	208,085,929	208,085,929
Edgar	4,288,109	3,965,329	3,667,574	3,188,000	3,188,451	2,976,360	2,543,065	2,434,071	2,250,000	2,359,397
Ford	230,561,166	226,771,001	221,216,880	200,698,988	195,027,444	186,970,466	183,254,673	177,019,659	171,232,142	166,210,215
Iroquois	89,349,950	88,933,502	88,876,028	85,460,933	87,283,023	86,148,726	84,852,171	74,346,304	74,346,304	70,565,997
Livingston	64,861,050	64,336,230	61,960,581	61,241,000	60,031,221	58,537,786	55,516,475	52,968,851	51,744,154	50,467,263
McLean	189,414,822	185,142,499	171,336,846	168,439,009	165,055,933	161,123,775	156,650,468	124,928,450	112,103,188	111,280,992
Moultrie	4,345,549	3,983,482	3,640,875	3,377,000	3,136,292	2,868,600	2,711,561	2,544,048	2,828,750	2,828,750
Piatt	373,852,737	361,541,176	354,597,431	348,165,000	340,014,568	333,049,928	317,723,113	295,752,213	276,109,518	260,426,679
Vermilion	17,101,096	15,910,293	15,016,004	13,294,313	13,038,583	12,408,340	12,118,874	11,310,925	10,303,236	9,376,245
TOTAL	$ 4,878,191,848	$ 4,797,194,455	$ 4,816,048,491	$ 4,796,807,814	$ 4,797,694,990	$ 4,743,149,227	$ 4,639,207,515	$ 4,352,242,300	$ 4,043,791,548	$ 3,772,691,334
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	0.2592
Operations and Maintenance:										
Operational Fund	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0994
Bond	0.0794	0.0770	0.0715	0.0678	0.0639	0.0610	0.0439	0.0000	0.0000	0.0000
Tort and Immunity	0.0369	0.0375	0.0374	0.0354	0.0344	0.0389	0.0376	0.0341	0.0352	0.0406
Audit	0.0010	0.0010	0.0010	0.0010	0.0019	0.0019	0.0019	0.0019	0.0020	0.0019
Worker's Compensation	0.0014	0.0019	0.0019	0.0019	0.0018	0.0016	0.0010	0.0056	0.0061	0.0062
Unemployment Insurance	0.0010	0.0010	0.0010	0.0002	0.0002	0.0002	0.0004	0.0004	0.0005	0.0002
Protection, Health, and Safety	0.0267	0.0271	0.0263	0.0264	0.0264	0.0266	0.0500	0.0500	0.0500	0.0496
Medicare Insurance	0.0113	0.0115	0.0117	0.0125	0.0115	0.0117	0.0097	0.0093	0.0101	0.0099
Property Insurance	0.0082	0.0083	0.0083	0.0068	0.0063	0.0063	0.0070	0.0075	0.0081	0.0083
TOTAL	0.5259	0.5253	0.5191	0.5120	0.5064	0.5082	0.5115	0.4688	0.4720	0.4753

Schedule 17
(Continued)

PARKLAND COLLEGE DISTRICT #505
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2015

	2014 Levy	2013 Levy	2012 Levy	2011 Levy	2010 Levy	2009 Levy	2008 Levy	2007 Levy	2006 Levy	2005 Levy
Tax Extensions										
Education Fund	$ 12,683,299	$ 12,472,706	$ 12,521,726	$ 12,471,700	$ 12,474,005	$ 12,335,181	$ 12,061,998	$ 11,315,677	$ 10,501,816	$ 9,775,029
Operations and Maintenance:										
Operational Fund	4,878,192	4,797,194	4,816,048	4,796,808	4,797,695	4,743,149	4,639,208	4,352,026	4,040,187	3,753,251
Bond	3,873,284	3,693,840	3,443,475	3,252,236	3,065,727	2,893,321	2,036,612	-	-	-
Tort and Immunity	1,800,053	1,798,948	1,801,202	1,698,070	1,650,407	1,845,085	1,744,342	1,484,651	1,422,819	1,531,713
Audit	48,782	47,972	48,160	47,968	91,156	90,120	88,145	83,654	80,079	75,678
Worker's Compensation	68,295	91,147	91,505	91,139	86,359	75,890	46,392	243,726	246,568	233,907
Unemployment Insurance	48,782	47,972	48,160	9,594	9,595	9,486	18,557	17,409	20,210	7,545
Protection, Health, and Safety	1,302,477	1,300,040	1,266,621	1,266,357	1,266,591	1,261,678	2,319,604	2,174,993	2,019,140	1,879,328
Medicare Insurance	551,236	551,677	563,478	599,601	551,735	554,948	450,003	404,759	408,251	373,496
Property Insurance	400,012	398,167	399,732	326,183	302,255	298,818	324,745	326,418	327,411	313,133
	25,654,412	25,199,663	25,000,107	24,559,656	24,295,525	24,107,676	23,729,606	20,403,312	19,066,480	17,943,080
Tax Collections Prior to Year End	(11,999,151)	(11,963,533)	(10,459,197)	(10,592,143)	(10,391,341)	(10,146,060)	(9,957,110)	(8,069,866)	(7,652,368)	(7,174,956)
	13,655,261	13,236,130	14,540,910	13,967,513	13,904,184	13,961,616	13,772,496	12,333,446	11,414,112	10,768,124
Taxes Not Collectible Due to Taxpayer Exemption	-	-	(358,909)	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes and Potential Refunds	(1,503,174)	(1,503,174)	(1,129,370)	(1,129,370)	(973,951)	(793,426)	(613,073)	(448,759)	-	-
Property Taxes Receivable	$ 12,152,087	$ 11,732,956	$ 13,052,631	$ 12,838,143	$ 12,930,233	$ 13,168,190	$ 13,159,423	$ 11,884,687	$ 11,414,112	$ 10,768,124
Property Taxes Receivable by Fund										
Education Fund	$ 5,959,804	$ 5,760,065	$ 6,499,483	$ 6,486,665	$ 6,621,915	$ 6,714,309	$ 6,668,314	$ 6,591,248	$ 6,286,892	$ 5,841,707
Operations and Maintenance:										
Operational Fund	2,292,225	2,215,402	2,499,794	2,494,864	2,546,881	2,582,425	2,564,747	2,535,003	2,418,650	2,243,001
Restricted Fund	578,447	568,014	623,221	624,652	638,385	656,048	1,282,096	1,266,907	1,208,755	1,123,115
Bond Fund	1,928,913	1,807,442	1,871,385	1,771,650	1,699,209	1,644,595	1,168,107	-	-	-
Audit Fund	21,461	20,692	23,470	23,487	48,374	49,052	48,804	48,728	47,940	45,226
Liability, Protection, and Settlement Fund	1,371,237	1,361,341	1,535,278	1,436,825	1,375,469	1,521,761	1,427,355	1,442,801	1,451,875	1,515,075
Total	$ 12,152,087	$ 11,732,956	$ 13,052,631	$ 12,838,143	$ 12,930,233	$ 13,168,190	$ 13,159,423	$ 11,884,687	$ 11,414,112	$ 10,768,124

PARKLAND COLLEGE DISTRICT #505
Schedule of Legal Debt Margin
June 30, 2015

Assessed Valuations - 2014 Levy	$	4,878,191,848
Debt Limit, 2.875 Percent of Assessed Valuation	$	140,248,016
Indebtedness:		
G. O. Bonds		54,345,000
Legal Debt Margin	$	85,903,016

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, 2015
(Unaudited)

	Student Enrollment	Full-Time Equivalency Semester
School Quarter		
Summer 2014	5,031	1,723
Fall 2014	8,479	5,101
Spring 2015	7,610	4,717
Semester Average (Exclusive of Summer School)	8,045	4,909

Schedule 20

PARKLAND COLLEGE DISTRICT #505
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2015

	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 Settlement Fund	Total
Fund Balance, July 1, 2014	$ 12,574,848	$ 3,146,068	$ 10,676,293	$ 3,442,120	$ 2,139,467	$ (238,307)	$ 7,600,000	$ 159,492	$ 1,087,345	$ 40,587,326
Revenues:										
Local Tax Revenue	12,680,241	4,877,016	1,302,474	3,795,624	-	-	-	48,457	2,879,599	25,583,411
All Other Local Revenue	2,238,958	407,848	8,455	24,131	-	-	-	312	18,768	2,698,472
ICCB Grants	5,254,418	-	-	-	-	361,307	-	-	-	5,615,725
All Other State Revenue	37,897	-	958,623	-	1,166,112	1,834,151	-	-	-	3,996,783
Federal Revenue	41,315	-	-	-	-	20,980,549	-	-	-	21,021,864
Student Tuition and Fees	27,761,519	-	-	-	1,467,941	-	-	-	-	29,229,460
All Other Revenue	604,253	831,670	829,903	-	4,422,635	4,608	8,258	-	8,945	6,710,272
Total Revenue	48,618,601	6,116,534	3,099,455	3,819,755	7,056,688	23,180,615	8,258	48,769	2,907,312	94,855,987
Expenditures:										
Instruction	28,322,752	-	-	-	93,902	528,882	-	-	-	28,945,536
Academic Support	4,686,791	-	6,645	-	1,138,679	2,132,584	-	-	-	7,964,699
Student Services	5,088,962	-	-	-	-	493,990	-	-	-	5,582,952
Public Service/Continuing Education	878,868	-	-	-	1,213,549	585,176	-	-	-	2,677,593
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	5,026,152	3,302	-	-	-	5,029,454
Operations and Maintenance	-	5,486,481	7,402,957	-	-	-	-	-	1,605,358	14,494,796
Institutional Support	11,431,749	-	-	4,373,620	-	43,000	-	68,784	1,383,412	17,300,565
Scholarships, Student Grants, & Waivers	-	-	-	-	-	19,396,654	-	-	-	19,396,654
Total Expenditures	50,409,122	5,486,481	7,409,602	4,373,620	7,472,282	23,183,588	-	68,784	2,988,770	101,392,249
Net Transfers	(729,622)	-	(827,222)	827,222	737,880	-	(8,258)	-	-	-
Fund Balance, June 30, 2015	$ 10,054,705	$ 3,776,121	$ 5,538,924	$ 3,715,477	$ 2,461,753	$ (241,280)	$ 7,600,000	$ 139,477	$ 1,005,887	$ 34,051,064

PARKLAND COLLEGE DISTRICT #505
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2015

	Capital Assets / Long Term Debt			
	July 1, 2014	Additions	Deletions	June 30, 2015
Fixed Assets:				
Land	$ 1,841,745	$ -	$ -	$ 1,841,745
Land Improvements	31,724,068	9,538,993	-	41,263,061
Buildings, Additions, and Improvements	77,207,562	32,058,854	(520,000)	108,746,416
Equipment	17,292,277	1,087,085	-	18,379,362
Other Fixed Assets	43,816,566	7,325,899	(41,597,847)	9,544,618
Accumulated Depreciation	(57,344,341)	(6,995,059)	395,200	(63,944,200)
Net Fixed Assets	$ 114,537,877	$ 43,015,772	$ (41,722,647)	$ 115,831,002
Fixed Debt:				
Bonds	$ 64,115,000	$ -	$ (1,570,000)	$ 62,545,000
Early Retirement Benefits	1,974,604	2,759,133	(1,159,321)	3,574,416
Total Fixed Liabilities	$ 66,089,604	$ 2,759,133	$ (2,729,321)	$ 66,119,416

	Outstanding			
	July 1, 2014	Issued	Redeemed	June 30, 2015
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, 2015

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
Local Government Revenue			
Local Taxes	$ 12,680,241	$ 4,877,016	$ 17,557,257
Chargeback Revenue	288,688	-	288,688
CPPRT	1,950,270	407,848	2,358,118
Total Local Government	14,919,199	5,284,864	20,204,063
State Government			
ICCB Base Operating Grant	4,482,340	-	4,482,340
ICCB Equalization Grant	274,051	-	274,051
ICCB Performance Grant	498,027	-	498,027
Other State	37,897	-	37,897
Total State Government	5,292,315	-	5,292,315
Federal Government			
Department of Education	41,315	-	41,315
Total Federal Government	41,315	-	41,315
Student Tuition and Fees			
Tuition	24,717,585	-	24,717,585
Fees	3,043,934	-	3,043,934
Total Student Tuition and Fees	27,761,519	-	27,761,519
Other Sources			
Sales and Service Fees	468,399	-	468,399
Facilities Revenue	-	828,225	828,225
Investment Revenue	80,586	3,445	84,031
Other	55,268	-	55,268
Total Other Sources	604,253	831,670	1,435,923
Total Operating Revenues	48,618,601	6,116,534	54,735,135
Less: Non-Operating Items			
Tuition Chargeback Revenue	(288,688)	-	(288,688)
Adjusted Operating Revenue	$ 48,329,913	$ 6,116,534	$ 54,446,447

PARKLAND COLLEGE DISTRICT #505
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2015

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	$ 28,322,752	$ -	$ 28,322,752
Academic Support	4,686,791	-	4,686,791
Student Services	5,088,962	-	5,088,962
Public Service/Continuing Education	878,868	-	878,868
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,486,481	5,486,481
Institutional Support	11,431,749	-	11,431,749
Scholarships, Grants, Waivers	-	-	-
Total Operating Expenditures by Program	50,409,122	5,486,481	55,895,603
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	$ 50,409,122	$ 5,486,481	$ 55,895,603
Operating Expenditures by Object:			
Salaries	$ 35,317,474	$ 1,884,748	$ 37,202,222
Employee Benefits	7,998,597	857,919	8,856,516
Contractual Services	1,094,444	437,097	1,531,541
General Materials and Supplies	2,505,316	310,915	2,816,231
Conference and Meeting Expenses	401,951	930	402,881
Fixed Charges	293,992	41,110	335,102
Utilities	2,526	1,933,752	1,936,278
Capital Outlay	381,795	19,900	401,695
Other	2,413,027	110	2,413,137
Total Operating Expenditures by Object	50,409,122	5,486,481	55,895,603
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	$ 50,409,122	$ 5,486,481	$ 55,895,603

PARKLAND COLLEGE DISTRICT #505
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2015

	Restricted Purposes Fund
Revenue by Source:	
State Government	
ICCB - Program Improvement Grant	$ 36,599
ICCB - Adult Education	236,943
ICCB - Early School Leaver Transition Program	50,000
ICCB - Program Improvement Grant: Aviation Institute	27,765
ICCB - Dual Credit Enhancement	10,000
Illinois State Board of Education	1,681,286
Illinois Department of Commerce and Economic Opportunity	39,744
Other	113,121
Total State Government	2,195,458
Federal Government	
Department of Education	20,593,108
Department of Labor	15,544
Department of Transportation	369,743
Department of State/Bureau of Educational and Cultural Affairs	-
Other	2,154
Total Federal Government	20,980,549
Other Sources	
Other	4,608
Total Other Sources	4,608
Total Restricted Purposes Fund Revenues	$ 23,180,615

PARKLAND COLLEGE DISTRICT #505

Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2015

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	$ 528,882
Academic Support	2,132,584
Student Services	493,990
Public Service/Continuing Education	585,176
Auxiliary Services	3,302
Operations and Maintenance	-
Institutional Support	43,000
Scholarships, Student Grants, and Waivers	19,396,654
Total Restricted Purposes Fund Expenditures by Program	$ 23,183,588
Expenditures by Object:	
Salaries	$ 1,130,452
Employee Benefits	182,922
Contractual Services	1,578,589
General Materials and Supplies	221,604
Travel & Conference/Meeting Expenses	178,585
Fixed Charges	44,259
Utilities	12,966
Capital Outlay	316,206
Scholarships, Grants, Waivers	19,396,654
Other	121,351
Total Restricted Purposes Fund Expenditures by Object	$ 23,183,588

PARKLAND COLLEGE DISTRICT #505
Current Funds Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2015

Instruction:	
Instructional Programs	$ 28,945,536
Academic Support:	
Library Center	1,279,071
Academic Computing Support	942,386
Other	5,736,597
Total Academic Support	7,958,054
Student Services Support:	
Admissions and Records	843,831
Counseling and Career Services	1,408,172
Financial Aid Administration	707,180
Other	2,623,769
Total Student Services Support	5,582,952
Public Service/Continuing Education:	
Community Education	290,576
Customized Training (Instructional)	1,623,036
Community Services	543,778
Other	220,203
Total Public Service/Continuing Education	2,677,593

PARKLAND COLLEGE DISTRICT #505
Current Funds Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2015

Auxiliary Services	5,029,454
Operations and Maintenance of Plant:	
Maintenance	891,893
Custodial Services	1,876,994
Grounds	527,560
Campus Security	1,477,478
Transportation	66,769
Utilities	1,933,752
Administration	189,513
Other	127,880
Total Operations and Maintenance of Plant	7,091,839
Institutional Support:	
Executive Management	431,240
Fiscal Operations	1,339,093
Community Relations	107,654
Board of Trustees	41,865
General Institutional	3,736,860
Institutional Research	436,663
Administrative Data Processing	1,413,530
Other	9,793,660
Total Institutional Support	17,300,565
Scholarships, Student Grants, and Waivers	19,396,654
Total Current Funds Expenditures	$ 93,982,647

PARKLAND COLLEGE DISTRICT #505
Certificate of Chargeback Reimbursement
For the Year Ended June 30, 2015

All Fiscal Year 2015 Non-Capital Audited Operating Expenditures	
from the Following Funds:	
Education	
Operations and Maintenance Fund	
Rest	
Audi	
Liab	
T	-
Depreciation on Capital Outlay Expenditures from Sources	
Other than State and Federal Funds	
Total Costs Included	-
Total Certified Semester Credit Hours for Year 2015	-
Per Capita Cost	
All Fiscal Year 2015 State and Federal Operating Grants	
for Non-Capital Expenditures, Except ICCB Grants	
Fiscal Year 2015 State and Federal Grants Per Semester Credit Hour	
District's Average ICCB Grant Rate for Fiscal Year 2016	
District's Student Tuition and Fee Rate Per Semester	
Credit Hour for Fiscal Year 2016	
Chargeback Reimbursement Per Semester Credit Hour	$ -

All data needed to complete the form was not available before the audit was published and an addendum page will be distributed when the form is available.

Approved: ______________________________
Chief Fiscal Officer

Approved: ______________________________
Chief Executive Officer

MARTIN HOOD FRIESE & ASSOCIATES, LLC

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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, 2015, 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 also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 our audit provides a reasonable basis for our opinion on the financial statements and for our report on compliance.

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, 2015, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

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 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 17, 2015

PARKLAND COLLEGE DISTRICT #505
State Adult Education Restricted Funds
(State Basic, Public Assistance, and Performance)
Balance Sheet
June 30, 2015

ASSETS

	State Basic	Public Assistance	Performance	Total
Cash	$ -	$ -	$ -	$ -

LIABILITIES AND FUND BALANCE

	State Basic	Public Assistance	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, Public Assistance, and Performance)
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2015

	State Basic	Public Assistance	Performance	Total
Revenues				
ICCB Grant	$ 116,097	$ 20,920	$ 99,926	$ 236,943
Expenditures				
Instructional Student Services:				
Instruction	78,525	15,085	60,963	154,573
Social Work Services	12,622	-	-	12,622
Guidance Services	6,158	628	888	7,674
Assistive and Adaptive Equipment	-	-	-	-
Assessment and Testing	785	716	5,839	7,340
Student Transportation Services	2,640	1,980	-	4,620
Literacy Services	-	-	-	-
Childcare Services	-	-	-	-
Total Instructional Student Services	100,730	18,409	67,690	186,829
Program Support:				
Improvement of Instructional Services	3,355	-	7,292	10,647
General Administration	12,012	2,511	10,767	25,290
Operation and Maintenance of Plant Services	-	-	-	-
Workforce Coordination	-	-	-	-
Data and Information Services	-	-	14,177	14,177
Approved Indirect Costs	-	-	-	-
Total Program Support	15,367	2,511	32,236	50,114
Total Expenditures	116,097	20,920	99,926	236,943
Excess of Revenue Over Expenditures	-	-	-	-
Fund Balance, June 30, 2014	-	-	-	-
Fund Balance, June 30, 2015	$ -	$ -	$ -	$ -

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, 2015

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	$ 78,525	67.64%
General Administration (15 Percent Maximum Allowed)	12,012	10.35%
State Public Assistance		
Instruction (45 Percent Minimum Required)	15,085	72.11%
General Administration (15 Percent Maximum Allowed)	2,511	12.00%

PARKLAND COLLEGE DISTRICT #505
Career and Technical Education
(Program Improvement)
Balance Sheet
June 30, 2015

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, 2015

Revenue	
ICCB Grant	$ 36,599
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	-
Instructional Materials	-
Staff Development	-
Instructional Equipment	36,599
Total Expenditures	36,599
Excess of Revenues Over Expenditures	-
Fund Balance, June 30, 2014	-
Fund Balance, June 30, 2015	$ -

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, 2015. 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, 2015.

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, 2015 is fairly presented in accordance with the aforementioned guidelines.

Other Matters

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 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 17, 2015

PARKLAND COLLEGE DISTRICT #505
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed
For the Year Ended June 30, 2015

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	14,290.0	-	39,231.0	-	38,537.0	-	92,058.0	-
Business Occupational	306.5	1,168.5	2,408.5	4,247.5	1,981.5	5,946.0	4,696.5	11,362.0
Technical Occupational	2,057.5	-	11,578.0	-	10,538.0	-	24,173.5	-
Health Occupational	1,365.0	-	5,538.5	-	5,362.5	-	12,266.0	-
Remedial Developmental	662.0	-	7,273.0	-	4,911.0	-	12,846.0	-
Adult Basic/Secondary Education	27.0	281.0	423.0	1,889.0	332.0	2,191.0	782.0	4,361.0
TOTAL CREDIT HOURS CERTIFIED	18,708.0	1,449.5	66,452.0	6,136.5	61,662.0	8,137.0	146,822.0	15,723.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	116,657.0	127.0	116,784.0

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	6,757.5	63.5

District 2014 Equalized Assessed Valuation: $ 4,878,191,848

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

Signatures:

Thomas R. Ramage
Chief Executive Officer (CEO)

Christopher Randle
Chief Financial Officer (CFO)

PARKLAND COLLEGE DISTRICT #505
For the Year Ended June 30, 2015

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	92,058.0	92,058.0	-	-	-	-
Business Occupational	4,696.5	4,696.5	-	11,362.0	11,362.0	-
Technical Occupational	24,173.5	24,173.5	-	-	-	-
Health Occupational	12,266.0	12,266.0	-	-	-	-
Remedial Developmental	12,846.0	12,846.0	-	-	-	-
Adult Basic / Secondary Education	782.0	782.0	-	4,361.0	4,361.0	-
Total Credit Hours Certified	146,822.0	146,822.0	-	15,723.0	15,723.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	116,657.0	116,657.0	-
Out-of-District on Chargeback or Contractual Agreement	127.0	127.0	-
Total	116,784.0	116,784.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	6,757.5	6,757.5	-
Dual Enrollment	63.5	63.5	-
Total	6,821.0	6,821.0	-

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, 2015

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, 2015

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 Grant/Special Initiative

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 require. 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.

Public Assistance Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

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, 2015

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, 2015

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, 2015

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	**Federal CFDA Number**	**Identifying Number**		**Federal Expenditures**
Department of Commerce				
Passed through the University of Illinois at Urbana-Champaign				
Economic Development - University Centers	11.303	4226-00-9010505061		$ 2,154
Department of Labor				
Passed through the Champaign Consortium				
WIA Youth Activities	17.259	09-1Y-6050-YETP		15,544
Department of Transportation				
Passed through the Illinois Community College Board (ICCB)				
ICCB/IDOT HCCTP	20.205	HCCTP505	*	369,743
Department of Education				
Direct				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	P007A091253		200,000
Federal Work Study (FWS)	84.033	P033A081253		141,335
Pell Grant Program	84.063	N/A		10,244,830
Federal Direct Loans	84.268	P063P090505		8,805,324
Total Student Financial Aid Cluster			*	19,391,489
Other Direct Programs				
Strengthening International Studies and Foreign Languages	84.016	P016A140067		7,479
Title III	84.031A	N/A		198,707
Trio Student Support Services	84.042a	P042A060194-09		294,711
Total Other Direct Programs				500,897
Passed through the Illinois Community College Board (ICCB)				
Adult Education - Basic	84.002a	50501 Federal Basic		103,258
EL/Civics Program	84.002a	50501 EL/CIVICS		48,242
Total CFDA 84.002a				151,500
V.E. Perkins IIC Special Populations and Other	84.048	CTE50510	*	376,938
Bridging the Gap	84.367A	14 CA505		10,000
Passed through the Illinois State Board of Education (ISBE)				
Title I - Migrant Education	84.011	None		161,379
Passed through the Urbana (Illinois) School District				
21st Century Learning Community Centers	84.287C			905
Total Department of Education				20,593,108
Total Expenditures of Federal Awards				$ 20,980,549

*** -** Denotes a major program.

PARKLAND COLLEGE DISTRICT #505
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

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, 2015. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

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, 2015.

3. Property and Equipment

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

4. Loans Outstanding

The College has the following loan balances at June 30, 2015. These loan balances are not included in the federal expenditures presented in the schedule.

	CFDA Number	Outstanding Balance June 30, 2015
Perkins Loans	84.038	$ 94,826

PARKLAND COLLEGE DISTRICT #505
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

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 major federal award programs.

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

(vi) The audit did not disclose findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

(vii) Major Programs:

U.S. Department of Education:

- Student Financial Aid Cluster
  - CFDA # 84.007
  - CFDA # 84.033
  - CFDA # 84.063
  - CFDA # 84.268
- V.E. Perkins IIC Special Populations - CFDA # 84.048

U.S. Department of Transportation

- Highway Planning and Construction Program - CFDA #20.205

(viii) The dollar threshold used to distinguish Type A and Type B programs was $300,000.

(ix) The College does not qualify as a low risk auditee.

2. Findings – Financial Statement Audit

None noted

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

None noted

PARKLAND COLLEGE DISTRICT #505
Schedule of Prior Audit Findings for Federal Awards
For the Year Ended June 30, 2015

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, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated September 17, 2015.

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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 17, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
September 17, 2015