

PARKLAND COLLEGE DISTRICT #505

Champaign, Illinois

**Annual Comprehensive Financial Report**

For the Years Ended

June 30, 2021 and 2020

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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 the business-type activities, fiduciary activities, and the discretely presented component unit of Parkland College District #505 (the College) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of the College as of June 30, 2021 and 2020 and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with GAAP.

### ***Other Matters***

#### ***Required Supplementary Information***

GAAP requires that the management's discussion and analysis on pages 5 through 14, the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 58, the Schedule of Proportionate Share of OPEB Liability- CIP on page 60, and the Schedule of Contributions – CIP on page 61 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 opinions on the financial statements that collectively comprise the College's basic financial statements. 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 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 Schedule 28 is also presented for purposes of additional analysis required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. The accompanying Schedules 29 through 31, including the Schedule of Expenditures of Federal Awards, are presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are also not a required part of the basic financial statements. As described in Note 23, Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

Schedules 1 through 24 and Schedules 28 through 31, including the Schedule of Expenditures of Federal Awards, are the responsibility of management. Schedules 1 through 24, except Schedule 19, and Schedules 28 through 31 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Information on Schedules 1 through 24, except Schedule 19, and Schedules 28 through 31 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In our opinion, the information in Schedules 1 through 24, except Schedule 19, and Schedules 28 through 31 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 November 9, 2021, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Martin Hood LLC*

Champaign, Illinois  
November 9, 2021

## 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, 2021, 2020 and 2019. 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 2021, 2020 and 2019 only.

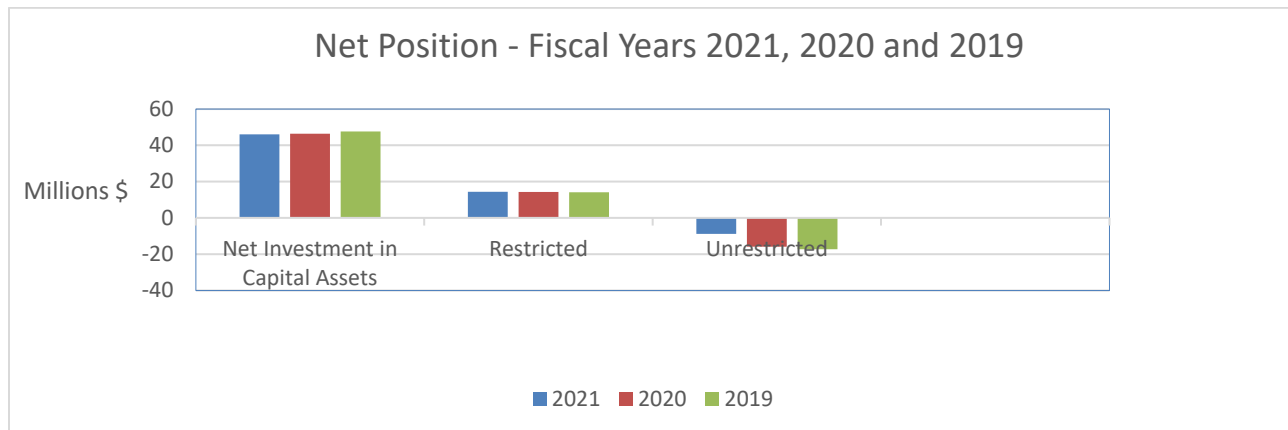
### Using This Annual Report

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’s proprietary fund. 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, 2021. 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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Current Assets	\$ 62.9	\$ 53.8	\$ 51.7
Non-Current Assets:			
Capital Assets, Net of Depreciation	91.5	95.6	99.5
Total Assets	154.4	149.4	151.2
Deferred Outflows of Resources	0.7	0.9	1.0
Total Assets and Deferred Outflows of Resources	155.1	150.3	152.2
Current Liabilities	13.2	12.5	13.5
Non-Current Liabilities	82.0	86.9	89.4
Total Liabilities	95.2	99.4	102.9
Deferred Inflows of Resources	8.2	6.1	4.9
Net Position:			
Net Investment in Capital Assets	46.0	46.4	47.6
Restricted	14.4	14.3	14.1
Unrestricted	(8.8)	(15.9)	(17.3)
Total Net Position	\$ 51.6	\$ 44.8	\$ 44.4

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

## **Fiscal Year 2021 Compared to 2020**

Net position increased \$6.8 million during fiscal year 2021. This increase was due to increases in unrestricted net position of \$7.1 million and restricted net position of \$0.1 million, offset by a decrease of \$0.4 million in net investment in capital assets.

Total liabilities decreased by \$4.2 million to \$95.2 million. This decrease was due to decreases in non-current liabilities of \$4.9 million and increases of current liabilities of \$0.7 million.

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

## Fiscal Year 2020 Compared to 2019

Net position increased \$0.4 million during fiscal year 2020. This increase was due to increases in unrestricted net position of \$1.4 million and restricted net position of \$0.2 million, offset by a decrease of \$1.2 million in net investment in capital assets.

Total liabilities decreased by \$3.5 million to \$99.4 million. This decrease was due to non-current liabilities decreasing by \$2.5 million and current liabilities by \$1.0 million.

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

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

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

#### **Operating Results For Year Ended June 30 (in millions)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue:			
Tuition and Fees	\$ 15.9	\$ 19.1	\$ 20.0
Auxiliary Enterprises	3.4	3.2	3.8
Other	1.4	1.4	1.5
Total	<u>20.7</u>	<u>23.7</u>	<u>25.3</u>
Less: Operating Expenses	<u>108.6</u>	<u>112.1</u>	<u>107.9</u>
Operating Loss	<u>(87.9)</u>	<u>(88.4)</u>	<u>(82.6)</u>
Non-Operating Revenue (Expenses):			
State Grants and Contracts	8.4	8.0	6.9
Local Property Taxes	35.1	33.9	32.1
Federal Grants and Contracts	22.8	18.4	18.6
On-Behalf Payments	29.8	29.7	26.8
Interest Expense	(1.9)	(2.1)	(2.6)
Debt Issuance Costs	-	-	(1.0)
Interest Income	0.4	0.4	0.2
Investment Income	0.1	0.5	0.6
Total	<u>94.7</u>	<u>88.8</u>	<u>81.6</u>
Increase (Decrease) in Net Position	6.8	0.4	(1.0)
Net Position, Beginning of Year	<u>44.8</u>	<u>44.4</u>	<u>45.4</u>
Net Position, End of Year	<u>\$ 51.6</u>	<u>\$ 44.8</u>	<u>\$ 44.4</u>

## **Fiscal Year 2021 Compared to 2020**

Operating revenues decreased \$3.0 million from the prior year. Operating revenue decreased by \$3.2 million in the tuition & fees category, offset by a \$0.2 million increase in auxiliary enterprises. The decrease in tuition and fees revenue reflects the decrease in tuition and fee revenue of \$3.4 million combined with a decrease of \$0.2 million in scholarship allowance from the prior year. This resulted in the decrease in operating revenue as mentioned above.

In total, operating expenses decreased by \$3.5 million. This is due to increases in instruction of \$0.5 million and institutional support of \$0.8 million, offset by decreases in scholarships of \$1.5 million, operation and maintenance of plant of \$0.9 million, academic support of \$0.6 million, and other post-employment benefits of \$1.0 million.

The non-operating revenues, net of non-operating expenses, increased \$5.9 million. This is due to increases in federal grants and contracts of \$4.5 million, local property taxes of \$1.2 million, state grants and contracts of \$0.4 million, along with a decrease of \$0.2 million in interest expense, offset by decreases in investment income of \$0.4 million.

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 2020 Compared to 2019**

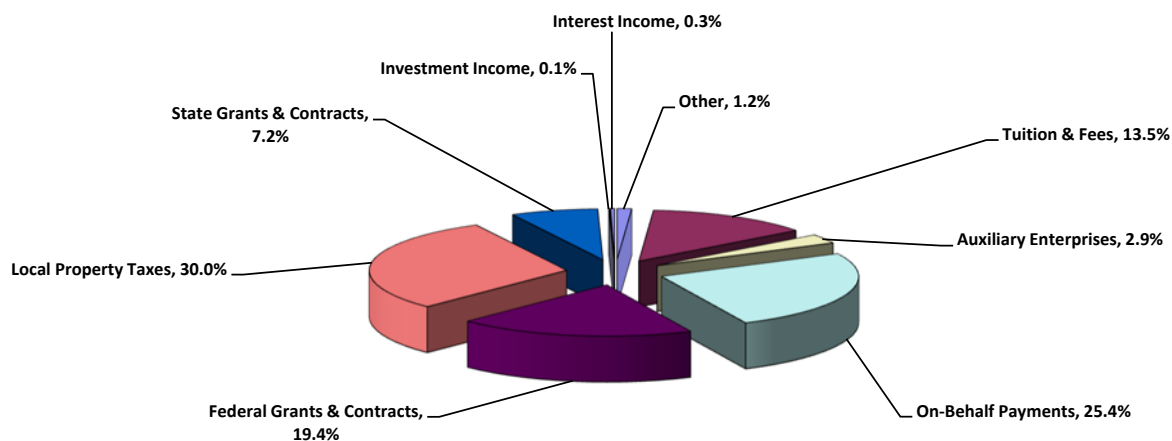
Operating revenues decreased \$1.6 million from the prior year. Operating revenue decreased by \$0.9 million and \$0.6 million in the tuition & fees and auxiliary enterprises categories, respectively, along with a \$0.1 million decrease in other revenues. The decrease in tuition and fees revenue reflects the decrease in tuition and fee revenue of \$1.6 million combined with a decrease of \$0.6 million in scholarship allowance from the prior year. This resulted in the decrease in operating revenue as mentioned above.

In total, operating expenses increased by \$4.2 million. This is due to increases in instruction of \$0.9 million, on behalf payments of \$2.9 million and institutional support of \$1.5 million, offset by a decrease in operation and maintenance of plant of \$0.7 million and other post-employment benefits of \$0.7 million.

The non-operating revenues, net of non-operating expenses, increased \$7.2 million. This is due to increases in state grants and contracts of \$1.1 million, local property taxes of \$1.8 million, \$2.9 million in on behalf payments from the State of Illinois for the SURS pension plan (see note 12) along with a decrease of \$0.5 million in interest expense and debt issuance costs of \$1.0 million, offset by decreases in federal grants (financial aid) of \$0.2 million.

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

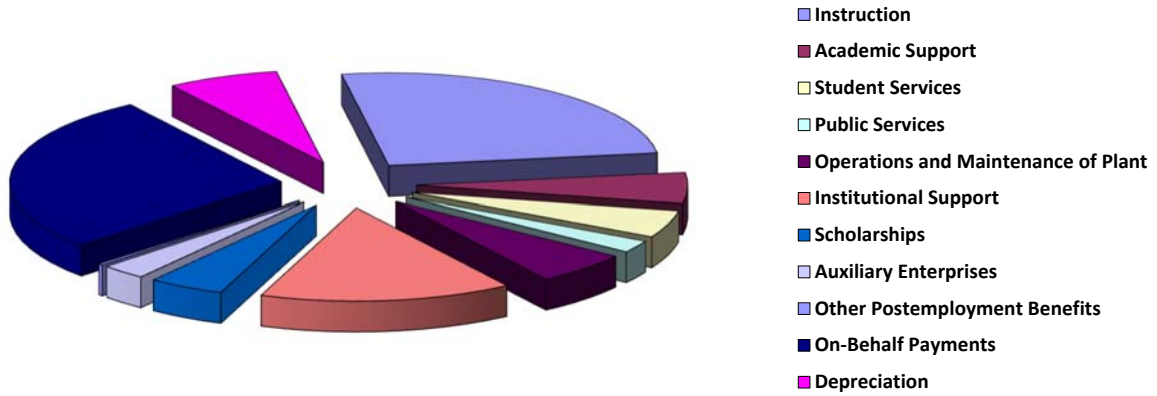
**Revenue by Source Fiscal Year 2021**



**Operating Expenses  
For Year Ended June 30  
(in millions)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Expenses:			
Instruction	\$ 27.8	\$ 27.2	\$ 26.3
Academic Support	5.8	6.5	6.5
Student Services	5.1	5.4	5.0
Public Service	2.3	2.5	2.8
Operations and Maintenance of Plant	6.2	7.0	7.7
Institutional Support	16.3	15.6	14.1
Scholarships	4.9	6.4	6.4
Auxiliary Enterprises	2.9	3.2	2.9
On-Behalf Payments	29.8	29.7	26.8
Other Postemployment Benefits	0.3	1.3	2.0
Depreciation	7.2	7.3	7.4
Total	<u>\$ 108.6</u>	<u>\$ 112.1</u>	<u>\$ 107.9</u>

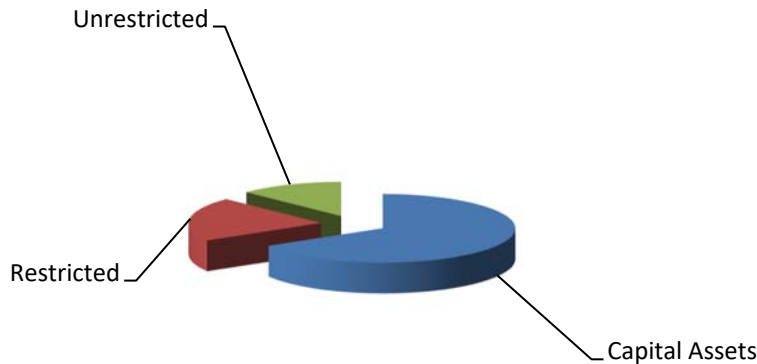
Operating Expenses Fiscal Year 2021



Analysis of Net Position  
June 30  
(in millions)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:			
Net Investment in Capital Assets	\$ 46.0	\$ 46.4	\$ 47.6
Restricted	14.4	14.3	14.1
Unrestricted	(8.8)	(15.9)	(17.3)
Total	<u>\$ 51.6</u>	<u>\$ 44.8</u>	<u>\$ 44.4</u>

## Analysis of Net Position Fiscal Year 2021



### **Fiscal Year 2021 Compared to 2020**

Total net position increased by \$6.8 million from fiscal year 2020 to fiscal year 2021. The net investment in capital assets decreased \$0.4 million, or 0.9% over the previous year. This decrease was due mainly to 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 falling short of depreciation. Restricted net position increased by \$0.1 million compared to the previous year, and the unrestricted net position increased by \$7.1 million during fiscal year 2021.

### **Fiscal Year 2020 Compared to 2019**

Total net position increased by \$0.4 million from fiscal year 2019 to fiscal year 2020. The net investment in capital assets decreased \$1.2 million, or 2.5% over the previous year. This decrease was due mainly to 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 falling short of depreciation. Restricted net position increased by \$0.2 million compared to the previous year and the unrestricted net position increased by \$1.4 million during fiscal year 2020.

### **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 2021, the College had \$91.5 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and



depreciation) of \$4.1 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)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 1.8	\$ 1.8	\$ 1.8
Construction in Progress	1.0	0.2	0.6
Buildings	70.8	73.1	72.8
Land Improvements	13.7	16.4	20.6
Equipment	4.2	4.1	3.7
Total	<u>\$ 91.5</u>	<u>\$ 95.6</u>	<u>\$ 99.5</u>

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

Computer Equipment	\$ 0.8
S Building	<u>0.5</u>
Total	<u>\$ 1.3</u>

The College's fiscal year 2022 operating capital budget is \$4.8 million. This capital budget will be used to finish the facility master plan and continue facility improvements.

**Long-Term Debt Activity**

The College's long-term debt decreased during 2021 from \$93.0 million to \$88.4 million. The general obligation bonds payable decreased by \$3.4 million, the net other postemployment benefit liability decreased by \$2.0 million, and the unamortized bond premium decreased by \$0.4 million, while the retirement obligation increased \$1.2 million.

In August 2019, S&P reaffirmed Parkland's rating of AA Stable. Moody's most recent rating of Aa3 is from December 2017. More detailed information about long-term debt can be found in Note 8 to the Basic Financial Statements.

The College has approximately \$2 million in debt funds still available for qualified capital master plan projects.

**Economic Factors That Will Affect the Future**

The College's Administration and its Board will monitor other major factors related to its financial state including student enrollment and State funding in the upcoming years. The ongoing impact of the pandemic will continue to be monitored and dealt with as needed. Additionally, this would include various expenses related to salaries, cost of benefits, utilities, etc.

For fiscal year 2022, the Parkland College Board of Trustees did not raise tuition and fees per credit hour for a total of \$171 in-district per credit hour for the third consecutive year. The intention has been to hold enrollment steady and produce similar revenue from tuition and fees. The College also expects a modest increase in local property tax revenue with initial projections of 5% EAV growth. With the passage of a FY22 State budget, the College budgeted \$4.9 million in State funding.

Parkland College continues to diligently monitor expenses. This includes thoroughly reviewing positions to decide whether each position is considered mission critical prior to filling vacancies. Also, the College has entered the sixth year with its health insurance administrator. While the first several years yielded significant savings, healthcare costs appear to be trending upward. The College also works with healthcare experts to determine the required actions of the College in the short and long term. Additional savings hope to be garnered on utilities through various green initiatives such as the photovoltaic solar array that went online. This is intended to decrease the college's electrical expense. Also, Parkland continues to realize savings on gas and electric use through guaranteed contracts with suppliers. The college is currently working on an RFP for natural gas and electricity to ensure that the College continues to receive the best value related to utilities.

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

In fiscal year 2014, the College completed the student portion of the major administrative computing upgrade, which began in fiscal year 2008. The finance module went live July 1, 2008. The payroll/human resource module went live January 1, 2009. In conjunction with the software provider the College performed an audit of its administrative software in fiscal year 2011. This audit provided a roadmap of initiatives (including additional training and software enhancements) to continue to increase the efficiency of the system as a whole. The College in fiscal year 2014 engaged an information technology consultant (Moran Technology) to evaluate the College's information systems. In fiscal year 2015, the College hired a Chief Information Officer who was charged with implementing various aspects of the technology master plan. Several items that have been completed are the transition to a new email system, singular password system and completion of the College website redesign. The College will continue to implement the technology master plan with even more emphasis on cybersecurity. Other security additions include upgraded firewalls and multifactor authentication. Additionally, the College approved a Director of Information Security position that is in the process being filled in FY22.

Parkland will continue capital improvements in its grounds and facilities. As noted earlier, this includes finishing the master plan remodeling project. Additionally, the College completed its two approved Capital Development Board projects during the fiscal year (S building and Service Driveway). The college plans to complete the improvements of Service Drive area with the Fountain Courtyard during the Spring of 2022. Also, the College plans to use two years of PHS dollars to fund the campus electronic door lock upgrade phase I and II project. Board approved the Phase I bid of the PHS campus door lock upgrade project in October of 2021. The College hopes to complete phase I and II over the next couple of years.

The College's approved operating budget for fiscal year 2022 is \$54.0 million. The total College budget is \$113.5 million.

All four union contracts were ratified to begin in fiscal year 2022 and all are set to expire in FY2024.

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

The College received its 10-year accreditation from the Higher Learning Commission in late 2012. Also, the College submitted the assurance argument to Higher Learning Commission during FY18. The Higher Learning Commission responded that no follow-up was required and no official Commission action needed to be taken. The College is currently working on its next accreditation with the next site visit to occur in the Fall of 2022.

Dr. Ramage has informed the Board of Trustees of his planned retirement in Fall 2022. Through his leadership, the College has built an outstanding team of faculty and staff, built new facilities that inspire engagement in learning, maintained a strong financial standing, and yielded positive student outcomes. The College and Board of Trustees are confident Dr. Ramage will continue to pursue and accomplish ambitious goals that will propel the institution forward over the next year.

The impacts of COVID on operations have been extensive. This includes impacting enrollment, workforce, morale, and planning. Like all colleges and employers, the College will have to continue to adapt to the ongoing impact of COVID.

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

PARKLAND COLLEGE DISTRICT #505  
Statements of Net Position  
Proprietary Fund  
June 30, 2021 and 2020

## ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2021	2020
<b>Current Assets</b>		
Unrestricted:		
Cash and Cash Equivalents	\$ 39,133,510	\$ 26,483,445
Investments	5,430,261	5,372,578
Due from Parkland Foundation	20,303	80,180
Property Taxes Receivable, Net	2,052,642	7,790,628
Accounts Receivable, Net	2,041,691	1,956,410
Inventories	477,201	571,970
Prepaid Assets	69,283	34,971
Restricted:		
Cash and Cash Equivalents	11,749,161	8,950,519
Property Taxes Receivable, Net	504,851	1,769,300
Accounts Receivable, Net	1,358,629	796,158
Total Current Assets	62,837,532	53,806,159
<b>Property and Equipment, Net</b>	91,483,871	95,608,858
Total Assets	154,321,403	149,415,017
<b>Deferred Outflows of Resources</b>		
Deferred Charge on Refunding	-	22,030
Deferred Retirement Plan Contributions Subsequent to Measurement Date	79,626	79,454
Other Postemployment Benefit Related Deferred Outflows	666,298	843,825
Total Deferred Outflows of Resources	745,924	945,309
<b>Total Assets and Deferred Outflows of Resources</b>	\$ 155,067,327	\$ 150,360,326
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 688,674	\$ 348,148
Accrued Liabilities	3,165,308	2,819,391
Current Portion of Property Tax Refund Payable	158,000	158,000
Due to Student Groups	587,110	560,137
Unearned Revenue	2,364,275	2,756,095
Current Portion of Retirement Obligation	1,995,129	2,112,196
Current Portion of Unamortized Bond Premium	381,866	381,866
Current Portion of Bonds Payable	3,845,000	3,395,000
Total Current Liabilities	13,185,362	12,530,833
<b>Long-Term Liabilities</b>		
Property Tax Refund Payable, Net of Current Portion	314,860	472,860
Retirement Obligation, Net of Current Portion	5,057,066	3,712,046
Accrued Compensated Absences	1,924,596	1,803,667
Unamortized Bond Premium, Net of Current Portion	2,832,170	3,214,036
Bonds Payable, Net of Current Portion	39,300,000	43,145,000
Net Other Postemployment Benefit Liability	32,601,493	34,597,679
Total Long-Term Liabilities	82,030,185	86,945,288
Total Liabilities	95,215,547	99,476,121
<b>Deferred Inflows of Resources</b>		
Other Postemployment Benefits	8,216,827	6,076,267
<b>Net Position</b>		
Net Investment in Capital Assets	46,010,490	46,375,359
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Debt Service	4,257,215	4,267,897
Purposes Allowed by Property Tax Levies	2,141,501	2,018,558
Aviation Program Operation	400,153	399,790
Unrestricted		
General Purposes	31,378,258	23,977,097
Related to OPEB	(40,152,022)	(39,830,121)
Total Net Position	51,634,953	44,807,938
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	\$ 155,067,327	\$ 150,360,326

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
 Statements of Revenues, Expenses, and Changes in Net Position  
*Proprietary Fund*  
 For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>Operating Revenues</b>		
Student Tuition and Fees, Net of Scholarship		
Allowance of \$9,128,797 and \$9,291,788, Respectively	\$ 15,934,160	\$ 19,111,774
Auxiliary Enterprises Revenue	3,389,758	3,165,049
Other Operating Revenues	1,389,448	1,438,693
Total Operating Revenues	20,713,366	23,715,516
<b>Operating Expenses</b>		
Instruction	27,768,914	27,244,074
Academic Support	5,828,467	6,468,722
Student Services	5,157,334	5,385,851
Public Service	2,273,341	2,509,593
Auxiliary Expenses	2,882,157	3,166,597
Operation and Maintenance of Plant	6,182,784	7,044,082
Scholarships and Grants	4,868,572	6,374,564
Institutional Support	16,363,705	15,557,115
On-Behalf Payments	29,805,066	29,718,064
Other Postemployment Benefits	321,901	1,352,356
Depreciation and Amortization	7,176,039	7,296,098
Total Operating Expenses	108,628,280	112,117,116
<b>Operating Loss</b>	(87,914,914)	(88,401,600)
<b>Non-Operating Revenues</b>		
State Grants and Contracts	8,402,562	8,003,027
Local Property Tax Revenues	35,153,050	33,922,272
Federal Grants and Contracts	22,797,391	18,310,101
On-Behalf Payments	29,805,066	29,718,064
Investment Income Earned	101,417	496,167
Interest Income	381,866	381,866
Interest Expense	(1,899,423)	(2,071,331)
Total Non-Operating Revenues	94,741,929	88,760,166
<b>Increase in Net Position</b>	6,827,015	358,566
<b>Net Position, Beginning of Year</b>	44,807,938	44,449,372
<b>Net Position, End of Year</b>	\$ 51,634,953	\$ 44,807,938

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
 Statements of Cash Flows  
*Proprietary Fund*  
 For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Student Tuition and Fees	\$ 15,402,864	\$ 18,978,224
Payments to Suppliers	(16,097,975)	(17,059,284)
Payments to Employees and Benefits Paid	(48,224,827)	(49,554,253)
Payments for Financial Aid and Scholarships	(4,868,572)	(6,374,564)
Auxiliary Enterprise Charges	3,389,758	3,165,049
Net Receipts from (Disbursements to) to Parkland Foundation	59,877	(549,404)
Other Receipts	1,389,448	1,438,693
	<u>(48,949,427)</u>	<u>(49,955,539)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Local Property Taxes	41,997,485	33,772,144
State Grants and Contracts	8,456,757	7,771,884
Federal Grants and Contracts	22,234,920	18,257,642
	<u>72,689,162</u>	<u>59,801,670</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of Property and Equipment	(3,051,052)	(3,388,182)
Principal Paid on Bonds	(3,395,000)	(2,970,000)
Interest Paid on Bonds	(1,888,710)	(2,016,011)
	<u>(8,334,762)</u>	<u>(8,374,193)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	(1,525,024)	(4,203,787)
Proceeds from Maturing of Investments	1,467,341	5,081,359
Interest on Cash and Cash Equivalents	101,417	496,167
	<u>43,734</u>	<u>1,373,739</u>
<b>Net Increase in Cash and Cash Equivalents</b>	15,448,707	2,845,677
<b>Cash and Cash Equivalents, Beginning of Year</b>	35,433,964	32,588,287
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 50,882,671</u>	<u>\$ 35,433,964</u>
<b>On the Statement of Net Position as Follows:</b>		
Unrestricted - Cash and Cash Equivalents	\$ 39,133,510	\$ 26,483,445
Restricted - Cash and Cash Equivalents	11,749,161	8,950,519
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 50,882,671</u>	<u>\$ 35,433,964</u>

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
Statements of Cash Flows  
*Proprietary Fund*  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of Operating Loss to Net Cash</b>		
<b>Used in Operating Activities</b>		
Operating Loss	\$ (87,914,914)	\$ (88,401,600)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation and Amortization Expense	7,176,039	7,296,098
On-Behalf Payments	29,805,066	29,718,064
Other Postemployment Benefit Expense	321,901	1,352,356
Changes in Assets, Deferred Outflows, and Liabilities:		
Accounts Receivable, Net	(139,476)	(32,300)
Inventories	94,769	71,470
Prepaid Assets	(34,312)	(33,971)
Deferred Retirement Plan Contributions		
Subsequent to Measurement Date	(172)	(16,482)
Accounts Payable	340,526	(399,348)
Accrued Liabilities	357,234	193,426
Due to Student Groups	26,973	(67,212)
Due to/from Parkland Foundation	59,877	(549,404)
Unearned Revenue	(391,820)	(101,250)
Retirement Obligations	1,227,953	889,445
Accrued Compensated Absences	120,929	125,169
	<u>                    </u>	<u>                    </u>
Net Cash Used in Operating Activities	<u>\$ (48,949,427)</u>	<u>\$ (49,955,539)</u>

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
 Statements of Fiduciary Net Position  
*Fiduciary Fund*  
 June 30, 2021 and 2020

ASSETS		Custodial Funds	
		2021	2020
<b>Current Assets</b>			
Cash & Cash Equivalents		\$ 1,080,288	\$ 1,042,270
Royalty Receivable		-	86,978
Total Current Assets		\$ 1,080,288	\$ 1,129,248
LIABILITIES AND NET POSITION			
<b>Liabilities</b>		\$ -	\$ -
<b>Net Position</b>			
Restricted for Other Governments		1,080,288	1,129,248
Total Liabilities and Net Position		\$ 1,080,288	\$ 1,129,248

See Accompanying Notes



PARKLAND COLLEGE DISTRICT #505  
 Statements of Changes in Fiduciary Net Position  
*Fiduciary Fund*  
 For the Years Ended June 30, 2021 and 2020

	Custodial Funds	
	2021	2020
<b>Additions</b>		
Royalty Revenue	\$ 47,832	\$ 66,898
<b>Deductions</b>		
Contractual Services	95,933	-
General Materials and Supplies	859	817
Total Deductions	96,792	817
<b>Increase (Decrease) in Net Position</b>	(48,960)	66,081
<b>Net Position, Beginning of Year</b>	1,129,248	1,063,167
<b>Net Position, End of Year</b>	\$ 1,080,288	\$ 1,129,248

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
 Statements of Financial Position  
*Component Unit*  
 June 30, 2021 and 2020

## ASSETS

	2021	2020
<b>Current Assets</b>		
Cash & Cash Equivalents	\$ 2,254,102	\$ 2,445,942
Promises to Give, Current Portion	13,000	8,494
Total Current Assets	2,267,102	2,454,436
<b>Other Assets</b>		
Promises to Give, Net of Current Portion, and Discount of \$174,694 and \$194,898, Respectively	287,980	318,277
Investments	13,356,332	9,358,259
Cash Surrender Value of Life Insurance	56,903	56,903
Other Assets	17,500	17,500
Total Other Assets	13,718,715	9,750,939
Total Assets	\$ 15,985,817	\$ 12,205,375

## LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>		
Accounts Payable	\$ 20,304	\$ 80,180
Accrued Vacation Payable	23,554	19,211
Total Current Liabilities	43,858	99,391
<b>Net Assets</b>		
Without Donor Restrictions	177,453	1,228
With Donor Restrictions	15,764,506	12,104,756
Total Net Assets	15,941,959	12,105,984
Total Liabilities and Net Assets	\$ 15,985,817	\$ 12,205,375

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
 Statements of Activities  
*Component Unit*  
 For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>Change in Net Assets Without Donor Restrictions</b>		
Support and Revenue:		
Contributions	\$ 111,334	\$ 102,341
In-Kind Contributions	556,220	535,117
Interest and Dividends, Net of Fees	6,745	7,208
Net Realized and Unrealized Gain on Investments	62,531	12,448
Net Realized Loss on Sale of Land Investment	-	(43,486)
Special Events, Net of Direct Benefit to Donor and Direct Costs	-	59,917
Net Decrease in Cash Surrender Value of Life Insurance	-	(34)
Net Assets Released from Restrictions	688,507	750,310
Total Support and Revenue	1,425,337	1,423,821
Expenses:		
<i>Program Services</i>		
Scholarships	542,019	496,140
Institutional Support	653,728	691,014
Total Program Services	1,195,747	1,187,154
<i>Supporting Services</i>		
Management and General	121,468	154,917
Fundraising	156,122	265,291
Total Supporting Services	277,590	420,208
Total Expenses	1,473,337	1,607,362
Reclassification of Net Assets	224,225	309,931
Change in Unrestricted Net Assets	176,225	126,390
<b>Change in Net Assets With Donor Restrictions</b>		
Support and Revenue:		
Contributions	2,641,716	945,571
Special Events, Net of Direct Benefit to Donor and Direct Costs	30,000	7,359
Interest and Dividends, Net of Fees	187,220	179,902
Net Realized and Unrealized Gain on Investments	1,713,546	79,654
Net Assets Released from Restrictions	(688,507)	(750,310)
Total Support and Revenue	3,883,975	462,176
Reclassification of Net Assets	(224,225)	(309,931)
Change in Temporarily Restricted Assets	3,659,750	152,245
<b>Change in Net Assets</b>	3,835,975	278,635
<b>Net Assets, Beginning of Year</b>	12,105,984	11,827,349
<b>Net Assets, End of Year</b>	\$ 15,941,959	\$ 12,105,984

See Accompanying Notes

PARKLAND COLLEGE DISTRICT #505  
Notes to Basic Financial Statements  
June 30, 2021 and 2020

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 F and G.

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

## **2. Basis of Accounting and Significant Accounting Policies**

- a. The financial statements of the College are prepared in accordance with GAAP. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. The College has disclosed pension information based on the requirements of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*.
- c. For financial reporting purposes, the College is considered a special-purpose government engaged in business-type activities and fiduciary-type activities. Separate financial statements are presented for the proprietary fund and the fiduciary fund. 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. The fiduciary type activities include custodial funds that are held on behalf of another organization. These funds generate revenues for the benefit of the activities that the funds support.
- e. 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.
- f. 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.
- g. The College is authorized to invest in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois. The investments consist of negotiable and non-negotiable certificates of deposit with initial maturity terms in excess of three months, which are held at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.
- h. Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of classes. Accounts receivable are stated at the invoice amount.

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

The carrying amount of accounts receivable for student tuition is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2021 and 2020 was \$3,893,527 and \$3,639,419, 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.

- i. 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 2020 tax levy was passed by the Board of Trustees in November 2020. Property taxes attach as an enforceable lien on property as of January 1 and are typically 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 2020 tax levy be allocated and recognized 55 percent in fiscal year 2021 and 45 percent in fiscal year 2022. Property tax revenue for the years ended June 30, 2021 and 2020 were from the 2020 and 2019 levies and the 2019 and 2018 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, 2021 and 2020, the College has recorded an allowance of \$490,131 and \$490,132, 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.

- j. 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.
- k. 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.
- l. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis.
- m. Capital assets consist of property and equipment, which are recorded at cost. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. The College's capitalization threshold for property and equipment is \$2,500 per unit and for site improvements and buildings is \$25,000 per project. Maintenance, repairs, and minor additions and expenditures are expensed when incurred. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

- n. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College has three items that qualify for reporting in this category. These items, deferred charge on refunding, deferred retirement plan contributions subsequent to measurement date, and other postemployment benefit (OPEB) related deferred outflows are reported in the Statements of Net Position. The deferred charge on refunding represents the excess of cash paid to the refunded bond escrow agent over the amount of refunded principal payments. The amount is deferred and recognized as an outflow of resources (expense) over the shorter of the remaining life of the refunded debt or the life of the refunding debt. The retirement plan contributions subsequent to measurement date deferred outflow item is the amount of contributions made by the College to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the years ended June 30, 2021 and 2020. One of the OPEB related deferred outflows items is the amount of contributions made by the College to the Community College Health Insurance Security Fund (CIP) for health insurance benefits on grant funded salaries during the years ended June 30, 2021 and 2020. These contributions occurred after the SURS and CIP measurement dates of June 30, 2020 and 2019 for the net pension liability and net OPEB liability and will be included in the net pension liability and net OPEB liability measurement at June 30, 2021 and 2020, and pension expense and other postemployment expense in fiscal years 2022 and 2021, respectively. The College's other OPEB related deferred outflows item is the allocated portion of the net difference between projected and actual experience of the total OPEB liability, the College's changing portion of the allocated CIP liability, and the differences between the College's contribution and its share of contribution.

The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Other postemployment benefit related deferred inflows qualify for reporting in this category at June 30, 2021 and 2020. The other postemployment benefit deferred inflow consists of the allocated portion of changes in assumptions, the net difference between projected and actual experience of the total OPEB liability, and the net difference between projected and actual investment earnings on OPEB plan investments. Additionally, this category includes a deferred inflow for the College's changing proportion of the allocated CIP liability.

- o. 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.

- p. 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.
- q. 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.

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

For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan net position of the Community College Health Insurance Security Fund (CIP) and additions to/deduction from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and its public universities and community colleges are under a special funding situation. A special funding situation exists when 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 the non-employer is the only entity with a legal obligation to make contributions



and the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as a non-operating revenue and on-behalf expense, with the expense further allocated to the related function by employees. The State of Illinois is considered a non-employer contributing entity.

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

The most sensitive estimates affecting the financial statements were:

1. The valuation of the self-insured health benefit obligation
  2. The valuation of the student tuition receivable
  3. The useful lives of depreciable capital assets
  4. The valuation of the early retirement obligation
  5. The amount of expenses eligible for reimbursement under the College's state and federal grants
- t. In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The standard improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The College retrospectively adopted the new standard during Fiscal Year 2021. The adoption increased beginning net position of the fiduciary fund as of July 1, 2019 in the amount of \$1,063,167. The adoption also decreased restricted cash and cash equivalents and due to student groups at June 30, 2020 by \$1,042,270 on the Statements of Net Position. The adoption decreased restricted cash and cash equivalents and payments to suppliers for the year ended June 30, 2020 by \$1,042,270 and \$816, respectively, on the Statements of Cash Flows.

### **3. Over Expenditure of Legal Budgets**

The College over expended its legally adopted budget for the following fund in fiscal year 2021. Even though the fund was over expended, the fund's activity still resulted in a surplus for the year.

- The Audit Fund budget was over expended by \$7,430. The over expenditure was due to audit expenses being higher than expected.

#### 4. Deposits and Investments

##### *Investments*

At June 30, 2021 and 2020, the College held the following investments:

	2021	2020
Certificates of Deposit		
Non-Negotiable	\$ 2,690,728	\$ 1,897,929
Negotiable	2,739,533	3,474,649
Total Investments	<u>\$ 5,430,261</u>	<u>\$ 5,372,578</u>

##### *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, 2021, \$30,825,198 of the College's \$31,325,198 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, 2021 and 2020, the College held \$21,147,247 and \$12,670,656, respectively, in the Illinois Funds Money Market Fund. The value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a \$1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAA rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States and valued at amortized cost. Assets of the fund that are not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

##### *Custodial Credit Risk – Investments*

At June 30, 2021, the College had custodial credit risk related to its investments that were held through a Securities Investor Protection Corporation (SIPC) member brokerage firm and the value of investments subject to custodial credit risk (negotiable certificates of deposit) in excess of the SIPC protection limit was \$2,239,533.

##### *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, 2021, the District held the following investments subject to interest rate risk:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>
Negotiable Certificates of Deposit	\$ 2,739,533	1.59

## 5. Accounts Receivable, Net

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

	<u>2021</u>	<u>2020</u>
Tuition Receivables from Students, Net	\$ 678,308	\$ 895,094
State Replacement Tax	615,624	336,758
Tuition Receivables from Agencies	341,244	268,813
Grants from Federal and State Sources	1,358,629	1,026,147
Other Receivables	406,515	225,756
	<u>3,400,320</u>	<u>2,752,568</u>
Total Accounts Receivable, Net	<u>\$ 3,400,320</u>	<u>\$ 2,752,568</u>
Unrestricted	\$ 2,041,691	\$ 1,956,410
Restricted	1,358,629	796,158
	<u>3,400,320</u>	<u>2,752,568</u>
Total Accounts Receivable, Net	<u>\$ 3,400,320</u>	<u>\$ 2,752,568</u>

## 6. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
Assets Not Being Depreciated:				
Land	\$ 1,841,745	\$ -	\$ -	\$ 1,841,745
Construction in Progress	220,923	1,385,674	(582,103)	1,024,494
Assets Being Depreciated:				
Buildings	116,623,250	-	-	116,623,250
Land Improvements	52,573,707	592,943	-	53,166,650
Equipment	28,015,019	1,654,538	-	29,669,557
Total Property and Equipment	<u>199,274,644</u>	<u>3,633,155</u>	<u>(582,103)</u>	<u>202,325,696</u>
Less: Accumulated Depreciation				
Buildings	(43,545,458)	(2,330,465)	-	(45,875,923)
Land Improvements	(36,212,919)	(3,303,240)	-	(39,516,159)
Equipment	(23,907,409)	(1,542,334)	-	(25,449,743)
Total Accumulated Depreciation and Amortization	<u>(103,665,786)</u>	<u>(7,176,039)</u>	<u>-</u>	<u>(110,841,825)</u>
Property and Equipment, Net	<u>\$ 95,608,858</u>	<u>\$ (3,542,884)</u>	<u>\$ (582,103)</u>	<u>\$ 91,483,871</u>

The following is a summary of changes in property and equipment for the year ended June 30, 2020:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2020</u>
Assets Not Being Depreciated:				
Land	\$ 1,841,745	\$ -	\$ -	\$ 1,841,745
Construction in Progress	620,791	1,484,751	(1,884,619)	220,923
Assets Being Depreciated:				
Buildings	116,623,250	-	-	116,623,250
Land Improvements	50,660,559	1,913,148	-	52,573,707
Equipment	26,140,117	1,874,902	-	28,015,019
Total Property and Equipment	<u>195,886,462</u>	<u>5,272,801</u>	<u>(1,884,619)</u>	<u>199,274,644</u>
Less: Accumulated Depreciation				
Buildings	(41,214,995)	(2,330,463)	-	(43,545,458)
Land Improvements	(32,725,730)	(3,487,189)	-	(36,212,919)
Equipment	(22,428,963)	(1,478,446)	-	(23,907,409)
Total Accumulated Depreciation	<u>(96,369,688)</u>	<u>(7,296,098)</u>	<u>-</u>	<u>(103,665,786)</u>
Property and Equipment, Net	<u>\$ 99,516,774</u>	<u>\$ (2,023,297)</u>	<u>\$ (1,884,619)</u>	<u>\$ 95,608,858</u>

## 7. Unearned Revenue

Unearned revenue consists of the following at June 30:

	2021	2020
Unearned Student Tuition and Fees	\$ 1,294,846	\$ 1,667,939
Other Unearned Revenue	1,069,429	1,088,156
Total Unearned Revenue	<u>\$ 2,364,275</u>	<u>\$ 2,756,095</u>

## 8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	June 30, 2020	Additions	Retired	June 30, 2021	Due Within One Year
Compensated Absences	\$ 1,803,667	\$ 1,440,000	\$ 1,319,071	\$ 1,924,596	\$ -
Bonds	46,540,000	-	3,395,000	43,145,000	3,845,000
Unamortized Bond Premium	3,595,902	-	381,866	3,214,036	381,866
Retirement Obligation	5,824,242	3,395,317	2,167,364	7,052,195	1,995,129
Property Tax Payable	630,860	-	158,000	472,860	158,000
Other Postemployment Benefit	34,597,679	2,672,295	4,668,481	32,601,493	-
Total Long-Term Debt	<u>\$ 92,992,350</u>	<u>\$ 7,507,612</u>	<u>\$ 12,089,782</u>	<u>\$ 88,410,180</u>	<u>\$ 6,379,995</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	June 30, 2019	Additions	Retired	June 30, 2020	Due Within One Year
Compensated Absences	\$ 1,678,498	\$ 1,410,000	\$ 1,284,831	\$ 1,803,667	\$ -
Bonds	49,510,000	-	2,970,000	46,540,000	3,395,000
Unamortized Bond Premium	3,977,768	-	381,866	3,595,902	381,866
Retirement Obligation	4,934,797	2,686,009	1,796,564	5,824,242	2,112,196
Property Tax Payable	-	788,860	158,000	630,860	158,000
Other Postemployment Benefit	34,380,273	464,073	246,667	34,597,679	-
Total Long-Term Debt	<u>\$ 94,481,336</u>	<u>\$ 5,348,942</u>	<u>\$ 6,837,928</u>	<u>\$ 92,992,350</u>	<u>\$ 6,047,062</u>

The College issued general obligation community college bonds in March 2009 to refund three outstanding debt certificates. The debt certificate was refunded with the proceeds from the general obligation community college bonds described below.

The College issued 2010A general obligation community college bonds in February 2010 to refund the College's outstanding debt certificate. The general obligation bond was refunded with the proceeds from the general obligation community college bonds described below.

The College issued 2010B general obligation community college bonds (alternative revenue source) in February 2010 to fund building construction projects. The general obligation bond was refunded with the proceeds from the general obligation community college bonds described below.

On December 1, 2018, the College issued General Obligation Refunding Bonds 2018A and 2018B and General Obligation Refunding Bond (Alternative Revenue Source) 2018C to refund all outstanding bonds held by the College. No defeasance of debt occurred during the transaction and all existing deferred refunding expenses were carried at existing amortization periods. The refunding resulted in a bond premium of \$4,200,523, of which \$381,866 and \$381,866 was amortized against interest expense in fiscal year 2021 and 2020, respectively. The remaining \$3,214,037 is amortized over 8 years.

The College has pledged future revenues to repay the principal and interest of the 2018C 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 4.72 percent of such revenues. The principal and interest payments for alternative revenue source bonds for fiscal years 2021 and 2020 were \$693,600 and \$691,200, respectively. The College's pledged revenues totaled \$14,708,706 and \$18,659,576 for fiscal years 2021 and 2020, respectively. At June 30, 2021, pledged future revenues totaled \$6,155,350, 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
2022	\$ 3,845,000	\$ 1,888,710	\$ 5,733,710
2023	4,330,000	1,743,910	6,073,910
2024	4,860,000	1,580,410	6,440,410
2025	5,465,000	1,396,610	6,861,610
2026	6,150,000	1,162,785	7,312,785
2027-2030	18,495,000	1,837,050	20,332,050
	<u>\$ 43,145,000</u>	<u>\$ 9,609,475</u>	<u>\$ 52,754,475</u>

The deferred refunding expense, which is included in deferred outflows of resources on the statement of net position, was fully amortized as of June 30, 2021. Total amortization for the year ended June 30, 2021 and 2020 was \$22,030 and \$65,220, respectively. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2021 and 2020 was \$1,899,423 and \$2,071,331, respectively, including the amortization of the refunding expense. The remaining 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, 2021 and 2020, \$290,000 and \$1,060,000 of debt principal is considered defeased.

In August 2018, S&P reaffirmed Parkland's rating of AA Stable. Moody's most recent rating of Aa3 is from April 2016.

The College entered into an agreement on April 17, 2020, to refund property taxes previously received under protest with an unrelated third party. The amount of the agreement was for \$788,860 and is to be paid in 4 equal installments of \$158,000 each fiscal year with a final payment of \$156,860 to be paid by July 1, 2024. The agreement satisfied all potential property tax obligations with the third party. The College recognized \$699,555 in non-operating revenue as the agreement relieved amounts previously written off by the College.

## 9. Lease Revenue

The College is the lessor of office and rooftop space, as well as a wireless frequency area, under seven operating leases. Two of the office leases expire on February 28, 2025, one expires on September 30, 2025, and the other one expires on June 30, 2023. The rooftop space lease expires in August 2024. The wireless frequency lease expires on November 1, 2025. 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, 2021 and 2020. The carrying value was \$2,851,200 and \$2,908,800 at June 30, 2021 and 2020, respectively. The College also has a lease for an AT&T wireless frequency area expiring in July 2029 with options to renew for up to an additional ten years.

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

Fiscal Year Ending June 30,	
2022	\$ 408,442
2023	412,347
2024	364,425
2025	251,778
2026	27,230
Thereafter	44,400
Total	<u>\$ 1,508,622</u>

## 10. Lease Commitments

The College is obligated under various non-cancellable operating leases for office equipment with terms expiring at various dates from May 2022 through May 2026. The College is obligated under one non-cancellable lease for a communications tower running through July 2028. Additionally, the College is obligated for one cancellable operating lease for the airplanes used in its aviation program, with terms running through August 2023. 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,	
2022	\$ 166,585
2023	75,681
2024	66,032
2025	58,003
2026	54,414
Thereafter	31,104
Total	\$ 451,819

Total rental expense for leased equipment and facilities for the years ending June 30, 2021 and June 30, 2020, was \$136,856 and \$133,541, respectively.

## 11. Early Retirement Plan

The College offers an early retirement incentive program to its employees. For an employee to be eligible, the employee must have been employed at the College on a full-time basis for at least 15 years and be at least 55 years old at retirement, or employed on a full-time basis for at least 25 years with no age requirement. For the health, safety and security officers and the professional academic staff, upon reaching eligibility, the bargaining unit member has five years following the date in which he/she achieved eligibility to retire under the plan and must declare by November 15 at least one and half contract years preceding the retirement date. For professional support staff, the employee must declare six months prior to the desired retirement date. When an employee declares retirement as specified above, he/she will receive a one-time stipend of 10 percent of their final base salary, which is paid on the retirement date. An amount equal to the final base salary will be paid in equal monthly payments over the four-year period beginning the month following the retirement date. The employee will also receive an annual stipend for four years following retirement equal to the College Insurance Plan indemnity plan annual premium rate divided by 69 percent, readjusted annually according to the new yearly rate. The rate was \$5,557 and \$6,165 for the years ended June 30, 2021 and 2020, respectively. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date. At June 30, 2021 and 2020, this early retirement plan had 101 and 90 active participants, respectively.

Effective August 15, 2013, the College started a new retirement plan for academic employees, which includes all full-time faculty, professors who have previously been employed as full-time faculty for at least 15 years, full-time counselors, and full-time librarians. As of June 30, 2021 and 2020, this early retirement plan had 32 and 30 active participants, respectively.

From June 25, 2020, to August 17, 2020, the College reopened the eligibility window for employees who had previously seen their eligibility window close. Employees who applied for the early retirement program prior to or on June 30, 2020, are included in the fiscal year 2020 expense below.

Early retirement plan expense was \$3,395,317 and \$2,686,009 for fiscal years 2021 and 2020, respectively. At June 30, 2021 and 2020, the College had accrued a liability of \$7,052,195 and \$5,824,242, respectively, for future required payments for the College's declared retirees under



the plans described above. The liability was calculated based on the present value of future payments discounted at the Wall Street Journal Prime Rate, which was 3.25 percent at June 30, 2021 and 2020. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

## **12. Pension Plan**

### *Plan Description*

The College contributes to SURS, a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://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, 2020, can be found in the System's annual comprehensive financial report (ACFR) 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 2020 and 2021 respectively, was 13.02 percent and 12.70 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), Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6 percent during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

#### *Net Pension Liability*

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

#### *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 \$265,978,904 or 0.8687 percent. The College’s proportionate share changed by 0.0449 percent from 0.9136 percent since the last measurement date on June 30, 2019. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2020, and the total pension used to calculate the net pension liability was determined based on the June 30, 2019, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

#### *Pension Expense*

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

#### *Employer Proportionate Share of Pension Expense*

The College’s proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020. As a result, the College recognized on-behalf revenue and pension expense of \$29,225,240 for the fiscal year ended June 30, 2021.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$170,987,483	\$0
Changes in assumption	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
Total	\$ 1,118,666,290	\$ 0

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

Fiscal Year Ending June 30,

2021	\$ 435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
Total	<u>\$ 1,118,666,290</u>

*Employer Deferral of Fiscal Year 2021 Pension Expense*

The College paid \$79,626 in federal, trust or grant contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the pension liability measurement date of June 30, 2020 and are recognized as Deferred Outflows of Resources as of June 30, 2021.

*Assumptions and Other Inputs*

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Public Equity	44%	6.67%
Credit Fixed Income	14%	2.39%
Core Real Assets	5%	4.14%
Options Strategies	6%	4.44%
Private Equity	8%	9.66%
Non-Core Real Assets	3%	8.70%
U.S. TIPS	6%	0.13%
Core Fixed Income	8%	-0.45%
Systematic Trend Following	2%	2.16%
Alternative Risk Premia	2%	1.60%
Long Duration	2%	0.86%
Total	100%	
Weighted Average		4.84%
Inflation		2.25%
Expected Arithmetic Return		7.09%

#### *Discount Rate*

A single discount rate of 6.49 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 6.75 percent and a municipal bond rate of 2.45 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 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

*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 State’s net pension liability, calculated using a single discount rate of 6.49 percent, as well as what the State’s net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

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

Additional information regarding the SURS basic financial statements, including the Plan’s Net Position, can be found in the SURS annual comprehensive financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

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

*Plan Description*

The College participates in the State of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program “CIP”). CIP is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of SURS and the boards of trustees of the various community college districts.

*Plan Membership*

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

*Benefits Provided*

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

### *Contributions*

The Act requires every active contributor (employee) of SURS to contribute .5 percent of covered payroll and every community college district to contribute .5 percent of covered payroll. Retirees pay a premium for coverage that is also determined by the ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires a special funding situation whereby the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the District to CIP and the College's contributions for the years ended June 30, 2021 and 2020 were and \$161,662 and \$164,490, respectively.

### *Net OPEB Liability*

At June 30, 2020, CIP reported a net pension liability of \$1,822,763,537.

### *Employer Proportionate Share of Net OPEB Liability*

The proportionate share of the net OPEB liability reported by the College is \$32,601,493. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of special funding situation. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined based on the June 30, 2019, actuarial valuation rolled forward. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2020, the College's proportion was 1.788575 percent. The portion of the State of Illinois' liability that is associated with the College is \$32,601,428. The total share that is associated with the College is \$65,202,921.

### *OPEB Expense*

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

### *Employer Proportionate Share of OPEB Expense*

For the year ended June 30, 2021, the College recognized proportionate share of collective OPEB expense of \$703,652. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during fiscal year 2020.

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

Deferred Outflows of Resources are the consumption of net position by the system that is applicable to future reporting periods, and thus will not be recognized as an outflow (expense) until the future periods.

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

Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$296,157	\$1,824,639
Changes in assumption	-	5,211,785
Net difference between projected and actual earnings on pension plan investments	-	1,381
Changes in proportion and differences between employer contributions and share of contributions	<u>208,479</u>	<u>1,179,021</u>
Total deferred amounts to be recognized in OPEB expense in future periods	504,636	8,216,827
OPEB contributions made subsequent to the measurement date	<u>161,662</u>	-
Total deferred amounts related to OPEB	\$666,298	\$8,216,827

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

Fiscal Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 100,928	\$ 1,643,366
2022	100,927	1,643,366
2023	100,927	1,643,365
2024	100,927	1,643,365
2025	100,927	1,643,365
Total	<u>\$ 504,636</u>	<u>\$ 8,216,827</u>

*Employer Deferral of Fiscal Year 2020 OPEB Expense*

The State of Illinois paid \$161,662 in OPEB contributions on-behalf of the College for the fiscal year ended June 30, 2021. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2020, and are recognized as Deferred Outflows of Resources as of June 30, 2021. These will be recognized in OPEB expense in Fiscal Year 2022.

### *Assumptions and Other Inputs*

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

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

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

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

### *Discount Rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed – income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45 percent as of June 30, 2020, and 3.13 percent as of June 30, 2019.

The decrease in the single discount rate from 3.13 percent to 2.45 percent caused the total OPEB liability to increase by approximately \$152.7 million from 2019 to 2020.

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

The following presents the College's proportional share of the net OPEB liability, calculated using a Single Discount Rate of 2.45 percent, as well as what the total CIP's plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:



1% Decrease 1.45%	Current Single Discount Rate Assumption 2.45%	1% Increase 3.45%
\$37,146,992	\$32,601,493	\$28,681,714

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

The following presents the College's share of the net OPEB liability, calculated using the healthcare cost trend rates as well as what the total CIP's net OPEB liability would be if it were calculated using healthcare cost trend rates. The key trend rates are 8.25 percent in 2021 decreasing to an ultimate trend rate of 4.25 percent in 2037.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$27,013,600	\$32,601,493	\$40,013,569

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

No amount was owed to the plan at June 30, 2021. The College provides no other financially significant postemployment benefit to employees.

#### **14. On-Behalf Payments for Fringe Benefits**

For the years ending June 30, 2021 and 2020, payments for fringe benefits made by the State of Illinois on behalf of the College to SURS were \$29,225,240 and \$28,272,871 for pensions and to CIP were \$579,826 and \$1,445,193 for other postemployment benefits, respectively.

#### **15. Related-Party Transactions**

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

- The College held the Foundation's cash in a College bank account and records a liability equal to the cash balance held until Fiscal Year 2020, when the Foundation established its own bank account. In addition, the College advanced operating funds to the Foundation under a non-interest-bearing, working-cash loan agreement during this time. Any receivable balance for this working-cash loan is netted against the cash balance held for the Foundation. At June 30, 2021 and 2020, the net amount owed to the College was \$20,303 and \$80,180, respectively.

- During the years ended June 30, 2021 and 2020, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of \$76,858 and \$136,946, 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, 2021 and 2020, was \$653,728 and \$691,014, respectively. Included in these in-kind items is the annual lease value of agricultural equipment used by the College through the Foundation. The annual value of this lease was \$350,000 for each fiscal year. The College has not recorded revenue or equivalent expense for this lease in fiscal years 2021 or 2020.

## 16. Self-Insurance

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

Claim liabilities are based on the requirements of GASB Statements which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. At June 30, 2021 and 2020, the submitted and estimated accrued claims were \$1,350,000 and \$720,000, respectively, and are included in the accrued liabilities on the Statement of Net Position.

The stop-loss limit for the health insurance plan at June 30, 2021 and 2020 was \$200,000. This liability is based on estimates and the ultimate liability may be greater or less than the amount estimated. The methods used to calculate such estimates are continually reviewed, and any adjustments will be reflected in a future period.

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

	2021	2020
Accrued Claims, Beginning of Year	\$ 720,000	\$ 720,000
Incurred Claims	7,421,461	5,254,305
Claim Payments	(6,791,461)	(5,254,305)
Accrued Claims, End of Year	<u>\$ 1,350,000</u>	<u>\$ 720,000</u>

## 17. Other Risk Management Issues

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

## 18. Inter-Sub-Fund Balances and Transfers

The College maintains various sub-funds to track the activity of the primary government. Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2021.

	<u>Due to</u>	<u>Due from</u>
Education Fund	\$ -	\$ 209,653
Restricted Purposes Fund	209,653	-
Total Inter-Sub-Fund Balances	<u>\$ 209,653</u>	<u>\$ 209,653</u>
	<u>Transfer in</u>	<u>Transfer out</u>
Education Fund	\$ 5,780	\$ 2,013,076
Bond and Interest Fund	546,012	-
Operations and Maintenance Fund - Restricted	-	546,012
Working Cash Fund	-	5,780
Auxiliary Athletics Fund	725,000	-
Auxiliary Aviation Fund	256,000	-
Auxiliary Reprographics	112,000	-
Auxiliary Business Development Center Fund	716,076	-
Auxiliary Child Care Services Fund	204,000	-
Total Transfers	<u>\$ 2,564,868</u>	<u>\$ 2,564,868</u>

Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2020.

	<u>Due to</u>	<u>Due from</u>
Education Fund	\$ 9,306	\$ -
Restricted Purposes Fund	-	9,306
Total Inter-Sub-Fund Balances	<u>\$ 9,306</u>	<u>\$ 9,306</u>
	<u>Transfer in</u>	<u>Transfer out</u>
Education Fund	\$ 7,686	\$ 1,000,746
Bond and Interest Fund	622,102	-
Operations and Maintenance Fund - Restricted	-	622,102
Working Cash Fund	-	7,686
Auxiliary Athletics Fund	750,000	-
Auxiliary Reprographics	75,000	-
Auxiliary Business Development Center Fund	746	-
Auxiliary Child Care Services Fund	175,000	-
Total Transfers	<u>\$ 1,630,534</u>	<u>\$ 1,630,534</u>

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

## **19. Other Commitments**

The College has three uncompleted major construction contracts in progress through the date of the Independent Auditor's Report. The remaining commitment on the three contracts was approximately \$3,027,000 at June 30, 2021.

The College has a contract for the purchase of electricity through December 2021. The contract contains a set rate of \$0.03017 per kilowatt hours. Total electricity charges for the fiscal year ending June 30, 2021, were \$726,236.

The College entered into a three-year software contract through August 2023 with annual fees of approximately \$84,000. The College also entered into a seven-year software maintenance renewal agreement through June 30, 2024. Year one fees are approximately \$280,000, with an increase not to exceed 4 percent each year following. The remaining commitment on these contracts was approximately \$1,189,000 at June 30, 2021.

## **20. New Government Accounting Standards**

In June 2017, GASB issued GASB Statement 87 (GASB 87), Leases. The provisions of GASB 87 require that certain lessees recognize a lease liability and asset for all leases greater than 12 months. GASB 87 is effective for the College's fiscal year 2022.

In May 2020, the GASB issued GASB Statement 96, *Subscription-Based Information Technology Arrangements*. The provisions of GASB 96 require that a right-to-use subscription asset and corresponding subscription liability be recorded for applicable contracts that are greater than 12 months. GASB 96 is effective for the College's fiscal year 2023.

The College's management is currently reviewing what impact, if any, these new standards will have on its future financial statements and disclosures.

## **21. Uncertainty**

Beginning in March 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the College as of the date of the independent auditor's report, management believes that a material impact on the College's financial position and results of future operations is reasonably possible.

## **22. Discretely Presented Component Unit**

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

## A. Nature of Organization

Parkland College Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of furthering the excellence of education at Parkland Community College, Community College District #505 (the College). The Foundation is considered a component unit of the College under the accounting standards followed by the College; however, the Foundation is a separate legal entity.

The Foundation operates to secure gifts that support the mission of the College, its students, faculty, and programs through scholarships and other forms of institutional support. The Foundation's major sources of revenue and support are contributions from donors and investment income.

## B. Summary of Significant Accounting Policies

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

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions* – 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, or that must be maintained perpetually by the Foundation. This includes in-kind donations designated for a specific program. When a restriction expires, assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

- b. For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.
- c. Investments consist of managed investment accounts comprised of various mutual funds, fixed income investments that include corporate and government-backed bond funds, bond index funds, and cash equivalents. These investments are stated at fair value based on quoted markets prices. Investment securities are exposed to various risks such as interest rate, market, and credit risks.
- 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, 2021 and 2020, was 3.25 percent for promises to give of ten years or less. Promises to give of ten years or more are discounted at an effective interest rate of 4.51, which is equal to a ten-year average of the prime rate. The carrying amount of promises to give is reduced by a valuation allowance based on management's assessment of the collectability of specific promise to give balances. The allowance for doubtful accounts is \$0 at June 30, 2021 and 2020.

During the year ended June 30, 2020, \$25,000 was written off as it related to one pledge receivable.

- e. Property and equipment expenditures in excess of \$2,500 are capitalized and recorded at cost or, if donated, at fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful life of assets. As of June 30, 2021 and 2020, the net book value of property and equipment was \$0.
- f. The Foundation holds special events throughout the year. A portion of the revenue raised at these events is considered reciprocal and is not tax deductible to the donor. This revenue is segregated from regular contributions and presented net of related expenses as special events revenue.
- g. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Foundation has estimated the value of net promises to give. Due to the estimation of future collection of promises to give, it is at least reasonably possible 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. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The following costs, as summarized on Exhibit G, have been allocated based upon the following allocation methodologies:

Expense Classification	Method of Allocation
Salaries and Benefits	Time and Effort
In-Kind Facilities	Square Footage / Usage

All other expenses are charged to each function based on direct expenditures incurred.

- j. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- k. In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-03, *Fair Value Measurement (Topic 820)*. The provisions of the ASU will modify the disclosures on fair value measurements requiring entities to add materiality as consideration for necessity of any singular disclosure requirement. The ASU is effective for periods beginning after December 15, 2020. Early adoption is

permitted. The Foundation adopted the new standard effective July 1, 2020, using the modified retrospective approach.

The adoption of this standard did not impact beginning net assets as of July 1, 2020, and there was no impact to any component of the financial statements for fiscal year 2021 as a result of applying the ASU.

1. The Foundation has evaluated subsequent events through September 29, 2021, the date which the financial statements were available to be issued.

### C. Collateralization of Deposits

Cash and cash equivalents are financial instruments that potentially subject the Foundation to a concentration of credit risk. At June 30, 2021, the Foundation had deposits at financial institutions that totaled \$2,254,102, reconciled to book balance of \$2,254,102. Of the deposits, \$250,000 was covered by the Federal Deposit Insurance Corporation. The remaining \$2,004,102 of deposits were uninsured and uncollateralized.

### D. Promises to Give

Promises to give at June 30, 2021, consist of amounts due in:

Less than One Year	\$ 13,000
One to Five Years	6,000
More than Five Years	456,674
Gross Promises to Give	<u>475,674</u>
Less: Discount on Long Term Promises to Give	(174,694)
Total Promises to Give, Net	<u><u>\$ 300,980</u></u>

Promises to give at June 30, 2020, consist of amounts due in:

Less than One Year	\$ 8,494
One to Five Years	30,000
More than Five Years	483,175
Gross Promises to Give	<u>521,669</u>
Less: Discount on Long Term Promises to Give	(194,898)
Total Promises to Give, Net	<u><u>\$ 326,771</u></u>

## E. Liquidity and Availability of Financial Assets

### Financial Assets:

Cash & Cash Equivalents	\$ 2,254,102
Promises to Give, Current Portion	13,000
Investments	13,356,332
Cash Surrender Value of Life Insurance	56,903
Total Financial Assets	<u>15,680,337</u>
Unavailable for General Expenditures within One Year:	
Perpetually Restricted by Donor	(5,571,167)
Restricted by Donor with Time or Purpose Restriction	(10,193,339)
Less: Donor Restricted Non-Current Promises to Give	<u>295,980</u>
Financial Assets Available for General Expenditures within One Year	<u>\$ 211,811</u>

Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. Principal of donor-restricted endowment funds is not available for general expenditure. As part of its liquidity plan, excess cash is invested.

## F. Investments

### *Fair Value Measurements*

Financial Accounting Standards Board (FASB) 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, 2021.

*Cash and Cash Equivalents* – Valued at the cash balance available to the Foundation as of June 30, 2021.

*Mutual Funds, Fixed Income Funds/Bonds, and Exchange-Traded Products* – 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, 2021:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	\$ 1,314,890	\$ 1,314,890	1
Fixed Income Funds/Bonds	4,087,787	4,284,701	1
Stock Mutual Funds	6,612,229	7,372,244	1
Exchange-Traded Products	352,549	384,497	1
Total	<u>\$ 12,367,455</u>	<u>\$ 13,356,332</u>	

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2020:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	\$ 1,450,700	\$ 1,450,700	1
Fixed Income Funds/Bonds	3,220,154	3,505,169	1
Mutual Funds	3,182,705	4,402,390	1
Total	<u>\$ 7,853,559</u>	<u>\$ 9,358,259</u>	

### *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 purpose restricted to provide scholarships, department funds, and management fees. Accordingly, earnings are recognized as purpose 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 perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 perpetually restricted net assets is classified as purpose 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. However, approval of expenditures by the Board of Directors constitutes an approval 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.

The composition of endowment net assets as of June 30, 2021, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 416,017	\$ -	\$ 416,017
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amount Required to be Retained by Donor	-	5,305,936	5,305,936
Portion Subject to Appropriation Under UPMIFA	-	7,634,379	7,634,379
	<u>\$ 416,017</u>	<u>\$ 12,940,315</u>	<u>\$ 13,356,332</u>

The composition of endowment net assets as of June 30, 2020, is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 321,742	\$ -	\$ 321,742
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amount Required to be Retained by Donor	-	4,886,953	4,886,953
Portion Subject to Appropriation Under UPMIFA	-	4,149,564	4,149,564
	<u>\$ 321,742</u>	<u>\$ 9,036,517</u>	<u>\$ 9,358,259</u>

During the years ended June 30, 2021 and 2020, 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 year ended June 30, 2021, the Board elected to charge a 2 percent management fee, which totaled \$224,225, and in 2020, the Board elected to charge a 3 percent management fee, which totaled \$309,931. The fee is classified as Reclassification of Net Assets in the statement of activities.

The change in endowment net assets for the year ended June 30, 2021, by type of fund, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of Year, July 1, 2020	\$ 321,742	\$ 4,149,564	\$ 4,886,953	\$ 9,358,259
Contributions	25,000	1,586,505	418,983	2,030,488
Interest and Dividends	7,120	195,278	-	202,398
Net Realized and Unrealized Gain	62,531	1,713,546	-	1,776,077
Fees	(376)	(10,514)	-	(10,890)
End of Year, June 30, 2021	<u>\$ 416,017</u>	<u>\$ 7,634,379</u>	<u>\$ 5,305,936</u>	<u>\$ 13,356,332</u>

The change in endowment net assets for the year ended June 30, 2020 by type of fund, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning of Year, July 1, 2019	\$ 300,847	\$ 4,072,082	\$ 4,597,003	\$ 8,969,932
Contributions (Distributions)	1,240	(176,815)	285,950	110,375
Interest and Dividends	7,516	187,029	-	194,545
Net Realized and Unrealized Gain	12,447	79,655	-	92,102
Fees	(308)	(8,387)	-	(8,695)
Net Transfers Between Funds	-	(4,000)	4,000	-
End of Year, June 30, 2020	<u>\$ 321,742</u>	<u>\$ 4,149,564</u>	<u>\$ 4,886,953</u>	<u>\$ 9,358,259</u>

### G. Investments Risks

The Foundation maintains its investments at two local and nationwide financial institutions. 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.

### H. Net Assets With Donor Restrictions

Purpose restricted net assets at June 30, 2021 are available for the following purposes:

Purpose Restricted For:	
Institutional Programs and Support	\$ 4,325,685
Unallocated Cumulative Investment Income	2,997,650
Scholarships	2,781,097
Other	88,907
Total	<u>\$ 10,193,339</u>

Purpose restricted net assets at June 30, 2020 are available for the following purposes:

Purpose Restricted For:	
Institutional Programs and Support	\$ 2,641,591
Unallocated Cumulative Investment Income	2,608,334
Scholarships	1,597,696
Other	94,960
Total	<u>\$ 6,942,581</u>

Perpetually restricted net assets at June 30, 2021, are restricted with earnings to be used for the following purposes:

Perpetually Restricted For:	
Scholarships	\$ 4,205,948
Institutional Programs and Support	1,041,028
Other	324,191
Total	<u>\$ 5,571,167</u>

Perpetually restricted net assets at June 30, 2020, are restricted with earnings to be used for the following purposes:

Perpetually Restricted For:	
Scholarships	\$ 3,925,676
Institutional Programs and Support	936,028
Other	300,471
Total	<u>\$ 5,162,175</u>

### **I. Related-Party Transactions**

The Foundation has an informal verbal guarantee with the College that the College will provide support to the Foundation by way of a related party loan to replenish restricted funds for operating expenditures. The balances in these loan accounts were \$20,303 and \$80,180, respectively, at June 30, 2021 and 2020 and are included in accounts payable in the Foundation's Statements 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, 2021 and 2020, the amount contributed and included as in-kind revenues totaled \$76,858: \$60,000 in salaries, \$16,606 in facility space and utilities, and \$252 in materials, and \$136,946: \$103,388 in salaries, \$16,780 in benefits, \$16,606 in facility space and utilities, and \$172 in materials, respectively.

During the years ended June 30, 2021 and 2020 the Foundation donated certain in-kind items to the College totaling \$478,862 and \$395,344, respectively, including the annual lease value of agricultural equipment of \$350,000 each year. In addition, the Foundation paid for certain items on behalf of the College, totaling \$174,866 and \$295,670, respectively. These items are classified as Institutional Support in the statement of activities.

### **J. Concentration of Revenue**

The Foundation received monetary contributions in the amount of \$1,528,050 from one donor which represented approximately 29 percent of its total support and revenue for the year ended June 30, 2021. The Foundation received nonmonetary contributions in the amount of \$350,000 from one donor which represented approximately 19 percent of its total support and revenue for the year ended June 30, 2020, of which was the in-kind use of agricultural equipment. Additionally, the Foundation received monetary contributions in the amount of \$462,000 from two donors which represented approximately 24 percent of its total support and revenue for the year ended June 30, 2020.

## **K. Recent Accounting Pronouncements**

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958)*. The provisions of the ASU will require presentation of contributed nonfinancial assets for not-for-profit entities as a separate line item in the Statement of Activities, apart from contribution of cash and other financial assets, and disclosures regarding utilization of contributed nonfinancial assets. The ASU is effective for periods beginning after June 15, 2021. Early adoption is permitted. The Foundation has yet to select a transition method and is currently evaluating the effect, if any, that the updated standard will have on future financial statements.

## **23. 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 and fiduciary activities.

In the schedules noted, the modified accrual basis of accounting differs from GAAP for a special-purpose government engaged only in business-type and fiduciary 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 2021, which are after the SURS net pension liability measurement date of June 30, 2020.
- OPEB expenditures in the schedules include payments made by the College in the current fiscal year for salaries in the current fiscal year.
- In the schedules, certain grant revenue is recognized in both governmental funds and restricted funds.

PARKLAND COLLEGE DISTRICT #505  
 Required Supplementary Information  
 Schedule of Proportionate Share of Net Pension Liability - SURS  
 For the Year Ended June 30, 2021  
 (Unaudited)

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
a) Parkland's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%
b) Parkland's Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Parkland	<u>202,577,602</u>	<u>219,570,648</u>	<u>243,648,397</u>	<u>236,643,031</u>	<u>252,207,568</u>	<u>262,386,570</u>	<u>265,978,904</u>
Total b) + c)	<u>\$ 202,577,602</u>	<u>\$ 219,570,648</u>	<u>\$ 243,648,397</u>	<u>\$ 236,643,031</u>	<u>\$ 252,207,568</u>	<u>\$ 262,386,570</u>	<u>\$ 265,978,904</u>
Parkland Defined Benefit Covered Payroll	<u>\$ 33,831,347</u>	<u>\$ 33,645,622</u>	<u>\$ 33,863,462</u>	<u>\$ 32,745,297</u>	<u>\$ 32,726,421</u>	<u>\$ 32,978,576</u>	<u>\$ 32,152,358</u>
Proportion of Collective Net Pension Liability Associated with Parkland as a Percentage of Defined Benefit Covered Payroll	599%	653%	720%	723%	771%	796%	827%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%

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Required Supplementary Information  
 Schedule of Contributions - SURS  
 For the Year Ended June 30, 2021  
 (Unaudited)

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>
Parkland's Federal, Trust, Grant, and Other Contribution	\$ 35,613	\$ 49,760	\$ 53,803	\$ 72,189	\$ 84,337	\$ 62,972	\$ 79,454	\$ 79,626
Parkland's Contribution in Relation to Required Contribution	<u>35,613</u>	<u>49,760</u>	<u>53,803</u>	<u>72,189</u>	<u>84,337</u>	<u>62,972</u>	<u>79,454</u>	<u>79,626</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Parkland's Covered Payroll	<u>\$ 299,018</u>	<u>\$ 424,937</u>	<u>\$ 423,983</u>	<u>\$ 576,129</u>	<u>\$ 676,862</u>	<u>\$ 512,384</u>	<u>\$ 610,246</u>	<u>\$ 626,976</u>
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%	12.29%	13.02%	12.70%

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

PARKLAND COLLEGE DISTRICT #505  
Notes to Required Supplementary Information – Pension Liability  
For the Year Ended June 30, 2021  
(Unaudited)

*Changes of Benefit Terms*

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

*Changes of Assumptions*

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

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



PARKLAND COLLEGE DISTRICT #505  
 Required Supplementary Information  
 Schedule of Proportionate Share of Net OPEB Liability - CIP  
 For the Year Ended June 30, 2021  
 (Unaudited)

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
a) Parkland's Proportionate Percentage of the Collective Net OPEB Liability	1.84339%	1.857349%	1.823644%	1.831980%	1.788575%
b) Parkland's Proportionate Amount of the Collective Net OPEB Liability	\$ 33,547,933	\$ 33,871,311	\$ 34,380,273	\$ 34,597,679	\$ 32,601,493
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Parkland	<u>34,954,080</u>	<u>33,425,197</u>	<u>34,380,281</u>	<u>34,597,679</u>	<u>32,601,428</u>
Total b) + c)	<u>\$ 68,502,013</u>	<u>\$ 67,296,508</u>	<u>\$ 68,760,554</u>	<u>\$ 69,195,358</u>	<u>\$ 65,202,921</u>
Parkland's Covered-Employee Payroll	<u>\$ 33,413,130</u>	<u>\$ 32,227,736</u>	<u>\$ 31,850,706</u>	<u>\$ 32,889,600</u>	<u>\$ 32,898,000</u>
Parkland's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered-Employee Payroll	100%	105%	108%	105%	99%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-3.54%	-4.13%	-5.07%

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

PARKLAND COLLEGE DISTRICT #505  
 Required Supplementary Information  
 Schedule of Contributions - CIP  
 For the Year Ended June 30, 2021  
 (Unaudited)

Year Ended June 30,	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 161,662	\$ 32,332,400	0.50%
2020	164,490	32,898,000	0.50%
2019	164,448	32,889,600	0.50%
2018	159,254	31,850,706	0.50%
2017	161,139	32,227,736	0.50%
2016	167,066	33,413,130	0.50%
2015	163,306	32,661,156	0.50%
2014	161,017	32,203,368	0.50%
2013	152,456	30,491,122	0.50%

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

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

PARKLAND COLLEGE DISTRICT #505  
Notes to Required Supplementary Information – OPEB Liability  
For the Year Ended June 30, 2021  
(Unaudited)

*Changes of Benefit Terms*

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

*Assumptions Used*

- Actuarial Cost Method – Entry Age Normal, used to measure the Total OPEB Liability
- Contribution Policy – Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2020, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
- Asset Valuation Method – Market value
- Investment Rate of Return – 0 percent, net of OPEB plan investment expense, including inflation, for all plan years
- Inflation – 2.25 percent
- Salary Increases – Depends on service and ranges from 12.25 percent at less than 1 year of service to 3.25 percent at 34 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption
- Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.
- Healthcare Cost Trend Rates – Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25 percent for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25 percent. There is no additional trend rate due to the repeal of the Excise tax.
- Aging Factors – Based on the 2013 Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

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, 2021

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Debt Service - Bond and Interest Fund	Capital Projects Fund - Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	Custodial Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 31,126,664	\$ 1,984,977	\$ 3,920,929	\$ 5,946,922	\$ 2,963,064	\$ 4,940,115	\$ 1,080,288	\$ -	\$ -	\$ 51,962,959
Investments	5,430,261	-	-	-	-	-	-	-	-	5,430,261
Receivables:										
Property Taxes, Net	11,516,226	1,878,965	2,555,421	1,241,802	-	-	-	-	-	17,192,414
Replacement Taxes	615,624	-	-	-	-	-	-	-	-	615,624
Agency Tuition, Net	341,223	-	-	-	-	-	-	-	-	341,223
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of \$3,639,419	578,199	-	-	-	100,130	-	-	-	-	678,329
Governmental Grants	-	1,358,629	-	-	-	-	-	-	-	1,358,629
Other	385,437	-	-	-	21,295	-	-	-	-	406,732
Due from Parkland Foundation	24,224	10,866	-	260,000	-	3,246,390	-	-	-	3,541,480
Due from Other Funds	209,653	-	-	-	-	-	-	-	-	209,653
Prepaid Assets	16,543	52,740	-	-	-	-	-	-	-	69,283
Inventory	-	-	-	-	477,201	-	-	-	-	477,201
Property and Equipment, Net	-	-	-	-	96,762	-	-	91,387,109	-	91,483,871
<b>OTHER DEBITS</b>										
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	4,257,215	4,257,215
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	43,944,851	43,944,851
<b>Total Assets and Other Debits</b>	<b>\$ 50,244,054</b>	<b>\$ 5,286,177</b>	<b>\$ 6,476,350</b>	<b>\$ 7,448,724</b>	<b>\$ 3,658,452</b>	<b>\$ 8,186,505</b>	<b>\$ 1,080,288</b>	<b>\$ 91,387,109</b>	<b>\$ 48,202,066</b>	<b>\$ 221,969,725</b>

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, 2021

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service - Bond and Interest Fund	Capital Projects Fund-Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	Custodial Funds	General Fixed Assets	General Long-Term Debt	
<b>LIABILITIES</b>										
Accounts Payable	\$ 232,052	\$ 443,366	\$ -	\$ 66,430	\$ 33	\$ 37	\$ -	\$ -	\$ -	\$ 741,918
Vacation Payable	1,585,970	159,038	-	-	179,588	-	-	-	-	1,924,596
Retirement Payable	1,995,129	-	-	-	-	-	-	5,057,066	-	7,052,195
Accrued Liabilities	3,344,865	-	40,571	46,246	1,508	-	-	-	-	3,433,190
Unearned Revenue	12,298,735	2,663,250	2,178,564	1,084,332	258,867	-	-	-	-	18,483,748
Due to Other Funds	-	209,653	-	-	-	-	-	-	-	209,653
Due to Parkland Foundation	3,485,985	17,623	-	-	17,569	-	-	-	-	3,521,177
Due to Student Groups	-	-	-	-	-	587,110	-	-	-	587,110
G. O. Bonds	-	-	-	-	-	-	-	-	43,145,000	43,145,000
<b>Total Liabilities</b>	<b>22,942,736</b>	<b>3,492,930</b>	<b>2,219,135</b>	<b>1,197,008</b>	<b>457,565</b>	<b>587,147</b>	<b>-</b>	<b>-</b>	<b>48,202,066</b>	<b>79,098,587</b>
<b>COLLEGE EQUITY</b>										
Investment in General Fixed Assets	-	-	-	-	-	-	-	91,387,109	-	91,387,109
Fund Balance:										
Reserved For:										
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	-	7,599,358
Other Governments	-	-	-	-	-	-	1,080,288	-	-	1,080,288
Unreserved, Undesignated	27,301,318	1,793,247	4,257,215	6,251,716	-	-	-	-	-	39,603,496
Retained Earnings	-	-	-	-	3,200,887	-	-	-	-	3,200,887
<b>Total College Equity</b>	<b>27,301,318</b>	<b>1,793,247</b>	<b>4,257,215</b>	<b>6,251,716</b>	<b>3,200,887</b>	<b>7,599,358</b>	<b>1,080,288</b>	<b>91,387,109</b>	<b>-</b>	<b>142,871,138</b>
<b>Total Liabilities and College Equity</b>	<b>\$ 50,244,054</b>	<b>\$ 5,286,177</b>	<b>\$ 6,476,350</b>	<b>\$ 7,448,724</b>	<b>\$ 3,658,452</b>	<b>\$ 8,186,505</b>	<b>\$ 1,080,288</b>	<b>\$ 91,387,109</b>	<b>\$ 48,202,066</b>	<b>\$ 221,969,725</b>

PARKLAND COLLEGE DISTRICT #505  
 Combined Statement of Revenue, Expenditures,  
 and Changes in Fund Balances - Modified Accrual Basis  
 All Governmental Fund Types  
 For the Year Ended June 30, 2021

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
<b>Revenue</b>					
Local Sources	\$ 24,712,985	\$ 3,484,894	\$ 4,727,016	\$ 2,228,155	\$ 35,153,050
State Sources	4,935,788	2,416,628	-	1,050,146	8,402,562
Federal Sources	4,762,604	23,644,522	-	-	28,407,126
Tuition and Fees	22,723,016	-	-	-	22,723,016
Facilities	612,718	-	-	546,046	1,158,764
Interest	93,925	1,135	-	525	95,585
Other Revenue	407,844	7,565	-	-	415,409
On-Behalf Payments	-	29,805,066	-	-	29,805,066
Total Revenue	<u>58,248,880</u>	<u>59,359,810</u>	<u>4,727,016</u>	<u>3,824,872</u>	<u>126,160,578</u>
<b>Expenditures</b>					
Instruction	23,084,013	1,933,418	-	-	25,017,431
Academic Support	4,239,511	1,850,590	-	5,479	6,095,580
Student Services	4,558,329	599,177	-	-	5,157,506
Public Service	227,060	444,223	-	-	671,283
Operation and Maintenance of Plant	4,790,733	1,624,952	-	1,267,516	7,683,201
Scholarships and Grants	-	14,104,372	-	-	14,104,372
Institutional Support	13,983,235	8,870,517	-	-	22,853,752
Principal	-	-	3,395,000	-	3,395,000
Interest	-	-	1,888,710	-	1,888,710
On-Behalf Payments	-	29,805,066	-	-	29,805,066
Total Expenditures	<u>50,882,881</u>	<u>59,232,315</u>	<u>5,283,710</u>	<u>1,272,995</u>	<u>116,671,901</u>
Revenue Over (Under) Expenditures	<u>7,365,999</u>	<u>127,495</u>	<u>(556,694)</u>	<u>2,551,877</u>	<u>9,488,677</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers, Net	(2,007,296)	-	546,012	(546,012)	(2,007,296)
Total Other Financing Sources (Uses)	<u>(2,007,296)</u>	<u>-</u>	<u>546,012</u>	<u>(546,012)</u>	<u>(2,007,296)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>5,358,703</u>	<u>127,495</u>	<u>(10,682)</u>	<u>2,005,865</u>	<u>7,481,381</u>
<b>Fund Balance, July 1, 2020</b>	<u>21,942,615</u>	<u>1,665,752</u>	<u>4,267,897</u>	<u>4,245,851</u>	<u>32,122,115</u>
<b>Fund Balance, June 30, 2021</b>	<u>\$ 27,301,318</u>	<u>\$ 1,793,247</u>	<u>\$ 4,257,215</u>	<u>\$ 6,251,716</u>	<u>\$ 39,603,496</u>

**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, 2021**

	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
<b>Revenue</b>										
Local Sources	\$ 23,927,919	\$ 24,712,985	\$ 3,525,755	\$ 3,484,894	\$ 4,734,114	\$ 4,727,016	\$ 2,240,617	\$ 2,228,155	\$ 34,428,405	\$ 35,153,050
State Sources	4,984,460	4,935,788	3,880,238	2,416,628	-	-	-	1,050,146	8,864,698	8,402,562
Federal Sources	125,000	4,762,604	32,138,325	23,644,522	-	-	-	-	32,263,325	28,407,126
Tuition and Fees	21,759,422	22,723,016	-	-	-	-	-	-	21,759,422	22,723,016
Facilities	770,000	612,718	-	-	-	-	508,583	546,046	1,278,583	1,158,764
Interest	522,000	93,925	-	1,135	-	-	60,000	525	582,000	95,585
Other Revenue	405,000	407,844	20,370	7,565	-	-	-	-	425,370	415,409
Total Revenue	<u>52,493,801</u>	<u>58,248,880</u>	<u>39,564,688</u>	<u>29,554,744</u>	<u>4,734,114</u>	<u>4,727,016</u>	<u>2,809,200</u>	<u>3,824,872</u>	<u>99,601,803</u>	<u>96,355,512</u>
<b>Expenditures</b>										
Instruction	24,863,277	23,084,013	3,577,042	1,933,418	-	-	-	-	28,440,319	25,017,431
Academic Support	5,382,596	4,239,511	2,172,360	1,850,590	-	-	-	5,479	7,554,956	6,095,580
Student Services	4,950,933	4,558,329	913,527	599,177	-	-	-	-	5,864,460	5,157,506
Public Service	399,862	227,060	1,065,134	444,223	-	-	-	-	1,464,996	671,283
Operation and Maintenance of Plant	5,575,767	4,790,733	1,697,795	1,624,952	-	-	4,587,131	1,267,516	11,860,693	7,683,201
Scholarships and Grants	-	-	20,903,647	14,104,372	-	-	-	-	20,903,647	14,104,372
Institutional Support	12,691,367	13,983,235	9,130,808	8,870,517	-	-	-	-	21,822,175	22,853,752
Principal	-	-	-	-	3,395,000	3,395,000	-	-	3,395,000	3,395,000
Interest	-	-	-	-	1,888,710	1,888,710	-	-	1,888,710	1,888,710
Total Expenditures	<u>53,863,802</u>	<u>50,882,881</u>	<u>39,460,313</u>	<u>29,427,249</u>	<u>5,283,710</u>	<u>5,283,710</u>	<u>4,587,131</u>	<u>1,272,995</u>	<u>103,194,956</u>	<u>86,866,835</u>
Revenue Over (Under) Expenditures	<u>(1,370,001)</u>	<u>7,365,999</u>	<u>104,375</u>	<u>127,495</u>	<u>(549,596)</u>	<u>(556,694)</u>	<u>(1,777,931)</u>	<u>2,551,877</u>	<u>(3,593,153)</u>	<u>9,488,677</u>
<b>Other Financing Sources (Uses)</b>										
Operating Transfers, Net	<u>(865,000)</u>	<u>(2,007,296)</u>	<u>-</u>	<u>-</u>	<u>508,583</u>	<u>546,012</u>	<u>(508,583)</u>	<u>(546,012)</u>	<u>(865,000)</u>	<u>(2,007,296)</u>
Total Other Financing Sources (Uses)	<u>(865,000)</u>	<u>(2,007,296)</u>	<u>-</u>	<u>-</u>	<u>508,583</u>	<u>546,012</u>	<u>(508,583)</u>	<u>(546,012)</u>	<u>(865,000)</u>	<u>(2,007,296)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,235,001)</u>	<u>5,358,703</u>	<u>\$ 104,375</u>	<u>127,495</u>	<u>\$ (41,013)</u>	<u>(10,682)</u>	<u>\$ (2,286,514)</u>	<u>2,005,865</u>	<u>\$ (4,458,153)</u>	<u>7,481,381</u>
<b>Fund Balance, July 1, 2020</b>		<u>21,942,615</u>		<u>1,665,752</u>		<u>4,267,897</u>		<u>4,245,851</u>		<u>32,122,115</u>
<b>Fund Balance, June 30, 2021</b>		<u>\$ 27,301,318</u>		<u>\$ 1,793,247</u>		<u>\$ 4,257,215</u>		<u>\$ 6,251,716</u>		<u>\$ 39,603,496</u>

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

PARKLAND COLLEGE DISTRICT #505  
 Combined Statement of Revenue, Expenses,  
 and Changes in College Equity - Budget and Actual  
 Proprietary Fund Types and Similar Trust Funds  
 For the Year Ended June 30, 2021

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
<b>Operating Revenue</b>				
Student and Community Services	\$ -	\$ -	\$ 3,480,800	\$ 3,408,581
Student Tuition and Fees	-	-	2,794,808	2,339,941
Other Revenue	-	-	59,000	64,046
Investment Revenue	10,000	5,780	2,000	52
Total Operating Revenue	<u>10,000</u>	<u>5,780</u>	<u>6,336,608</u>	<u>5,812,620</u>
<b>Operating Expenses</b>				
Salaries	-	-	2,671,027	2,381,844
Employee Benefits	-	-	470,535	471,160
Contractual Services	-	-	1,192,077	1,115,892
General Materials and Supplies	-	-	2,276,468	1,845,063
Conference and Meeting	-	-	266,206	107,290
Fixed Charges	-	-	586,905	439,670
Utilities	-	-	1,800	1,741
Depreciation	-	-	18,000	52,064
Other	-	-	280,483	85,297
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>7,763,501</u>	<u>6,500,021</u>
Operating Income (Loss)	10,000	5,780	(1,426,893)	(687,401)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers, Net	<u>(5,780)</u>	<u>(5,780)</u>	<u>875,000</u>	<u>2,013,076</u>
<b>Net Income (Loss)</b>	<u>\$ 4,220</u>	-	<u>\$ (551,893)</u>	1,325,675
<b>College Equity, July 1, 2020</b>		<u>7,600,000</u>		<u>1,875,212</u>
<b>College Equity, June 30, 2021</b>		<u>\$ 7,600,000</u>		<u>\$ 3,200,887</u>

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



PARKLAND COLLEGE DISTRICT #505  
 Combined Statement of Cash Flows  
 Proprietary Fund Types and Similar Trust Funds  
 For the Year Ended June 30, 2021

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
<b>Cash Flows from Operating Activities</b>		
Auxiliary Enterprise Charges	\$ -	\$ 3,408,581
Student Tuition and Fees	-	2,579,288
Payments to Suppliers	-	(3,500,642)
Payments to Employees and Benefits Paid	-	(2,833,863)
Net Disbursements to Parkland Foundation	-	(1,390)
Receipts of Miscellaneous Revenue	-	64,046
Interest on Investments	5,780	52
Net Cash Provided by (Used in) Operating Activities	5,780	(283,928)
<b>Capital and Related Financing Activities</b>		
Purchase of Equipment	-	(13,539)
<b>Non-Capital Financing Activities</b>		
Operating Transfers In (Out)	(5,780)	2,013,076
Net Decrease in Cash and Cash Equivalents	-	1,715,609
<b>Cash and Cash Equivalents, July 1, 2020</b>	7,600,000	1,247,455
<b>Cash and Cash Equivalents, June 30, 2021</b>	\$ 7,600,000	\$ 2,963,064
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating Income (Loss)	\$ 5,780	\$ (687,401)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	52,064
Changes in Assets and Liabilities:		
Receivables	-	7,999
Inventories	-	94,769
Accounts Payable	-	(458)
Vacation Payable	-	19,141
Unearned Revenue	-	231,348
Due to Parkland Foundation	-	(1,390)
Net Cash Provided by (Used in) Operating Activities	\$ 5,780	\$ (283,928)

PARKLAND COLLEGE DISTRICT #505  
Combining Balance Sheet - Modified Accrual Basis  
General Funds  
June 30, 2021

	Education Fund	Operation and Maintenance Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 21,651,860	\$ 9,474,804	\$ 31,126,664
Investments	5,430,261	-	5,430,261
Receivables:			
Property Taxes, Net	8,317,280	3,198,946	11,516,226
Replacement Taxes	615,624	-	615,624
Agency Tuition, Net	341,223	-	341,223
Student Tuition and Fees, Net	578,199	-	578,199
Governmental Grants	-	-	-
Other	334,661	50,776	385,437
Due From Parkland Foundation	20,224	4,000	24,224
Due From Other Funds	209,653	-	209,653
Prepaid Assets	-	16,543	16,543
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 37,498,985</u>	<u>\$12,745,069</u>	<u>\$ 50,244,054</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 188,108	\$ 43,944	\$ 232,052
Vacation Payable	1,427,644	158,326	1,585,970
Retirement Payable	1,995,129	-	1,995,129
Due to Parkland Foundation	3,485,985	-	3,485,985
Accrued Liabilities	3,252,421	92,444	3,344,865
Due to Other Funds	-	-	-
Unearned Revenue	9,565,279	2,733,456	12,298,735
Total Liabilities	<u>19,914,566</u>	<u>3,028,170</u>	<u>22,942,736</u>
<b>FUND BALANCE</b>			
Unreserved	17,584,419	9,716,899	27,301,318
Total Fund Balance	<u>17,584,419</u>	<u>9,716,899</u>	<u>27,301,318</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 37,498,985</u>	<u>\$12,745,069</u>	<u>\$ 50,244,054</u>

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, 2021

	Education Fund	Operation and Maintenance Fund	Total
<b>Revenue</b>			
Local Sources	\$ 18,762,327	\$ 5,950,658	\$ 24,712,985
State Sources	4,935,788	-	4,935,788
Federal Sources	4,762,604	-	4,762,604
Tuition and Fees	22,723,016	-	22,723,016
Facilities	-	612,718	612,718
Interest	88,602	5,323	93,925
Other Revenue	405,480	2,364	407,844
Total Revenue	<u>51,677,817</u>	<u>6,571,063</u>	<u>58,248,880</u>
<b>Expenditures</b>			
Instruction	23,084,013	-	23,084,013
Academic Support	4,239,511	-	4,239,511
Student Services	4,558,329	-	4,558,329
Public Service	227,060	-	227,060
Operation and Maintenance of Plant	-	4,790,733	4,790,733
Institutional Support	13,983,235	-	13,983,235
Total Expenditures	<u>46,092,148</u>	<u>4,790,733</u>	<u>50,882,881</u>
Revenue Over Expenditures	<u>5,585,669</u>	<u>1,780,330</u>	<u>7,365,999</u>
<b>Other Financing Uses</b>			
Operating Transfers, Net	<u>(2,007,296)</u>	-	<u>(2,007,296)</u>
Total Other Financing Uses	<u>(2,007,296)</u>	-	<u>(2,007,296)</u>
Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	3,578,373	1,780,330	5,358,703
<b>Fund Balance, July 1, 2020</b>	<u>14,006,046</u>	<u>7,936,569</u>	<u>21,942,615</u>
<b>Fund Balance, June 30, 2021</b>	<u>\$ 17,584,419</u>	<u>\$ 9,716,899</u>	<u>\$ 27,301,318</u>

PARKLAND COLLEGE DISTRICT #505  
Combining Balance Sheet - Modified Accrual Basis  
Special Revenue Funds  
June 30, 2021

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 195,893	\$ 1,789,084	\$ 1,984,977
Receivables:				
Property Taxes, Net	-	46,337	1,832,628	1,878,965
Due from Parkland Foundation	10,866	-	-	10,866
Governmental Grants	1,358,629	-	-	1,358,629
Prepaid Assets	-	-	52,740	52,740
Due from Other Funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,369,495</u>	<u>\$ 242,230</u>	<u>\$ 3,674,452</u>	<u>\$ 5,286,177</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 370,350	\$ 9,500	\$ 63,516	\$ 443,366
Vacation Payable	68,100	-	90,938	159,038
Unearned Revenue	1,069,646	38,268	1,555,336	2,663,250
Due to Other Funds	209,653	-	-	209,653
Due to Parkland Foundation	-	-	17,623	17,623
Total Liabilities	<u>1,717,749</u>	<u>47,768</u>	<u>1,727,413</u>	<u>3,492,930</u>
<b>FUND BALANCE</b>				
Unreserved, Undesignated	<u>(348,254)</u>	<u>194,462</u>	<u>1,947,039</u>	<u>1,793,247</u>
Total Fund Balance	<u>(348,254)</u>	<u>194,462</u>	<u>1,947,039</u>	<u>1,793,247</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 1,369,495</u>	<u>\$ 242,230</u>	<u>\$ 3,674,452</u>	<u>\$ 5,286,177</u>

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, 2021

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
<b>Revenue</b>				
Local Sources	\$ -	\$ 85,920	\$ 3,398,974	\$ 3,484,894
State Sources	2,416,628	-	-	2,416,628
Federal Sources	23,644,522	-	-	23,644,522
Facilities	-	-	-	-
Interest	1,135	-	-	1,135
Other	7,207	-	358	7,565
On-Behalf Payments	29,805,066	-	-	29,805,066
	<u>55,874,558</u>	<u>85,920</u>	<u>3,399,332</u>	<u>59,359,810</u>
<b>Expenditures</b>				
Instruction	1,933,418	-	-	1,933,418
Academic Support	1,850,590	-	-	1,850,590
Student Services	599,177	-	-	599,177
Public Service	444,223	-	-	444,223
Operations and Maintenance of Plant	7,207	-	1,617,745	1,624,952
Institutional Support	7,125,953	74,430	1,670,134	8,870,517
Scholarships and Grants	14,104,372	-	-	14,104,372
On-Behalf Payments	29,805,066	-	-	29,805,066
	<u>55,870,006</u>	<u>74,430</u>	<u>3,287,879</u>	<u>59,232,315</u>
Revenue Over Expenditures	4,552	11,490	111,453	127,495
<b>Other Financing Sources</b>				
Operating Transfers (Net)	-	-	-	-
Revenue Over Expenditures and Other Financing Sources	4,552	11,490	111,453	127,495
<b>Fund Balance, July 1, 2020</b>	<u>(352,806)</u>	<u>182,972</u>	<u>1,835,586</u>	<u>1,665,752</u>
<b>Fund Balance, June 30, 2021</b>	<u>\$ (348,254)</u>	<u>\$ 194,462</u>	<u>\$ 1,947,039</u>	<u>\$ 1,793,247</u>

PARKLAND COLLEGE DISTRICT #505  
Combining Balance Sheet  
Enterprise Funds  
June 30, 2021

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	\$ 173,485	\$ 107,382	\$ 74,134	\$ (8,388)	\$ (21,809)	\$ 1,991,716	\$ (3,507)	\$ 650,051	\$ 2,963,064
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	100,130	-	-	-	100,130
Other	-	-	-	-	-	21,295	-	-	21,295
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	477,201	-	-	477,201
Property and Equipment, Net of Accumulated Depreciation	2,384	-	58,853	31,496	-	4,029	-	-	96,762
<b>Total Assets</b>	<b>\$ 175,869</b>	<b>\$ 107,382</b>	<b>\$ 132,987</b>	<b>\$ 23,108</b>	<b>\$ 78,321</b>	<b>\$ 2,494,241</b>	<b>\$ (3,507)</b>	<b>\$ 650,051</b>	<b>\$ 3,658,452</b>
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ 33
Vacation Payable	19,725	12,254	41,453	-	77,642	15,776	-	12,738	179,588
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Parkland Foundation	-	-	-	-	-	-	17,569	-	17,569
Unearned Revenue	-	-	21,707	-	-	-	-	237,160	258,867
<b>Total Liabilities</b>	<b>19,725</b>	<b>12,254</b>	<b>64,668</b>	<b>-</b>	<b>77,675</b>	<b>15,776</b>	<b>17,569</b>	<b>249,898</b>	<b>457,565</b>
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT)</b>	<b>156,144</b>	<b>95,128</b>	<b>68,319</b>	<b>23,108</b>	<b>646</b>	<b>2,478,465</b>	<b>(21,076)</b>	<b>400,153</b>	<b>3,200,887</b>
<b>Total Liabilities and Retained Earnings (Accumulated Deficit)</b>	<b>\$ 175,869</b>	<b>\$ 107,382</b>	<b>\$ 132,987</b>	<b>\$ 23,108</b>	<b>\$ 78,321</b>	<b>\$ 2,494,241</b>	<b>\$ (3,507)</b>	<b>\$ 650,051</b>	<b>\$ 3,658,452</b>

PARKLAND COLLEGE DISTRICT #505  
 Combining Statement of Revenue, Expenses,  
 and Changes in Retained Earnings (Deficit)  
 Enterprise Funds  
 For the Year Ended June 30, 2021

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
<b>Operating Revenue</b>									
Student and Community Services	\$ 319,052	\$ 80,795	\$ 20,898	\$ -	\$ 659,958	\$ 2,326,978	\$ 900	\$ -	\$ 3,408,581
Student Tuition and Fees	-	-	183,142	60,000	803,220	-	-	1,293,579	2,339,941
Other Revenue	-	-	1	-	33,188	-	-	30,909	64,098
Total Operating Revenue	<u>319,052</u>	<u>80,795</u>	<u>204,041</u>	<u>60,000</u>	<u>1,496,366</u>	<u>2,326,978</u>	<u>900</u>	<u>1,324,488</u>	<u>5,812,620</u>
<b>Operating Expenses</b>									
Salaries	386,721	71,285	61,324	396,218	637,131	158,900	-	670,265	2,381,844
Employee Benefits	101,514	15,034	15,482	80,905	134,745	22,851	-	100,629	471,160
Contractual Services	367	-	16,597	64,201	691,677	19,515	-	323,535	1,115,892
General Materials and Supplies	28,657	17,298	160	85,203	76,545	1,273,251	328	363,621	1,845,063
Conference and Meeting	1,178	325	5,234	95,171	2,848	34	-	2,500	107,290
Fixed Charges	-	88,026	-	9,250	12,000	210,819	-	119,575	439,670
Utilities	-	-	-	-	1,741	-	-	-	1,741
Depreciation	2,443	-	40,570	5,021	-	4,030	-	-	52,064
Other	1,367	-	4,418	29,291	50,221	-	-	-	85,297
Total Operating Expenses	<u>522,247</u>	<u>191,968</u>	<u>143,785</u>	<u>765,260</u>	<u>1,606,908</u>	<u>1,689,400</u>	<u>328</u>	<u>1,580,125</u>	<u>6,500,021</u>
Operating Income (Loss)	(203,195)	(111,173)	60,256	(705,260)	(110,542)	637,578	572	(255,637)	(687,401)
<b>Other Financing Sources</b>									
Operating Transfers, Net	<u>204,000</u>	<u>112,000</u>	<u>-</u>	<u>725,000</u>	<u>716,076</u>	<u>-</u>	<u>-</u>	<u>256,000</u>	<u>2,013,076</u>
Net Income	805	827	60,256	19,740	605,534	637,578	572	363	1,325,675
<b>Retained Earnings (Deficit), July 1, 2020</b>	<u>155,339</u>	<u>94,301</u>	<u>8,063</u>	<u>3,368</u>	<u>(604,888)</u>	<u>1,840,887</u>	<u>(21,648)</u>	<u>399,790</u>	<u>1,875,212</u>
<b>Retained Earnings (Deficit), June 30, 2021</b>	<u>\$ 156,144</u>	<u>\$ 95,128</u>	<u>\$ 68,319</u>	<u>\$ 23,108</u>	<u>\$ 646</u>	<u>\$ 2,478,465</u>	<u>\$ (21,076)</u>	<u>\$ 400,153</u>	<u>\$ 3,200,887</u>

PARKLAND COLLEGE DISTRICT #505  
Combining Statement of Cash Flows  
Enterprise Funds  
For the Year Ended June 30, 2021

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
<b>Cash Flows from Operating Activities</b>									
Auxiliary Enterprise Charges	\$ 319,052	\$ 80,795	\$ 20,898	\$ -	\$ 659,958	\$ 2,326,978	\$ 900	\$ -	\$ 3,408,581
Student Tuition and Fees	-	-	177,330	60,000	774,205	37,014	-	1,530,739	2,579,288
Payments to Suppliers	(31,569)	(105,649)	(26,409)	(283,116)	(835,032)	(1,408,850)	(328)	(809,689)	(3,500,642)
Payments to Employees and Benefits Paid	(488,525)	(84,179)	(70,722)	(477,123)	(763,620)	(182,705)	-	(766,989)	(2,833,863)
Net Distributions to Parkland Foundation	-	-	-	-	-	-	(1,390)	-	(1,390)
Other Receipts	-	-	1	-	33,188	-	-	30,909	64,098
Net Cash Provided by (Used in) Operating Activities	(201,042)	(109,033)	101,098	(700,239)	(131,301)	772,437	(818)	(15,030)	(283,928)
<b>Capital and Related Financing Activities</b>									
Purchase of Equipment	(2,699)	-	-	(10,840)	-	-	-	-	(13,539)
<b>Non-Capital Financing Activities</b>									
Operating Transfers In	204,000	112,000	-	725,000	716,076	-	-	256,000	2,013,076
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	259	2,967	101,098	13,921	584,775	772,437	(818)	240,970	1,715,609
<b>Cash and Cash Equivalents, July 1, 2020</b>	173,226	104,415	(26,964)	(22,309)	(606,584)	1,219,279	(2,689)	409,081	1,247,455
<b>Cash and Cash Equivalents, June 30, 2021</b>	\$ 173,485	\$ 107,382	\$ 74,134	\$ (8,388)	\$ (21,809)	\$ 1,991,716	\$ (3,507)	\$ 650,051	\$ 2,963,064
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>									
Operating Income (Loss)	\$ (203,195)	\$ (111,173)	\$ 60,256	\$ (705,260)	\$ (110,542)	\$ 637,578	\$ 572	\$ (255,637)	\$ (687,401)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	2,443	-	40,570	5,021	-	4,030	-	-	52,064
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	(29,015)	37,014	-	-	7,999
Inventories	-	-	-	-	-	94,769	-	-	94,769
Accounts Payable	-	-	-	-	-	-	-	(458)	(458)
Vacation Payable	(290)	2,140	6,084	-	8,256	(954)	-	3,905	19,141
Unearned Revenue	-	-	(5,812)	-	-	-	-	237,160	231,348
Due to Parkland Foundation	-	-	-	-	-	-	(1,390)	-	(1,390)
<b>Net Cash Provided By (Used in) Operating Activities</b>	\$ (201,042)	\$ (109,033)	\$ 101,098	\$ (700,239)	\$ (131,301)	\$ 772,437	\$ (818)	\$ (15,030)	\$ (283,928)



PARKLAND COLLEGE DISTRICT #505  
Combining Balance Sheet  
Fiduciary Funds  
June 30, 2021

	Non-Expendable Trust			Total
	Working Cash Fund	Trust and Agency Fund	Custodial Funds	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,600,000	\$ (2,659,885)	\$ 1,080,288	\$ 4,940,115
Receivables:				
Due from Parkland Foundation	-	3,246,390	-	3,246,390
<b>Total Assets</b>	<b>\$ 7,600,000</b>	<b>\$ 586,505</b>	<b>\$ 1,080,288</b>	<b>\$ 8,186,505</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 37	\$ -	\$ 37
Due to Student Groups	-	587,110	-	587,110
<b>Total Liabilities</b>	<b>-</b>	<b>587,147</b>	<b>-</b>	<b>587,147</b>
<b>FUND BALANCE</b>				
Reserved for Trust and Agency Assets	7,600,000	(642)	-	7,599,358
Reserved for Other Governments	-	-	1,080,288	-
<b>Total Fund Balance</b>	<b>7,600,000</b>	<b>(642)</b>	<b>1,080,288</b>	<b>7,599,358</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 7,600,000</b>	<b>\$ 586,505</b>	<b>\$ 1,080,288</b>	<b>\$ 8,186,505</b>

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, 2021  
 (With comparative totals as of June 30, 2020)

											Account Groups		Totals (Memorandum Only)		
	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Custodial Funds	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	General Fixed Assets	General Long-Term Debt	June 30, 2021	June 30, 2020
<b>ASSETS</b>															
Cash and Cash Equivalents	\$ 21,651,860	\$ 9,474,804	\$ 5,946,922	\$ 2,963,064	\$ -	\$ 7,600,000	\$ (2,659,885)	\$ 1,080,288	\$ 3,920,929	\$ 195,893	\$ 1,789,084	\$ -	\$ -	\$ 51,962,959	\$ 36,476,234
Investments	5,430,261	-	-	-	-	-	-	-	-	-	-	-	-	5,430,261	5,372,578
Receivables:															
Property Taxes, Net	8,317,280	3,198,946	1,241,802	-	-	-	-	-	2,555,421	46,337	1,832,628	-	-	17,192,414	23,699,452
Replacement Taxes	615,624	-	-	-	-	-	-	-	-	-	-	-	-	615,624	336,758
Agency Tuition, Net	341,223	-	-	-	-	-	-	-	-	-	-	-	-	341,223	268,784
Student Tuition and Fees, Net	578,199	-	-	100,130	-	-	-	-	-	-	-	-	-	678,329	895,123
Governmental Grants	-	-	-	-	1,358,629	-	-	-	-	-	-	-	-	1,358,629	1,026,147
Other	334,661	50,776	-	21,295	-	-	-	-	-	-	-	-	-	406,732	312,951
Due from Parkland Foundation	20,224	4,000	260,000	-	10,866	-	3,246,390	-	-	-	-	-	-	3,541,480	3,175,606
Due from Other Funds	209,653	-	-	-	-	-	-	-	-	-	-	-	-	209,653	9,306
Prepaid Assets	-	16,543	-	-	-	-	-	-	-	-	52,740	-	-	69,283	34,971
Inventory	-	-	-	477,201	-	-	-	-	-	-	-	-	-	477,201	571,970
Property and Equipment at Cost, Net	-	-	-	96,762	-	-	-	-	-	-	-	91,387,109	-	91,483,871	95,608,858
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	-	4,257,215	4,257,215	4,267,897
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	-	47,158,887	47,158,887	49,580,051
<b>Total Assets</b>	<b>\$ 37,498,985</b>	<b>\$ 12,745,069</b>	<b>\$ 7,448,724</b>	<b>\$ 3,658,452</b>	<b>\$ 1,369,495</b>	<b>\$ 7,600,000</b>	<b>\$ 586,505</b>	<b>\$ 1,080,288</b>	<b>\$ 6,476,350</b>	<b>\$ 242,230</b>	<b>\$ 3,674,452</b>	<b>\$ 91,387,109</b>	<b>\$ 51,416,102</b>	<b>\$ 225,183,761</b>	<b>\$ 221,636,686</b>
<b>LIABILITIES</b>															
Accounts Payable	\$ 188,108	\$ 43,944	\$ 66,430	\$ 33	\$ 370,350	\$ -	\$ 37	\$ -	\$ -	\$ 7,750	\$ 12,022	\$ -	\$ -	\$ 688,674	\$ 348,148
Vacation Payable	1,427,644	158,326	-	179,588	68,100	-	-	-	-	-	90,938	-	-	1,924,596	1,803,667
Retirement Payable	1,995,129	-	-	-	-	-	-	-	-	-	-	5,057,066	-	7,052,195	5,824,242
Accrued Liabilities	3,252,421	92,444	46,246	1,508	-	-	-	-	40,571	1,750	51,494	-	-	3,486,434	3,287,200
Due to Other Funds	-	-	-	-	209,653	-	-	-	-	-	-	-	-	209,653	9,306
Due to Parkland Foundation	3,485,985	-	-	17,569	-	-	-	-	-	-	17,623	-	-	3,521,177	3,095,426
Unearned Revenue	9,565,279	2,733,456	1,084,332	258,867	1,069,646	-	-	-	2,178,564	38,268	1,555,336	-	-	18,483,748	18,373,153
Due to Student Groups	-	-	-	-	-	-	587,110	-	-	-	-	-	-	587,110	560,137
Unamortized Bond Premium	-	-	-	-	-	-	-	-	-	-	-	3,214,036	-	3,214,036	3,595,902
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	43,145,000	43,145,000	46,540,000
<b>Total Liabilities</b>	<b>19,914,566</b>	<b>3,028,170</b>	<b>1,197,008</b>	<b>457,565</b>	<b>1,717,749</b>	<b>-</b>	<b>587,147</b>	<b>-</b>	<b>2,219,135</b>	<b>47,768</b>	<b>1,727,413</b>	<b>-</b>	<b>51,416,102</b>	<b>82,312,623</b>	<b>83,437,181</b>
<b>COLLEGE EQUITY</b>															
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	91,387,109	-	91,387,109	95,473,572
Fund Balance:															
Reserved For:															
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	-	-	7,599,358	7,599,358
Other Governments	-	-	-	-	-	-	-	1,080,288	-	-	-	-	-	1,080,288	1,129,248
Unreserved, Undesignated	17,584,419	9,716,899	6,251,716	-	(348,254)	-	-	-	4,257,215	194,462	1,947,039	-	-	39,603,496	32,122,115
Retained Earnings	-	-	-	3,200,887	-	-	-	-	-	-	-	-	-	3,200,887	1,875,212
<b>Total College Equity (Deficit)</b>	<b>17,584,419</b>	<b>9,716,899</b>	<b>6,251,716</b>	<b>3,200,887</b>	<b>(348,254)</b>	<b>7,600,000</b>	<b>(642)</b>	<b>1,080,288</b>	<b>4,257,215</b>	<b>194,462</b>	<b>1,947,039</b>	<b>91,387,109</b>	<b>-</b>	<b>142,871,138</b>	<b>138,199,505</b>
<b>Total Liabilities and College Equity</b>	<b>\$ 37,498,985</b>	<b>\$ 12,745,069</b>	<b>\$ 7,448,724</b>	<b>\$ 3,658,452</b>	<b>\$ 1,369,495</b>	<b>\$ 7,600,000</b>	<b>\$ 586,505</b>	<b>\$ 1,080,288</b>	<b>\$ 6,476,350</b>	<b>\$ 242,230</b>	<b>\$ 3,674,452</b>	<b>\$ 91,387,109</b>	<b>\$ 51,416,102</b>	<b>\$ 225,183,761</b>	<b>\$ 221,636,686</b>

**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, 2021**  
**(with Comparative totals for the Year Ended June 30, 2020)**

	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Totals (Memorandum Only)	
		Operational	Restricted							2021	2020
<b>Revenue</b>											
Local Sources	\$ 18,762,327	\$ 5,950,658	\$ 2,228,155	\$ -	\$ -	\$ -	\$ 4,727,016	\$ 85,920	\$ 3,398,974	\$ 35,153,050	\$ 33,922,272
State Sources	4,935,788	-	1,050,146	-	2,416,628	-	-	-	-	8,402,562	8,003,027
Federal Sources	4,762,604	-	-	-	23,644,522	-	-	-	-	28,407,126	18,310,101
Tuition and Fees	22,723,016	-	-	2,339,941	-	-	-	-	-	25,062,957	28,403,562
Facilities	-	612,718	546,046	-	-	-	-	-	-	1,158,764	1,296,310
Other Revenue	494,082	7,687	525	3,472,679	8,342	5,780	-	-	358	3,989,453	4,231,203
On-Behalf Payments	-	-	-	-	29,805,066	-	-	-	-	29,805,066	29,718,064
Total Revenue	<u>51,677,817</u>	<u>6,571,063</u>	<u>3,824,872</u>	<u>5,812,620</u>	<u>55,874,558</u>	<u>5,780</u>	<u>4,727,016</u>	<u>85,920</u>	<u>3,399,332</u>	<u>131,978,978</u>	<u>123,884,539</u>
<b>Expenditures</b>											
Instruction	23,084,013	-	-	1,580,125	1,933,418	-	-	-	-	26,597,556	27,189,616
Academic Support	4,239,511	-	5,479	191,968	1,850,590	-	-	-	-	6,287,548	7,186,350
Student Services	4,558,329	-	-	-	599,177	-	-	-	-	5,157,506	5,420,848
Public Service	227,060	-	-	1,606,908	444,223	-	-	-	-	2,278,191	2,509,593
Auxiliary Services	-	-	-	3,068,956	-	-	-	-	-	3,068,956	3,422,412
Operation and Maintenance of Plant	-	4,790,733	1,267,516	-	7,207	-	-	-	1,617,745	7,683,201	8,561,387
Institutional Support	13,983,235	-	-	-	7,125,953	-	-	74,430	1,670,134	22,853,752	16,267,558
Scholarships and Grants	-	-	-	-	14,104,372	-	-	-	-	14,104,372	15,681,627
Principal	-	-	-	-	-	-	3,395,000	-	-	3,395,000	2,970,000
Interest	-	-	-	-	-	-	1,888,710	-	-	1,888,710	2,016,011
Depreciation	-	-	-	52,064	-	-	-	-	-	52,064	54,710
On-Behalf Payments	-	-	-	-	29,805,066	-	-	-	-	29,805,066	29,718,064
Total Expenditures	<u>46,092,148</u>	<u>4,790,733</u>	<u>1,272,995</u>	<u>6,500,021</u>	<u>55,870,006</u>	<u>-</u>	<u>5,283,710</u>	<u>74,430</u>	<u>3,287,879</u>	<u>123,171,922</u>	<u>120,998,176</u>
Revenue Over (Under) Expenditures	<u>5,585,669</u>	<u>1,780,330</u>	<u>2,551,877</u>	<u>(687,401)</u>	<u>4,552</u>	<u>5,780</u>	<u>(556,694)</u>	<u>11,490</u>	<u>111,453</u>	<u>8,807,056</u>	<u>2,886,363</u>
<b>Other Financing Sources (Uses)</b>											
Operating Transfers, Net	(2,007,296)	-	(546,012)	2,013,076	-	(5,780)	546,012	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,007,296)</u>	<u>-</u>	<u>(546,012)</u>	<u>2,013,076</u>	<u>-</u>	<u>(5,780)</u>	<u>546,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>3,578,373</u>	<u>1,780,330</u>	<u>2,005,865</u>	<u>1,325,675</u>	<u>4,552</u>	<u>-</u>	<u>(10,682)</u>	<u>11,490</u>	<u>111,453</u>	<u>8,807,056</u>	<u>2,886,363</u>
<b>College Equity, Beginning of Year</b>	<u>14,006,046</u>	<u>7,936,569</u>	<u>4,245,851</u>	<u>1,875,212</u>	<u>(352,806)</u>	<u>7,600,000</u>	<u>4,267,897</u>	<u>182,972</u>	<u>1,835,586</u>	<u>41,597,327</u>	<u>38,710,964</u>
<b>College Equity, End of Year</b>	<u>\$ 17,584,419</u>	<u>\$ 9,716,899</u>	<u>\$ 6,251,716</u>	<u>\$ 3,200,887</u>	<u>\$ (348,254)</u>	<u>\$ 7,600,000</u>	<u>\$ 4,257,215</u>	<u>\$ 194,462</u>	<u>\$ 1,947,039</u>	<u>\$ 50,404,383</u>	<u>\$ 41,597,327</u>

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 - Proprietary Fund  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
College Equity	\$ 142,871,138	\$ 138,199,505
Reconciling Items:		
Recognition of Summer School Revenues	1,484,335	1,477,317
Deferred Revenue for Property Taxes Not Received	14,634,921	14,139,524
Property Taxes Receivable Not Earned and Not Received	(14,634,921)	(14,139,524)
Reclassification of Long Term Debt	(48,202,066)	(50,252,046)
Recognition of Bond Premium	(3,214,036)	(3,595,902)
Deferred Refunding Expense	-	22,030
Deferred Retirement Plan Contributions	79,626	79,454
Recognition of Other Postemployment Benefit Liability	(32,601,493)	(34,597,679)
Deferred Other Postemployment Benefit Contributions	666,298	843,825
Deferred Postemployment Benefits	(8,216,827)	(6,076,267)
Fiduciary Activity Fund Balance	(1,080,288)	(1,129,248)
Recognition of Interest Payable on Long Term Debt	(151,734)	(163,051)
	<u>\$ 51,634,953</u>	<u>\$ 44,807,938</u>
Net Position		

Reconciliations of the Statement of Revenues, Expenditures, and Changes in College Equity -  
Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary Fund Types)  
to the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in College Equity	\$ 8,807,056	\$ 2,886,363
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(186,799)	(245,216)
Remove Rent Expense from the Bookstore	186,799	245,216
Remove Revenue Paid by the Education Fund to Reprographics	(80,795)	(182,388)
Remove Expenditures from the Education Fund	80,795	182,388
Remove Student Aid and Scholarship Payments from Revenue	(9,135,815)	(9,307,063)
Remove Student Aid and Scholarship Payments from Expense	9,135,815	9,307,063
Remove Grant Revenue Paid by the Restricted Fund to the Education and Auxiliary Funds	(5,609,735)	-
Remove Expenditures from the Restricted Fund	5,609,735	-
Change in Recognition of Summer School Revenues	7,018	15,275
General Obligation Debt Retired	3,395,000	2,970,000
Change in Retirement Obligations	(1,345,020)	(555,952)
Added Other Postemployment Benefit Expense	(324,729)	(1,516,846)
Change in Deferred Other Postemployment Benefit Contributions	2,828	164,490
Remove Capital Expenditures Related to Capitalized Assets	3,037,512	3,293,596
Record Depreciation on the Capital Assets	(7,123,975)	(7,241,388)
Change in Deferred Refunding Expense	(22,030)	(65,220)
Change in Deferred Retirement Plan Contributions	172	16,482
Change in Investment Income on Bond Premium	381,866	381,866
Change in Accrued Interest on Long Term Debt	<u>11,317</u>	<u>9,900</u>
Change in Net Position	<u>\$ 6,827,015</u>	<u>\$ 358,566</u>

PARKLAND COLLEGE DISTRICT #505  
 Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections  
 June 30, 2021

	2020 LEVY	2019 LEVY	2018 LEVY	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY	2011 LEVY
<b>Assessed Valuations</b>										
County:										
Champaign	\$ 4,407,463,573	\$ 4,289,103,023	\$ 4,131,006,412	\$ 3,970,870,297	\$ 3,807,025,662	\$ 3,603,466,479	\$ 3,542,030,898	\$ 3,495,210,920	\$ 3,555,879,362	\$ 3,577,235,959
Coles	11,433,945	10,858,865	10,536,067	10,096,352	9,748,842	9,507,569	9,227,401	8,632,210	8,080,907	7,575,377
DeWitt	100,584,343	98,855,905	96,035,712	92,463,660	89,904,005	88,198,381	86,559,619	79,976,784	77,636,422	76,496,177
Douglas	336,540,217	329,403,398	319,507,185	310,106,381	299,993,082	283,012,820	266,599,451	262,791,029	254,139,581	251,636,058
Edgar	5,512,080	5,308,490	5,242,730	5,042,910	4,877,010	4,392,900	4,288,109	3,965,329	3,667,574	3,188,000
Ford	274,054,609	266,450,695	255,703,676	248,312,269	238,843,129	234,112,035	230,561,166	226,771,001	221,216,880	200,698,988
Iroquois	119,129,717	110,167,841	106,923,815	99,038,017	95,451,955	92,391,706	89,349,950	88,933,502	88,876,028	85,460,933
Livingston	85,644,553	81,881,548	77,160,998	70,368,714	67,236,270	67,152,175	64,861,050	64,336,230	61,960,581	61,241,000
McLean	211,528,769	207,512,370	204,132,833	201,099,761	196,569,947	191,864,392	189,414,822	185,142,499	171,336,846	168,439,009
Moultrie	5,785,958	5,435,178	5,100,766	4,896,109	4,710,270	4,475,862	4,345,549	3,983,482	3,640,875	3,377,000
Piatt	457,221,704	435,908,684	420,813,458	407,636,547	388,170,194	379,243,657	373,852,737	361,541,176	354,597,431	348,165,000
Vermilion	21,763,640	20,629,043	19,567,357	18,757,472	18,244,975	17,621,449	17,101,096	15,910,293	15,016,004	13,294,313
<b>TOTAL</b>	<u>\$ 6,036,663,108</u>	<u>\$ 5,861,515,040</u>	<u>\$ 5,651,731,009</u>	<u>\$ 5,438,688,489</u>	<u>\$ 5,220,775,341</u>	<u>\$ 4,975,439,425</u>	<u>\$ 4,878,191,848</u>	<u>\$ 4,797,194,455</u>	<u>\$ 4,816,048,491</u>	<u>\$ 4,796,807,814</u>
<b>Tax Rates</b>										
<b>(Per \$100 Assessed Valuations)</b>										
Education Fund	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Operations and Maintenance:										
Operational Fund	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bond	0.0824	0.0791	0.0771	0.0847	0.0841	0.0824	0.0794	0.0770	0.0715	0.0678
Tort and Immunity	0.0328	0.0336	0.0346	0.0341	0.0355	0.0372	0.0369	0.0375	0.0374	0.0354
Audit	0.0015	0.0015	0.0015	0.0014	0.0014	0.0015	0.0010	0.0010	0.0010	0.0010
Worker's Compensation	0.0025	0.0015	0.0018	0.0021	0.0016	0.0015	0.0014	0.0019	0.0019	0.0019
Unemployment Insurance	0.0017	0.0009	0.0002	0.0003	0.0005	0.0008	0.0010	0.0010	0.0010	0.0002
Protection, Health, and Safety	0.0383	0.0375	0.0373	0.0368	0.0384	0.0400	0.0267	0.0271	0.0263	0.0264
Medicare Insurance	0.0109	0.0111	0.0116	0.0120	0.0125	0.0126	0.0113	0.0115	0.0117	0.0125
Property Insurance	0.0104	0.0103	0.0098	0.0097	0.0096	0.0100	0.0082	0.0083	0.0083	0.0068
<b>TOTAL</b>	<u>0.5405</u>	<u>0.5355</u>	<u>0.5339</u>	<u>0.5411</u>	<u>0.5436</u>	<u>0.5460</u>	<u>0.5259</u>	<u>0.5253</u>	<u>0.5191</u>	<u>0.5120</u>

PARKLAND COLLEGE DISTRICT #505  
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections  
June 30, 2021

	<u>2020 LEVY</u>	<u>2019 LEVY</u>	<u>2018 LEVY</u>	<u>2017 LEVY</u>	<u>2016 LEVY</u>	<u>2015 LEVY</u>	<u>2014 LEVY</u>	<u>2013 LEVY</u>	<u>2012 LEVY</u>	<u>2011 LEVY</u>
<b>Tax Extensions</b>										
Education Fund	\$ 15,695,324	\$ 15,239,939	\$ 14,694,501	\$ 14,140,590	\$ 13,574,016	\$ 12,936,143	\$ 12,683,299	\$ 12,472,706	\$ 12,521,726	\$ 12,471,700
Operations and Maintenance:										
Operational Fund	6,036,663	5,861,515	5,651,731	5,438,688	5,220,775	4,975,439	4,878,192	4,797,194	4,816,048	4,796,808
Bond	4,974,210	4,636,458	4,357,485	4,606,569	4,390,672	4,099,762	3,873,284	3,693,840	3,443,475	3,252,236
Tort and Immunity	1,980,025	1,969,469	1,955,386	1,854,593	1,853,375	1,850,863	1,800,053	1,798,948	1,801,202	1,698,070
Audit	90,550	87,923	84,776	76,142	73,091	74,632	48,782	47,972	48,160	47,968
Worker's Compensation	150,917	87,923	101,731	114,212	83,532	74,632	68,295	91,147	91,505	91,139
Unemployment Insurance	102,623	52,754	11,303	16,316	26,104	39,804	48,782	47,972	48,160	9,594
Protection, Health, and Safety	2,312,042	2,198,068	2,108,096	2,001,437	2,004,778	1,990,176	1,302,477	1,300,040	1,266,621	1,266,357
Medicare Insurance	657,996	650,628	655,601	652,643	652,597	626,905	551,236	551,677	563,478	599,601
Property Insurance	627,813	603,736	553,870	527,553	501,194	497,544	400,012	398,167	399,732	326,183
	<u>32,628,163</u>	<u>31,388,413</u>	<u>30,174,480</u>	<u>29,428,743</u>	<u>28,380,134</u>	<u>27,165,900</u>	<u>25,654,412</u>	<u>25,199,663</u>	<u>25,000,107</u>	<u>24,559,656</u>
Tax Collections Prior to Year End	<u>(14,945,618)</u>	<u>(7,198,829)</u>	<u>(5,926,845)</u>	<u>(12,304,470)</u>	<u>(12,528,359)</u>	<u>(11,824,016)</u>	<u>(11,999,151)</u>	<u>(11,963,533)</u>	<u>(10,459,197)</u>	<u>(10,592,143)</u>
	<u>17,682,545</u>	<u>24,189,584</u>	<u>24,247,635</u>	<u>17,124,273</u>	<u>15,851,775</u>	<u>15,341,884</u>	<u>13,655,261</u>	<u>13,236,130</u>	<u>14,540,910</u>	<u>13,967,513</u>
Taxes Not Collectible Due to Taxpayer Exemption	-	-	-	-	-	-	-	-	(358,909)	-
Allowance for Uncollectible Taxes and Potential Refunds	<u>(490,131)</u>	<u>(490,132)</u>	<u>(1,978,547)</u>	<u>(1,978,547)</u>	<u>(1,978,547)</u>	<u>(1,978,547)</u>	<u>(1,503,174)</u>	<u>(1,503,174)</u>	<u>(1,129,370)</u>	<u>(1,129,370)</u>
<b>Property Taxes Receivable</b>	<u>\$ 17,192,414</u>	<u>\$ 23,699,452</u>	<u>\$ 22,269,088</u>	<u>\$ 15,145,726</u>	<u>\$ 13,873,228</u>	<u>\$ 13,363,337</u>	<u>\$ 12,152,087</u>	<u>\$ 11,732,956</u>	<u>\$ 13,052,631</u>	<u>\$ 12,838,143</u>
<b>Property Taxes Receivable by Fund</b>										
Education Fund	\$ 8,317,280	\$ 11,475,022	\$ 10,775,296	\$ 7,202,011	\$ 6,555,543	\$ 6,279,411	\$ 5,959,804	\$ 5,760,065	\$ 6,499,483	\$ 6,486,665
Operations and Maintenance:										
Operational Fund	3,198,946	4,413,463	4,144,337	2,769,997	2,521,356	2,415,150	2,292,225	2,215,402	2,499,794	2,494,864
Restricted Fund	1,241,802	1,700,549	1,558,640	1,025,649	980,806	984,981	578,447	568,014	623,221	624,652
Bond Fund	2,555,421	3,496,288	3,299,631	2,475,993	2,247,897	2,110,813	1,928,913	1,807,442	1,871,385	1,771,650
Audit Fund	46,337	67,856	62,678	38,897	35,416	36,739	21,461	20,692	23,470	23,487
Liability, Protection, and Settlement Fund	<u>1,832,628</u>	<u>2,546,274</u>	<u>2,428,506</u>	<u>1,633,179</u>	<u>1,532,210</u>	<u>1,536,243</u>	<u>1,371,237</u>	<u>1,361,341</u>	<u>1,535,278</u>	<u>1,436,825</u>
TOTAL	<u>\$ 17,192,414</u>	<u>\$ 23,699,452</u>	<u>\$ 22,269,088</u>	<u>\$ 15,145,726</u>	<u>\$ 13,873,228</u>	<u>\$ 13,363,337</u>	<u>\$ 12,152,087</u>	<u>\$ 11,732,956</u>	<u>\$ 13,052,631</u>	<u>\$ 12,838,143</u>

PARKLAND COLLEGE DISTRICT #505  
 Schedule of Legal Debt Margin  
 June 30, 2021

<b>ASSESSED VALUATIONS - 2020 LEVY</b>	<u>\$ 6,036,663,108</u>
Debt Limit, 2.875 Percent of Assessed Valuation	\$ 173,554,064
Indebtedness:	
G. O. Bonds	<u>38,165,000</u>
<b>Legal Debt Margin</b>	<u>\$ 135,389,064</u>

**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, 2021  
 (Unaudited)

<b>School Quarter</b>	<b>Student Enrollment</b>	<b>Full-Time Equivalency</b>
	<u>                    </u>	<u>                    </u>
Summer 2020	3,250	1,814
Fall 2020	5,758	3,528
Spring 2021	<u>5,083</u>	<u>3,014</u>
<b>Semester Average (Exclusive of Summer School)</b>	<u><u>5,421</u></u>	<u><u>3,271</u></u>



PARKLAND COLLEGE DISTRICT #505  
 All Funds Summary - Modified Accrual Basis  
 Uniform Financial Statement No. 1  
 For the Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund Balance, July 1, 2020	\$ 14,006,046	\$ 7,936,569	\$ 4,245,851	\$ 4,267,897	\$ 1,875,212	\$ (352,806)	\$ 7,600,000	\$ 182,972	\$ 1,835,586	\$ 41,597,327
Revenues:										
Local Tax Revenue	15,471,711	5,950,658	2,217,142	4,703,784	-	-	-	85,479	3,382,116	31,810,890
All Other Local Revenue	3,290,616	-	11,013	23,232	-	-	-	441	16,858	3,342,160
ICCB Grants	4,494,130	-	-	-	-	1,259,743	-	-	-	5,753,873
All Other State Revenue	441,658	-	1,050,146	-	-	1,156,885	-	-	-	2,648,689
Federal Revenue	4,762,604	-	-	-	-	23,644,522	-	-	-	28,407,126
Student Tuition and Fees	22,723,016	-	-	-	2,339,941	-	-	-	-	25,062,957
On-Behalf SURS	-	-	-	-	-	29,225,240	-	-	-	29,225,240
On-Behalf CIP	-	-	-	-	-	579,826	-	-	-	579,826
All Other Revenue	494,082	620,405	546,571	-	3,472,679	8,342	5,780	-	358	5,148,217
Total Revenue	51,677,817	6,571,063	3,824,872	4,727,016	5,812,620	55,874,558	5,780	85,920	3,399,332	131,978,978
Expenditures:										
Instruction	23,084,013	-	-	-	1,580,125	17,039,177	-	-	-	41,703,315
Academic Support	4,239,511	-	5,479	-	191,968	4,164,426	-	-	-	8,601,384
Student Services	4,558,329	-	-	-	-	3,401,346	-	-	-	7,959,675
Public Service/Continuing Education	227,060	-	-	-	1,606,528	1,198,879	-	-	-	3,032,467
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	3,121,400	749,883	-	-	-	3,871,283
Operations and Maintenance	-	4,790,733	1,267,516	-	-	2,083,432	-	-	1,617,745	9,759,426
Institutional Support	13,983,235	-	-	5,283,710	-	13,055,582	-	74,430	1,670,134	34,067,091
Scholarships, Student Grants, & Waivers	-	-	-	-	-	14,177,281	-	-	-	14,177,281
Total Expenditures	46,092,148	4,790,733	1,272,995	5,283,710	6,500,021	55,870,006	-	74,430	3,287,879	123,171,922
Net Transfers	(2,007,296)	-	(546,012)	546,012	2,013,076	-	(5,780)	-	-	-
Fund Balance, June 30, 2021	\$ 17,584,419	\$ 9,716,899	\$ 6,251,716	\$ 4,257,215	\$ 3,200,887	\$ (348,254)	\$ 7,600,000	\$ 194,462	\$ 1,947,039	\$ 50,404,383

PARKLAND COLLEGE DISTRICT #505  
Summary of Fixed Assets and Debt  
Uniform Financial Statement No. 2  
For the Year Ended June 30, 2021

	Capital Assets / Long Term Debt			
	July 1, 2020	Additions	Deletions	June 30, 2021
Fixed Assets:				
Land & Land Improvements	\$ 54,386,923	\$ 582,103	\$ -	\$ 54,969,026
Construction in Progress	220,918	1,385,673	(582,103)	1,024,488
Buildings, Additions, & Improvements	116,623,250	-	-	116,623,250
Equipment & Fixtures	25,456,002	1,651,839	-	27,107,841
Accumulated Depreciation	<u>(101,213,521)</u>	<u>(7,123,975)</u>	<u>-</u>	<u>(108,337,496)</u>
Net Fixed Assets	<u>\$ 95,473,572</u>	<u>\$ (3,504,360)</u>	<u>\$ (582,103)</u>	<u>\$ 91,387,109</u>
Fixed Debt:				
Bonds	\$ 46,540,000	\$ -	\$ (3,395,000)	\$ 43,145,000
Net Other Postemployment Benefit Liability	34,597,679	2,672,295	(4,668,481)	32,601,493
Early Retirement Benefits	<u>3,712,046</u>	<u>3,082,873</u>	<u>(1,737,853)</u>	<u>5,057,066</u>
Total Fixed Debt	<u>\$ 84,849,725</u>	<u>\$ 5,755,168</u>	<u>\$ (9,801,334)</u>	<u>\$ 80,803,559</u>
	Outstanding			
	July 1, 2020	Issued	Redeemed	June 30, 2021
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Anticipation Warrants and Notes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COLLEGE DISTRICT #505  
 Operating Funds Revenues and Expenditures - Modified Accrual Basis  
 Uniform Financial Statement No. 3  
 For the Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<i>Operating Revenues by Source:</i>			
<i>Local Government</i>			
Local Taxes	\$ 15,471,711	\$ 5,950,658	\$ 21,422,369
Chargeback Revenue	-	-	-
CPPRT	3,290,616	-	3,290,616
Total Local Government	<u>18,762,327</u>	<u>5,950,658</u>	<u>24,712,985</u>
<i>State Government</i>			
ICCB Base Operating Grant	4,444,130	-	4,444,130
ICCB Equalization Grant	50,000	-	50,000
Other State	441,658	-	441,658
Total State Government	<u>4,935,788</u>	<u>-</u>	<u>4,935,788</u>
<i>Federal Government</i>			
Department of Education	4,762,604	-	4,762,604
Total Federal Government	<u>4,762,604</u>	<u>-</u>	<u>4,762,604</u>
<i>Student Tuition and Fees</i>			
Tuition	19,713,157	-	19,713,157
Fees	3,009,859	-	3,009,859
Total Student Tuition and Fees	<u>22,723,016</u>	<u>-</u>	<u>22,723,016</u>
<i>Other Sources</i>			
Sales and Service Fees	61,972	-	61,972
Facilities Revenue	-	612,718	612,718
Investment Revenue	88,602	5,323	93,925
Other	343,508	2,364	345,872
Total Other Sources	<u>494,082</u>	<u>620,405</u>	<u>1,114,487</u>
Total Operating Revenues	51,677,817	6,571,063	58,248,880
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 51,677,817</u>	<u>\$ 6,571,063</u>	<u>\$ 58,248,880</u>

PARKLAND COLLEGE DISTRICT #505  
Operating Funds Revenues and Expenditures - Modified Accrual Basis  
Uniform Financial Statement No. 3  
For the Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating Expenditures by Program:</b>			
Instruction	\$ 23,084,013	\$ -	\$ 23,084,013
Academic Support	4,239,511	-	4,239,511
Student Services	4,558,329	-	4,558,329
Public Service/Continuing Education	227,060	-	227,060
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	4,790,733	4,790,733
Institutional Support	13,983,235	-	13,983,235
Scholarships, Grants, Waivers	-	-	-
Transfers	2,007,296	-	2,007,296
Total Operating Expenditures by Program	48,099,444	4,790,733	52,890,177
<b>Less: Non-Operating Items</b>			
Transfers	(2,007,296)	-	(2,007,296)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	\$ 46,092,148	\$ 4,790,733	\$ 50,882,881
<b>Operating Expenditures by Object:</b>			
Salaries	\$ 33,157,901	\$ 1,653,503	\$ 34,811,404
Employee Benefits	6,786,927	802,600	7,589,527
Contractual Services	2,086,653	506,056	2,592,709
General Materials and Supplies	1,986,907	326,954	2,313,861
<i>Library Materials *</i>	205,488	-	205,488
Conference and Meeting Expenses	110,368	3,604	113,972
Fixed Charges	20,330	29,854	50,184
Utilities	15,419	1,315,257	1,330,676
Capital Outlay	72,309	152,905	225,214
Other	1,855,334	-	1,855,334
Transfers	2,007,296	-	2,007,296
Total Operating Expenditures by Object	48,099,444	4,790,733	52,890,177
<b>Less: Non-Operating Items</b>			
Transfers	(2,007,296)	-	(2,007,296)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	\$ 46,092,148	\$ 4,790,733	\$ 50,882,881

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

PARKLAND COLLEGE DISTRICT #505  
 Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis  
 Uniform Financial Statement No. 4  
 For the Year Ended June 30, 2021

	<u>Restricted Purposes Fund</u>
<b>Revenue by Source:</b>	
<i>State Government</i>	
ICCB - SWFT: Workforce Equity Initiative	\$ 940,943
ICCB - Adult Education	274,531
ICCB - ESLTP	38,950
ICCB - Transitional Instruction	5,319
Illinois State Board of Education	1,041,323
On-Behalf SURS	29,225,240
On-Behalf CIP	579,826
Other	115,562
Total State Government	<u>32,221,694</u>
 <i>Federal Government</i>	
Department of Education	23,013,575
Department of Labor	63,488
Department of Transportation	242,409
Department of Treasury	103,563
Department of Agriculture	15,909
National Science Foundation	205,578
Total Federal Government	<u>23,644,522</u>
 <i>Other Sources</i>	
Other	8,342
Total Other Sources	<u>8,342</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 55,874,558</u></u>

PARKLAND COLLEGE DISTRICT #505  
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis  
Uniform Financial Statement No. 4  
For the Year Ended June 30, 2021

	<u>Restricted Purposes Fund</u>
Expenditures by Program:	
Instruction	\$ 17,039,177
Academic Support	4,164,426
Student Services	3,401,346
Public Service/Continuing Education	1,198,879
Auxiliary Services	749,883
Operations and Maintenance	2,083,432
Institutional Support	13,055,582
Scholarships, Student Grants, and Waivers	14,177,281
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 55,870,006</u>
Expenditures by Object:	
Salaries	\$ 1,534,839
Employee Benefits (Including SURS On-Behalf)	30,067,955
Contractual Services	1,056,971
General Materials and Supplies	464,701
Travel & Conference/Meeting Expenses	109,646
Fixed Charges	38,803
Utilities	7,117
Capital Outlay	1,936,945
Other	20,653,029
<i>Scholarships, Grants, Waivers *</i>	<u>14,177,281</u>
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 55,870,006</u>

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

PARKLAND COLLEGE DISTRICT #505  
 Current Funds\* Expenditures by Activity - Modified Accrual Basis  
 Uniform Financial Statement No. 5  
 For the Year Ended June 30, 2021

Instruction:	
Instructional Programs	<u>\$ 41,703,315</u>
Academic Support:	
Library Center	946,843
Academic Computing Support	1,367,431
Other	<u>6,281,631</u>
Total Academic Support	<u>8,595,905</u>
Student Services Support:	
Admissions and Records	761,580
Counseling and Career Services	1,354,138
Financial Aid Administration	702,105
Other	<u>5,141,852</u>
Total Student Services Support	<u>7,959,675</u>
Public Service/Continuing Education:	
Community Education	2,886
Customized Training (Instructional)	1,846,324
Community Services	232,722
Other	<u>950,535</u>
Total Public Service/Continuing Education	<u>3,032,467</u>

PARKLAND COLLEGE DISTRICT #505  
Current Funds\* Expenditures by Activity - Modified Accrual Basis  
Uniform Financial Statement No. 5  
For the Year Ended June 30, 2021

Auxiliary Services	<u>3,871,283</u>
Operations and Maintenance of Plant:	
Maintenance	930,073
Custodial Services	1,690,473
Grounds	494,747
Campus Security	1,486,985
Transportation	37,264
Utilities	1,315,257
Administration	322,919
Other	<u>2,214,192</u>
Total Operations and Maintenance of Plant	<u>8,491,910</u>
Institutional Support:	
Executive Management	456,308
Fiscal Operations	908,473
Community Relations	105,934
Board of Trustees	19,755
General Institutional	3,946,524
Institutional Research	344,171
Administrative Data Processing	2,784,486
Other	<u>25,501,440</u>
Total Institutional Support	<u>34,067,091</u>
Scholarships, Student Grants, and Waivers	<u>14,177,281</u>
Total Current Funds Expenditures	<u><u>\$ 121,898,927</u></u>

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



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE  
REQUIREMENTS FOR 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 sheet of the Adult Education and Family Literacy Grants of Parkland College District #505 (the College) as of June 30, 2021, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended.

### *Management's Responsibility for the Financial Statements and Compliance*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the ICCB's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.



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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy grants of the College at June 30, 2021, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Information***

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

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 27) is presented for purposes of additional analysis as required by the ICCB and is not a required part of the basic grant program financial statements. This schedule is the responsibility of the College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

## Report on Compliance

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

*Martin Hood LLC*

Champaign, Illinois  
November 9, 2021

PARKLAND COLLEGE DISTRICT #505  
 State Adult Education Restricted Funds  
 (State Basic and Performance)  
 Balance Sheet  
 June 30, 2021

## ASSETS

	State Basic	Performance	Total
Cash	\$ 1,335	\$ 2,525	\$ 3,860

## LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 1,335	\$ 2,525	\$ 3,860
Due to College	-	-	-
Total Liabilities	<u>1,335</u>	<u>2,525</u>	<u>3,860</u>
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,335</u>	<u>\$ 2,525</u>	<u>\$ 3,860</u>

PARKLAND COLLEGE DISTRICT #505  
 State Adult Education Restricted Funds  
 (State Basic and Performance)  
 Statement of Revenue, Expenditures, and  
 Changes in Fund Balance  
 For the Year Ended June 30, 2021

	State Basic	Performance	Total
<b>Revenues</b>			
ICCB Grant	\$ 191,757	\$ 82,774	\$ 274,531
<b>Expenditures</b>			
Instructional Student Services:			
Instruction	169,605	49,540	219,145
Social Work Services	-	-	-
Guidance Services	1,557	5,176	6,733
Assistive and Adaptive Equipment	-	-	-
Assessment and Testing	-	-	-
Student Transportation Services	-	-	-
Literacy Services	-	-	-
Childcare Services	-	-	-
Total Instructional Student Services	<u>171,162</u>	<u>54,716</u>	<u>225,878</u>
Program Support:			
Improvement of Instructional Services	17,290	25,270	42,560
General Administration	3,305	2,788	6,093
Operation and Maintenance of Plant Services	-	-	-
Workforce Coordination	-	-	-
Data and Information Services	-	-	-
Approved Indirect Costs	-	-	-
Total Program Support	<u>20,595</u>	<u>28,058</u>	<u>48,653</u>
Total Expenditures	<u>191,757</u>	<u>82,774</u>	<u>274,531</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1, 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021

	<u>Audited Expenditure (Dollars)</u>	<u>Actual Expenditure (Percentage)</u>
<b>State Basic</b>		
Instruction (45 Percent Minimum Required)*	\$ 169,605	88.45%
General Administration (15 Percent Maximum Allowed)	3,305	1.72%

\* This requirement was waived by ICCB for Fiscal Year 2021.

PARKLAND COLLEGE DISTRICT #505  
Notes to the ICCB Grant Financial Statements  
June 30, 2021

The 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, 2021. 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.

**Grant Extension**

All state funded ICCB grants for fiscal year 2020 were extended until June 30, 2021 in response to the coronavirus pandemic.

PARKLAND COLLEGE DISTRICT #505  
 Illinois Grant Accountability and Transparency Act -  
 Consolidated Year-End Financial Report  
 For the Year Ended June 30, 2021

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
586-18-0409	Child and Adult Care Food Program	\$ -	\$ 15,909	\$ -	\$ 15,909
586-18-0875	Agricultural Education	1,041,323	-	-	1,041,323
586-44-0419	Title I Migrant Incentive	-	1,959	-	1,959
586-44-2307	Title I - Migrant Education	-	193,921	-	193,921
601-00-0748	Illinois Cooperative Work Study Program	2,707	-	-	2,707
684-00-0465	Postsecondary Perkins Basic Grant - Federal CTE	-	809,272	-	809,272
684-00-0818	Illinois Veteran's Grant	132,700	-	-	132,700
684-00-0822	Early School Leaver Transition Program - State CTE	38,949	-	-	38,949
684-00-0825	Base Operating Grants	4,444,130	-	-	4,444,130
684-00-0826	Equalization Grants	50,000	-	-	50,000
684-00-2333	Transitional Instruction Grant - GRF	5,319	-	-	5,319
684-00-2334	Customized Apprenticeship Programming in Information Technology - Federal USDOL	-	24,843	-	24,843
684-00-2455	Governor's Emergency Education Relief - Federal	-	215,565	-	215,565
684-00-2499	CURES Grant	-	103,563	-	103,563
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	274,530	172,834	-	447,364
684-01-2213	Workforce Equity Initiative	942,078	-	-	942,078
	Other Grant Programs and Activities	-	22,106,656	-	22,106,656
	All Other Costs not Allocated	-	-	79,951,445	79,951,445
	Total	<u>\$ 6,931,736</u>	<u>\$ 23,644,522</u>	<u>\$ 79,951,445</u>	<u>\$ 110,527,703</u>



PARKLAND COLLEGE DISTRICT #505  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Identifying Number	Federal Expenditures	Provided to Subrecipients
<b>Department of Agriculture</b>				
<i>Passed through the Illinois State Board of Education (ISBE)</i>				
Child & Adult Care Food Program	10.558		\$ 15,909	\$ -
<b>Department of Labor</b>				
<i>Passed through the Champaign County Regional Planning Commission</i>				
WIOA Youth Activities	17.259		38,645	-
H-1B Job Training Grants	17.268		24,843	-
Total Department of Labor			<u>63,488</u>	<u>-</u>
<b>Department of Transportation</b>				
<i>Passed through the Illinois Department of Transportation (IDOT)</i>				
Highway Planning and Construction Program - ICCB/IDOT HCCTP	20.205		242,409	-
<b>Department of the Treasury</b>				
<i>Passed through the Illinois Community College Board (ICCB)</i>				
COVID-19 Coronavirus Relief Fund	21.019		103,563	-
<b>Department of Education</b>				
<i>Direct</i>				
<i>Student Financial Aid Cluster</i>				
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		242,988	-
Federal Work Study (FWS)	84.033		97,535	-
Pell Grant Program	84.063		6,618,186	-
Federal Direct Loans	84.268		2,635,130	-
Direct Plus: Department of Education	84.268		503,782	-
Unsubsidized Direct Loan Even: Department of Education	84.268		1,467,549	-
Total Student Financial Aid Cluster			<u>11,565,170</u>	<u>-</u>
<i>Other Direct Programs</i>				
Title III	84.031a		77,160	-
<i>Trio Cluster</i>				
Trio Student Support Services	84.042a		* 303,745	-
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		* 6,905,926	-
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E		* 2,544,202	-
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		* 220,021	-
COVID-19 Governor's Emergency Education Relief Fund	84.425C		* 215,565	-
Total Education Stabilization Fund			<u>9,885,714</u>	<u>-</u>
Total Other Direct Programs			<u>10,266,619</u>	<u>-</u>
<i>Passed through the Illinois Community College Board (ICCB)</i>				
Adult Education - EL/CIVICS	84.002a		40,709	-
Adult Education - Basic	84.002a	5050120	811	-
Adult Education - Basic	84.002a	5050121	131,314	-
Total Adult Education			<u>172,834</u>	<u>-</u>
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CTE53520	* 130,286	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CTE50521	* 678,986	-
Total Career and Technical Education - Basic Grants to States (Perkins V)			<u>809,272</u>	<u>-</u>
<i>Passed through the Illinois State Board of Education (ISBE)</i>				
Title I - Migrant Education	84.011A	4340	193,921	-
Title I - Migrant Education Incentive	84.144F	4341	1,959	-
Total Title I - Migrant Education			<u>195,880</u>	<u>-</u>
<i>Passed through University of Illinois - Center for Global Studies</i>				
Title VI National Resources Grant	84.015A		3,800	-
Total Department of Education			<u>23,013,575</u>	<u>-</u>
<b>National Science Foundation</b>				
<i>Direct</i>				
Research Pheno Plasticity	47.074		2,057	-
Precision Ag Curriculum Enhancement	47.076		203,521	-
Total National Science Foundation			<u>205,578</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 23,644,522</u>	<u>\$ -</u>

\* - Denotes a major program.

See Accompanying Notes on the Following Page

PARKLAND COLLEGE DISTRICT #505  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

**1. Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (Schedule 36) includes the federal grant activity of Parkland College District #505 (the College) for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the College, which are presented in conformity with accounting principles generally accepted in the United States of America.

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

**2. Basis of Accounting**

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021.

**3. Property and Equipment**

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

PARKLAND COLLEGE DISTRICT #505  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2021

**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 required to be reported in accordance with *Government Auditing Standards*.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit did not disclose a significant deficiency or a material weakness in internal control over a major federal award.
- (v) Type of report issued on compliance for the major programs: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.
- (vii) Major Programs:  
 U.S. Department of Education:
  - COVID-19 Education Stabilization Fund
    - CFDA #84.425C
    - CFDA #84.425E
    - CFDA #84.425F
    - CFDA #84.425M
  - Career and Technical Education – Basic Grants to States (Perkins V)
    - CFDA #84.048
  - Trio Student Support Services
    - CFDA #84.042A
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) The College does qualify as a low-risk auditee.

**2. Findings – Financial Statement Audit**

None noted

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

None noted

PARKLAND COLLEGE DISTRICT #505  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021

The College has no prior audit findings.

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 the business-type activities, fiduciary activities, and the discretely presented component unit of Parkland College District #505 (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 9, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.



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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Martin Hood LLC*

Champaign, Illinois  
November 9, 2021

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

Board of Trustees  
Parkland College District #505  
Champaign, Illinois

## Report on Compliance for Each Major Federal Program

We have audited Parkland College District #505's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).



Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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



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

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

*Martin Hood LLC*

Champaign, Illinois  
November 9, 2021