

**Parkland College District #505
Champaign, Illinois**

Annual Comprehensive Financial Report

June 30, 2022 and 2021

Parkland College District #505
Annual Comprehensive Financial Report
June 30, 2022 and 2021

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Independent Auditor's Report

Board of Trustees
Parkland College District #505
Champaign, Illinois

Opinions

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of Parkland College District #505 (College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary activities of the College, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal year 2022, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Prior Year Audited by Other Auditors

The 2021 financial statements were audited by other auditors, and their report thereon, dated November 9, 2021, expressed unmodified opinions.

Responsibilities of Management 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, and 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the combining financial statements and other schedules, state required report section, Illinois grant accountability and transparency reports and the federal compliance section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information as listed in the table of contents, including the combining financial statements and other schedules, state required report section, Illinois grant accountability and transparency report and the federal compliance section, excluding student enrollment and full-time equivalency at tenth day 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 America. In our opinion, the supplementary information listed above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The student enrollment and full-time equivalency at tenth day schedule 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

FORVIS,LLP

Decatur, Illinois
October 14, 2022

Management's Discussion and Analysis

Parkland College District #505

Management’s Discussion and Analysis

June 30, 2022 and 2021

This section of Parkland College District’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, 2022, 2021 and 2020. Since this management’s discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College’s basic financial statements 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 2022, 2021 and 2020 only.

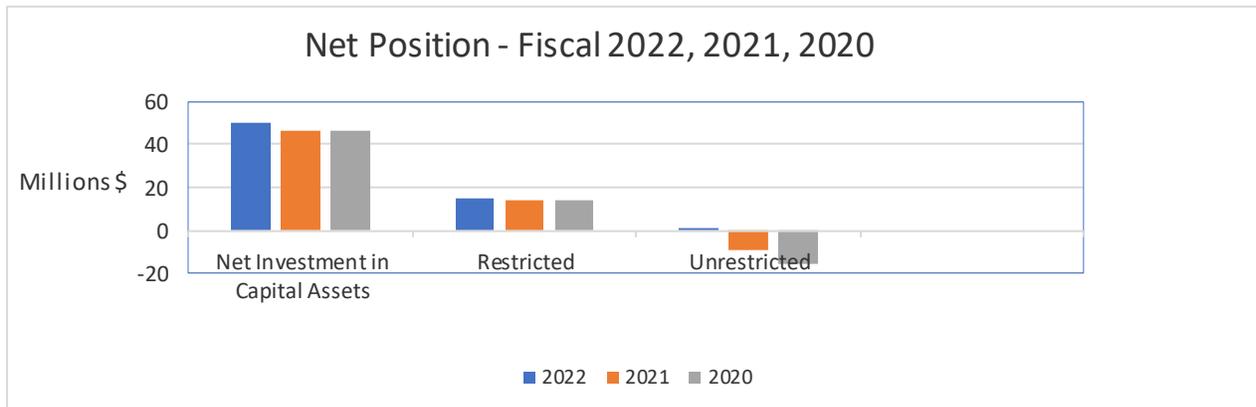
Using This Annual Report

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

The Management Discussion and Analysis contains financial activity of Parkland. The College’s component unit, the Foundation, has separately issued financial statements. These statements should be used for detailed information on the Foundation’s financial activity for the year ending June 30, 2022. 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



Parkland College District #505
Management’s Discussion and Analysis
June 30, 2022 and 2021

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 resources are available for use by the College for any legal purpose.

Financial Analysis of the College as a Whole

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

	<u>2022</u>	<u>2021*</u>	<u>2020</u>
Current Assets	\$ 74.6	\$ 63.7	\$ 54.9
Non-Current Assets:			
Capital Assets, Net of Depreciation	89.7	91.5	95.6
Total Assets	164.3	155.2	150.5
Deferred Outflows of Resources	0.6	0.7	0.9
Total Assets and Deferred Outflows of Resources	<u>164.9</u>	<u>155.9</u>	<u>151.4</u>
Current Liabilities	14.4	13.3	13.6
Non-Current Liabilities	74.4	82.4	86.9
Total Liabilities	<u>88.8</u>	<u>95.7</u>	<u>100.5</u>
Deferred Inflows of Resources	<u>10.1</u>	<u>8.6</u>	<u>6.1</u>
Net Position:			
Net Investment in Capital Assets	50.4	46.0	46.4
Restricted	14.9	14.4	14.3
Unrestricted	0.7	(8.8)	(15.9)
Total Net Position	<u>\$ 66.0</u>	<u>\$ 51.6</u>	<u>\$ 44.8</u>

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.

*Restated for the adoption of GASB Statement No. 87

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021

Fiscal Year 2022 Compared to 2021

Net position increased \$14.4 million during fiscal year 2022. This increase was due to increases in net investment capital assets of \$4.4 million, restricted net position of \$0.5 million and unrestricted net position of \$9.5 million.

Total liabilities decreased by \$6.9 million to \$88.8 million. This decrease was due to a decrease in non-current liabilities of \$8.0 million offset by an increase in current liabilities of \$1.1 million.

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

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 \$4.8 million to \$95.7 million. This decrease was due to a decrease in non-current liabilities of \$4.5 million and a decrease in current liabilities of \$0.3 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.

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021

Operating Results
For Year Ended June 30
(in millions)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenue:			
Tuition and Fees	\$ 15.3	\$ 15.9	\$ 19.1
Auxiliary Enterprises	3.5	3.4	3.2
Other	1.3	1.4	1.4
Total	<u>20.1</u>	<u>20.7</u>	<u>23.7</u>
Less: Operating Expenses	<u>99.7</u>	<u>108.6</u>	<u>112.1</u>
Operating Loss	<u>(79.6)</u>	<u>(87.9)</u>	<u>(88.4)</u>
Non-Operating Revenue (Expenses):			
State Grants and Contracts	8.6	8.4	8.0
Local Property Taxes	40.5	35.1	33.9
Federal Grants and Contracts	25.1	22.8	18.4
On-Behalf Payments	20.9	29.8	29.7
Interest Expense	(1.7)	(1.9)	(2.1)
Interest Income	0.4	0.4	0.4
Investment Income	0.2	0.1	0.5
Total	<u>94.0</u>	<u>94.7</u>	<u>88.8</u>
Increase (Decrease) in Net Position	14.4	6.8	0.4
Net Position, Beginning of Year	51.6	44.8	44.4
Net Position, End of Year	<u>\$ 66.0</u>	<u>\$ 51.6</u>	<u>\$ 44.8</u>

Fiscal Year 2022 Compared to 2021

Operating revenue decreased by \$0.6 million in the tuition & fees category, along with a \$0.1 million increase in auxiliary enterprise offset by a \$0.1 decrease in other revenues. The decrease in tuition and fees revenue is reflected by the \$0.6 million decrease in scholarship allowance from the prior year. This resulted in the decrease in operating revenue as mentioned above.

In total, operating expenses decreased by \$8.9 million. This is due to decreases in instruction of \$2.2 million, institutional support of \$0.6 million, on-behalf payments of \$8.9 million and depreciation of \$0.3 million offset by increases in scholarships of \$3.1 million.

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021

The non-operating revenues, net of non-operating expenses, decreased by \$0.7 million. This is due to a decrease in on-behalf payments of \$8.9 million offset by increases in federal grants and contracts of \$2.3 million, local property taxes of \$5.4 million, state grants and contracts of \$0.2 million, along with a decrease of \$0.2 million in interest expense and investment income of \$0.1 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 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, along with a \$0.2 million increase in auxiliary enterprises. The decrease in tuition and fees revenue reflects the decrease in tuition and fee revenue of \$3.3 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.

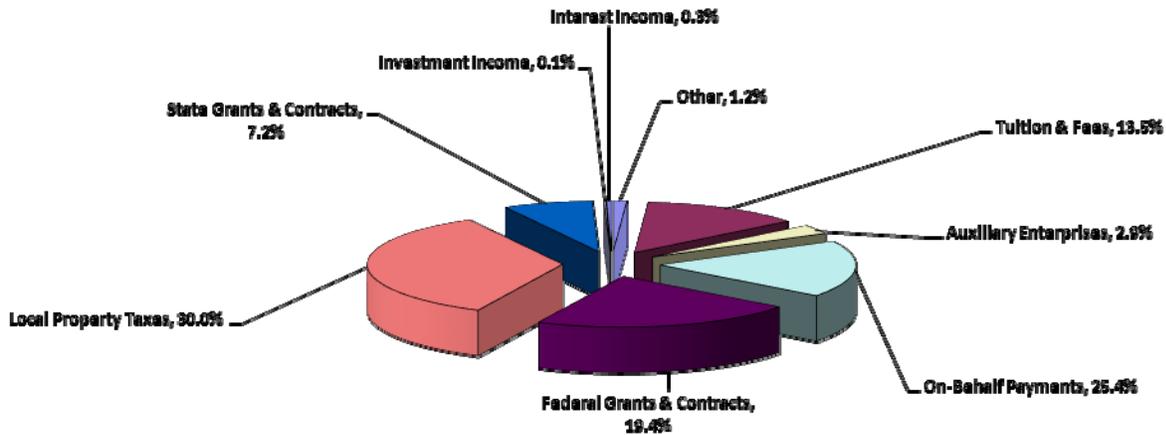
In total, operating expenses decreased by \$3.5 million. This is due to increases in instruction of \$0.5 million and institutional support of \$0.8 million, offset by decreases in scholarships of \$1.5 million, operation and maintenance of plant of \$0.9 million, academic support of \$0.6 million, and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

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021

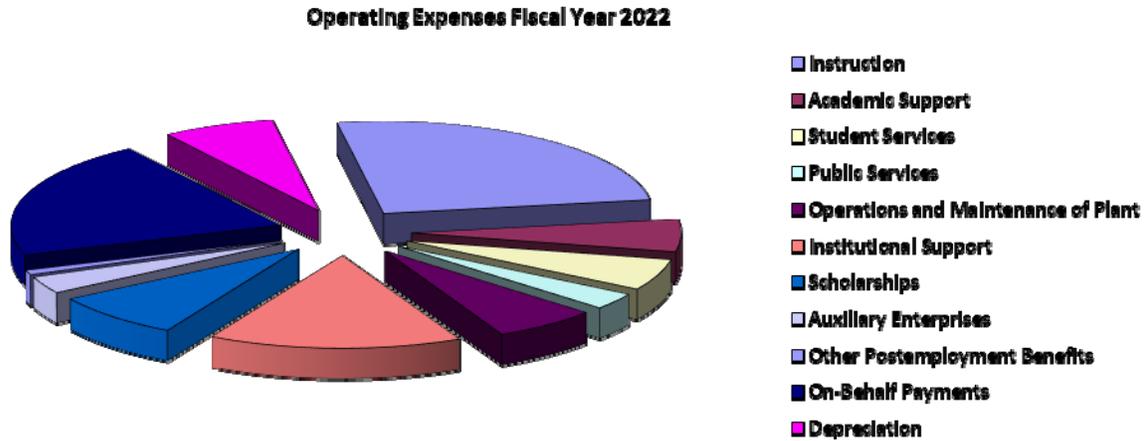
Revenue by Source Fiscal Year 2022



Operating Expenses
For Year Ended June 30
(in millions)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Expenses:			
Instruction	\$ 25.6	\$ 27.8	\$ 27.2
Academic Support	5.7	5.8	6.5
Student Services	5.5	5.1	5.4
Public Service	2.9	2.3	2.5
Operations and Maintenance of Plant	6.2	6.2	7.0
Institutional Support	15.7	16.3	15.6
Scholarships	8.0	4.9	6.4
Auxiliary Enterprises	3.0	2.9	3.2
On-Behalf Payments	20.9	29.8	29.7
Other Postemployment Benefits	(0.7)	0.3	1.3
Depreciation	6.9	7.2	7.3
Total	<u>\$ 99.7</u>	<u>\$ 108.6</u>	<u>\$ 112.1</u>

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021



Analysis of Net Position
June 30
(in millions)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position:			
Net Investment in Capital Assets	\$ 50.4	\$ 46.0	\$ 46.4
Restricted	14.9	14.4	14.3
Unrestricted	0.7	(8.8)	(15.9)
Total	<u>\$ 66.0</u>	<u>\$ 51.6</u>	<u>\$ 44.8</u>

Fiscal Year 2022 Compared to 2021

Total net position increased by \$14.4 million from fiscal year 2021 to fiscal year 2022. The net investment in capital assets decreased \$4.4 million, or 9.6% over the previous year. This increase was due mainly to the sum of capital asset additions funded with non-debt resources (see Note 7) and payments of principal on outstanding bonds related to capital assets falling short of depreciation. Restricted net position increased by \$0.5 million compared to the previous year, and the unrestricted net position increased by \$9.5 million during fiscal year 2022.

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 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 7) 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.

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 2022, the College had \$89.7 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and depreciation) of \$1.8 million. More detailed information about capital assets can be found in Note 7 to the Basic Financial Statements.

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

	2021	2020	2019
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	\$ 91.5	\$ 95.6	\$ 99.5

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

Exterior Repairs/Improvements	\$ 0.5
Fountain Courtyard Service Drive	1.9
Total	\$ 2.4

Parkland College District #505

Management's Discussion and Analysis

June 30, 2022 and 2021

The College's fiscal year 2023 operating capital budget is \$7.1 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 2022 from \$88.4 million to \$81.3 million. The general obligation bonds payable decreased by \$3.8 million, the net other postemployment benefit liability decreased by \$2.4 million, the unamortized bond premium decreased by \$0.4 million, and the retirement obligation increased \$0.2 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 9 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 major factors related to its ongoing revenues including student enrollment, State funding, and Corporate Personal Property Replacement Tax in the upcoming years. Administration and the Board will also closely monitor trends in major expenses specifically, inflation's impact on salaries and benefits.

For fiscal year 2023, 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 fourth 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 FY23 State budget, the College budgeted \$5.0 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. The College's four union contracts run through June 2024. However, planning for future negotiations will begin soon. This includes preparing for the impact of continued expected inflation and the lingering impacts of the pandemic on employee recruitment & retention. Also, the College has entered the seventh 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.

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.

Parkland College District #505

Management's Discussion and Analysis

June 30, 2022 and 2021

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 major items that have been completed are the transition to a new email system, singular password system, and a new website design. The College will continue to implement the technology master plan with even more emphasis on cybersecurity. Other security additions include the creation and filling of a Director of Information Security position, upgraded firewalls and multifactor authentication.

Parkland will continue capital improvements in its grounds and facilities. The college plans to complete the improvements of the Fountain Courtyard during the Spring of 2023. Also, the College plans to use two years of PHS dollars to fund the campus electronic door lock upgrade phases I and II project. The Board approved the Phase I bid of the PHS Campus Door lock upgrade project in October of 2021. Phase II is planned to be ready for bid in the next several months. Despite supply chain issues, the College hopes to complete Phases I and II over the next few of years. Finally, the College is working with the Capital Development Board (CDB) on two pending projects: exterior door replacements and cooling plant upgrades.

The College's approved operating budget for fiscal year 2023 is \$57.9 million. The total College budget is \$108.7 million.

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

The College received its 10-year accreditation from the Higher Learning Commission in late 2012. Also, the College submitted the assurance argument to Higher Learning Commission during FY18. 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 November of 2022.

President, Dr. Ramage, will be retiring effective December 31, 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 Board of Trustees has named Dr. Pam Lau, current Executive Vice-President, as the College's next President. Dr. Lau has been with the College many years in various roles. She brings a great deal of experience and enthusiasm to the position which should make for a smooth transition.

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.

Parkland College District #505
Management's Discussion and Analysis
June 30, 2022 and 2021

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.

Basic Financial Statements

Parkland College District #505

Statements of Net Position

June 30, 2022 and 2021

Assets and Deferred Outflows of Resources

	<u>2022</u>	<u>2021</u> <u>(Restated)</u>
Current Assets		
Unrestricted		
Cash and cash equivalents	\$ 46,551,188	\$ 39,133,510
Investments	5,478,997	5,430,261
Due from Parkland Foundation	55,325	20,303
Property taxes receivable, net	3,824,625	2,052,642
Accounts receivable, net	2,680,920	2,041,691
Inventories	391,328	477,201
Lease receivable	354,938	423,817
Prepaid assets and other	28,554	70,994
Restricted		
Cash and cash equivalents	12,833,331	11,749,161
Property taxes receivable, net	862,048	504,851
Accounts receivable, net	1,119,024	1,358,629
Total current assets	<u>74,180,278</u>	<u>63,263,060</u>
Property and Equipment, Net	<u>89,732,665</u>	<u>91,483,871</u>
Right to Use Lease Asset	<u>402,459</u>	<u>397,362</u>
Total Assets	<u>164,315,402</u>	<u>155,144,293</u>
Deferred Outflows of Resources		
Deferred retirement plan contributions subsequent to measurement date	67,878	79,626
Other postemployment benefits	491,863	666,298
Total deferred outflows of resources	<u>559,741</u>	<u>745,924</u>
Total assets and deferred outflows of resources	<u>\$ 164,875,143</u>	<u>\$ 155,890,217</u>

(Cont.)

Parkland College District #505
Statements of Net Position
June 30, 2022 and 2021

Liabilities, Deferred Inflows or Resources, and Net Position

	2022	2021 (Restated)
Current Liabilities		
Accounts payable	\$ 1,009,711	\$ 688,674
Accrued liabilities	2,637,166	3,169,204
Current portion of property tax refund payable	158,000	158,000
Due to student groups	747,400	587,110
Unearned revenue	2,692,070	2,364,275
Current portion of lease payable	109,714	101,241
Current portion of retirement obligation	2,289,865	1,995,129
Current portion of unamortized bond premium	381,866	381,866
Current portion of bonds payable	4,330,000	3,845,000
Total current liabilities	14,355,792	13,290,499
Long-Term Liabilities		
Property tax refund payable, net of current portion	156,860	314,860
Retirement obligations, net of current portion	4,504,955	5,057,066
Accrued compensated absences	1,865,931	1,924,596
Leases payable, net of current portion	307,257	305,455
Unamortized bond premium, net of current portion	2,450,304	2,832,170
Bonds payable, net of current portion	34,970,000	39,300,000
Net other postemployment benefit liability	30,175,704	32,601,493
Total long-term liabilities	74,431,011	82,335,640
Total liabilities	88,786,803	95,626,139
Deferred Inflows of Resources		
Deferred amounts from leases	342,655	417,746
Other postemployment benefits	9,767,599	8,216,827
	10,110,254	8,634,573
Net Position		
Net investment in capital assets	50,430,436	46,007,227
Restricted for:		
Expendable trust	7,598,786	7,599,358
Debt service	4,269,876	4,257,215
Purposes allowed by property tax levies	2,597,155	2,141,501
Aviation program operation	407,365	400,153
Unrestricted		
General purposes	40,125,908	31,376,073
Related to OPEB	(39,451,440)	(40,152,022)
Total net position	65,978,086	51,629,505
Total liabilities, deferred inflows of resources, and net position	\$ 164,875,143	\$ 155,890,217

Parkland College District #505
Statements of Revenue, Expenses and Changes in Net Position
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated)
Operating Revenues		
Tuition and fees, net of scholarship allowances of \$8,435,312 and \$9,128,797, respectively	\$ 15,332,313	\$ 15,934,160
Auxiliary enterprises revenue	3,446,274	3,389,758
Other operating revenues	1,288,014	1,386,190
Total operating revenues	20,066,601	20,710,108
Operating Expenses		
Instruction	25,572,067	27,768,914
Academic support	5,727,854	5,828,467
Student services	5,453,430	5,157,334
Public service	2,928,291	2,273,341
Auxiliary enterprises	3,003,906	2,882,157
Operations and maintenance of plant	6,223,543	6,123,943
Scholarships and grants	7,977,419	4,868,572
Institutional support	15,724,870	16,363,705
On-behalf payments	20,914,241	29,805,066
Other postemployment benefits	(700,582)	321,901
Depreciation and amortization	6,858,999	7,240,262
Total operating expenses	99,684,038	108,633,662
Operating Loss	(79,617,437)	(87,923,554)
Nonoperating Revenues (Expenses)		
State grants and contracts	8,540,572	8,402,562
Local property tax revenues	40,491,227	35,153,050
Federal grants and contracts	25,212,393	22,797,391
On-behalf payments	20,914,241	29,805,066
Investment income earned	159,390	101,417
Interest income	391,280	392,906
Interest expense	(1,743,085)	(1,907,271)
Total nonoperating revenues	93,966,018	94,745,121
Change in Net Position	14,348,581	6,821,567
Net Position, Beginning of Year, as restated - see Note 2	51,629,505	44,807,938
Net Position, End of Year	\$ 65,978,086	\$ 51,629,505

Parkland College District # 505
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated)
Operating Activities		
Tuition and fees	\$ 14,862,496	\$ 15,402,864
Payments to suppliers	(15,992,931)	(16,110,542)
Payments to employees and benefits paid	(48,534,580)	(48,224,827)
Payments for financial aid and scholarships	(7,977,419)	(4,868,572)
Auxiliary enterprise charges	3,446,274	3,389,758
Net receipts from (disbursements to) Parkland Foundation	(35,022)	59,877
Other receipts	1,288,014	1,389,448
Net cash used in operating activities	(52,943,168)	(48,961,994)
Noncapital Financing Activities		
Local property taxes	38,204,041	41,997,485
State grants and contracts	8,578,499	8,456,757
Federal grants and contracts	25,174,466	22,234,920
Net cash provided by noncapital financing activities	71,957,006	72,689,162
Capital and Related Financing Activities		
Purchase of property and equipment	(5,001,373)	(3,051,052)
Principal paid on bonds	(3,845,000)	(3,395,000)
Interest paid on bonds	(1,743,904)	(1,888,710)
Principal and interest payments received on lease receivable	68,874	67,456
Principal and interest paid on leases payable	(101,241)	(54,889)
Net cash used in capital and related financing activities	(10,622,644)	(8,322,195)
Investing Activities		
Purchase of investments	(1,675,150)	(1,525,024)
Proceeds from maturities of investments	1,626,414	1,467,341
Interest on cash and cash equivalents	159,390	101,417
Net cash provided by investing activities	110,654	43,734
Net Increase in Cash and Cash Equivalents	8,501,848	15,448,707
Cash and Cash Equivalents, Beginning of Year	50,882,671	35,433,964
Cash and Cash Equivalents, End of Year	\$ 59,384,519	\$ 50,882,671
On the Statement of Net Position as Follows:		
Unrestricted - Cash and Cash Equivalents	\$ 46,551,188	\$ 39,133,510
Restricted - Cash and Cash Equivalents	12,833,331	11,749,161
Cash and Cash Equivalents, End of Year	\$ 59,384,519	\$ 50,882,671

Parkland College District # 505
Statements of Cash Flows (Continued)
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated)
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (79,617,437)	\$ (87,923,554)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	6,858,999	7,240,262
Lease (revenue) expense	(77,676)	(68,150)
On-behalf payments	20,914,241	29,805,066
Other postemployment benefit (revenue) expense	(700,582)	321,901
Changes in assets, deferred outflows, and liabilities:		
Accounts receivable, net	(399,612)	(139,476)
Inventories	85,873	94,769
Prepaid assets	42,440	(34,312)
Deferred retirement plan contributions subsequent to measurement date	11,748	(172)
Accounts payable	321,037	340,526
Accrued liabilities	(519,222)	357,234
Due to student groups	160,290	26,973
Due from Parkland Foundation	(35,022)	59,877
Unearned revenue	327,795	(391,820)
Retirement obligations	(257,375)	1,227,953
Accrued compensated absences	(58,665)	120,929
	\$ (52,943,168)	\$ (48,961,994)
 Noncash Investing, Capital and Financing Activities		
Lease obligations incurred for lease assets	\$ 202,441	\$ 111,516

Parkland College District # 505
Statements of Fiduciary Net Position
June 30, 2022 and 2021

Assets

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 45,325	\$ 1,080,288
Total current assets	\$ 45,325	\$ 1,080,288

Liabilities and Net Position

Liabilities	\$ -	\$ -
Net Position		
Restricted for governments	45,325	1,080,288
Total liabilities and net position	\$ 45,325	\$ 1,080,288

Parkland College District # 505
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2022 and 2021

	2022	2021
Additions		
Royalty revenue	\$ 70,353	\$ 47,832
Deductions		
Contractual services	1,104,876	95,933
General materials and supplies	440	859
Total deductions	1,105,316	96,792
Change in Net Position	(1,034,963)	(48,960)
Net Position, Beginning of Year	1,080,288	1,129,248
Net Position, End of Year	\$ 45,325	\$ 1,080,288

Parkland College District #505

Parkland College Foundation – Statements of Financial Position

June 30, 2022 and 2021

Assets

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 816,738	\$ 2,254,102
Promises to give, current portion	<u>12,250</u>	<u>13,000</u>
Total current assets	<u>828,988</u>	<u>2,267,102</u>
Other Assets		
Promises to give, net of current portion, and discount of \$170,714 and \$174,694, respectively	265,286	287,980
Investments	13,205,910	13,356,332
Cash surrender value of life insurance	56,903	56,903
Other assets	<u>17,500</u>	<u>17,500</u>
Total other assets	<u>13,545,599</u>	<u>13,718,715</u>
Total assets	<u>\$ 14,374,587</u>	<u>\$ 15,985,817</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 55,325	\$ 20,304
Accrued vacation payable	<u>23,983</u>	<u>23,554</u>
Total current liabilities	<u>79,308</u>	<u>43,858</u>
Net Assets		
Without donor restrictions	208,567	177,453
With donor restrictions	<u>14,086,712</u>	<u>15,764,506</u>
Total net assets	<u>14,295,279</u>	<u>15,941,959</u>
Total liabilities and net assets	<u>\$ 14,374,587</u>	<u>\$ 15,985,817</u>

Parkland College District #505

Parkland College Foundation – Statements of Activities

Years Ended June 30, 2022 and 2021

	2022	2021
Change in Net Assets Without Donor Restrictions		
Support and Revenue:		
Contributions	\$ 39,193	\$ 111,334
In-kind contributions	440,220	556,220
Special events	66,726	-
Interest and dividends, net of fees	10,699	6,745
Net realized and unrealized gain (loss) on investments	(122,003)	62,531
Net assets released from restrictions	767,296	688,507
Total support and revenue	1,202,131	1,425,337
Expenses:		
Program Services:		
Scholarships and fellowships	529,992	542,019
Institutional support	562,319	653,728
Total program services	1,092,311	1,195,747
Supporting Services		
Management and general	142,204	121,468
Fundraising	213,506	156,122
Total supporting services	355,710	277,590
Total expenses	1,448,021	1,473,337
Reclassification of net assets	277,004	224,225
Change in unrestricted net assets	31,114	176,225
Change in Net Assets with Donor Restrictions		
Support and Revenue:		
Contributions	1,090,133	2,641,716
Special events	71,875	30,000
Interest and dividends, net of fees	203,985	187,220
Net realized and unrealized gain (loss) on investments	(1,999,487)	1,713,546
Net assets released from restrictions	(767,296)	(688,507)
Total support and revenue	(1,400,790)	3,883,975
Reclassification of net assets	(277,004)	(224,225)
Change in temporarily restricted assets	(1,677,794)	3,659,750
Change in Net Assets	(1,646,680)	3,835,975
Net Assets, Beginning of Year	15,941,959	12,105,984
Net Assets, End of Year	\$ 14,295,279	\$ 15,941,959

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Note 1: Organization and Summary of Significant Accounting Policies

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.

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.

Reporting Entity

The financial reporting entity consists of the College (the primary government of the reporting entity) and Parkland College Foundation (the Foundation), as 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.

Basis of Accounting and Presentation

The College's financial statements have been prepared in accordance with generally accepted accounting principles as applicable to public colleges and universities outlined in GASB Statement No. 35 as well as those prescribed by the Illinois Community College Board (ICCB).

The College reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

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.

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.

Accrual Basis

The financial statements of the College have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Use of Estimates

The preparation of financial statements requires management to make estimate and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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. At June 30, 2022 and 2021, the College's 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.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable is recorded net of estimated uncollectible amounts.

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 excess collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2022 and 2021 was \$4,226,045 and \$3,893,527, respectively.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

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.

Inventories

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are reported at cost at the date of acquisition or their estimated acquisition value at the date of donation. For movable property, the College's capitalization policy includes all items with a unit cost of \$2,500 or more. Renovations to buildings and land improvements that exceed \$25,000 and significantly increase the value or extend the useful life of the structure are capitalized.

Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 10 years for land improvements and a range of three to ten years for equipment.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Unearned Tuition and Fee Revenue

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2022 and 2021, have been recognized as unearned revenues. Unearned revenues arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the College has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet or statement of net position and revenue is recognized.

Bond Premium

Bond premiums are capitalized and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College has two items that qualify for reporting in this category. The deferred outflows of resources from retirement plan contributions made subsequent to the measurement date related to the College's defined benefit pension plan and will be recognized as expense in the following fiscal year. The deferred outflows of resources related to OPEB represents other postemployment benefits that will be recognized as expense (or as a reduction of net OPEB liability) in future periods.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The College has two items that qualify for reporting in this category: deferred revenue, which is derived from leases and deferred inflows of resources related to other postemployment benefits. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or as amortized as a reduction of OPEB expense.

Compensated Absences

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.

Net Investment in Capital Assets

Net investment in capital assets represents the college's total investment in capital assets and leased assets net of accumulated depreciation and amortization and related debt that has been used as of the statement of net position date to finance capital additions.

Restricted Net Position

Restricted net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Unrestricted Net Position

Unrestricted net position 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's the College's policy to first apply restricted resources to such expenses.

Operating Revenues and Expenses

Revenue and expense transactions are normally classified as operating revenue and expenses when such transactions are generated by the College's principal ongoing operations. However, most revenue that is considered to be nonexchange, such as tax revenue, federal Pell Grant revenue and state appropriations, is nonoperating revenue.

Personal Property Replacement Taxes

Personal property replacement taxes are recognized as revenue when these amounts are deposited by the State of Illinois in its Replacement Tax Fund for distribution.

Revenue Recognition of Tuition and Fees

The academic programs are offered in traditional fall and spring semesters. Revenue from tuition and student fees is recognized during the academic term. Revenue from the summer semester, which commences in May and ends in August, is split and recognized proportionally to the number of days of the semester within the fiscal year. Tuition revenue is reported at established rates net of institutional financial aid and discounts provided directly by the College to students.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition for the year ended June 30, 2022 and 2021, were \$8,435,312 and \$9,128,797, respectively.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Grant Revenue

Revenue from grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreement.

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work Study and Federal Direct Lending programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the compliance supplement.

During the years ended June 30, 2022 and 2021, the College distributed \$2,094,880 and \$2,635,130, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures on the accompanying financial statements.

Income Taxes

The College as a governmental body is not subject to state or federal income taxes.

Retirement System - Pension

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

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

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Cost-Sharing Defined Benefit Other Postemployment Benefit Plan

The College participates in a cost-sharing multiple-employer defined benefit other postemployment benefit plan, Community College Health Insurance Security Fund (the OPEB Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 13 additional disclosures.

Note 2: Change in Accounting

During the fiscal year, the College adopted Governmental Accounting Standard Board Statement No. 87, *Leases*, and the adoption was retrospective to the earliest period presented which was July 1, 2020. This retrospective application resulted in the restatement of 2021 amounts. A summary of the restated balances are as follows:

	As Previously Reported	GASB Statement No. 87 Impact	Restatement Reported
Lease receivable	\$ -	\$ 423,817	\$ 423,817
Right to use lease asset	-	397,362	397,362
Prepaid assets and other	69,283	1,711	70,994
Accrued liabilities	3,165,308	3,896	3,169,204
Leases payable	-	406,696	406,696
Deferred inflow from leases	-	417,746	417,746
Net position	51,634,953	(5,448)	51,629,505
Other operating revenues	1,389,448	(3,258)	1,386,190
Operations and maintenance	6,182,784	(58,841)	6,123,943
Depreciation and amortization	7,176,039	64,223	7,240,262
Interest income	381,866	11,040	392,906
Interest expense	1,899,423	7,848	1,907,271

Note 3: Property Taxes

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 2021 tax levy was passed by the Board of Trustees in November 2021. 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 2021 tax levy be allocated and recognized 55 percent in

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fiscal year 2022 and 45 percent in fiscal year 2023. Property tax revenue for the years ended June 30, 2022 and 2021 were from the 2021 and 2020 levies and the 2020 and 2019 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, 2022 and 2021, the College has recorded an allowance of \$490,131, 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.

Note 4: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The College's deposit policy for custodial credit risk requires the funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2022, \$30,061,392 of the College's \$35,790,390 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.

Investments

The investments which the College may purchase are limited by Illinois law to the following (1) securities which are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market mutual funds and certain other instruments.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2022 and 2021, the College held \$27,968,088 and \$21,147,247, respectively, in the Illinois Fund 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 State government or agencies related to the United States and valued at

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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, 2022, the College has 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 \$1,742,287.

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, 2022 and 2021, the College held the following investments:

	2022	2021
Certificates of Deposit		
Non-negotiable	\$ 2,235,216	\$ 2,690,728
Negotiable	3,243,781	2,739,533
Total Investments	\$ 5,478,997	\$ 5,430,261

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Notes to Basic Financial Statements
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Note 5: Accounts Receivable, Net

Accounts receivable, net consists of the following at June 30:

	2022	2021
Tuition Receivables from Students, Net	\$ 933,756	\$ 678,308
State Replacement Tax	1,165,699	615,624
Tuition Receivables from Agencies	430,370	341,244
Grants from Federal and State Sources	1,119,024	1,358,629
Other Receivables	151,095	406,515
Total Accounts Receivable, Net	\$ 3,799,944	\$ 3,400,320
Unrestricted	\$ 2,680,920	\$ 2,041,691
Restricted	1,119,024	1,358,629
Total Accounts Receivable, Net	\$ 3,799,944	\$ 3,400,320

Note 6: Leases Receivable

The College leases a portion of its property to various third parties, the terms of which expire 2023 through 2039.

Revenue recognized under lease contracts during the years ended June 30, 2022 and 2021, was \$78,465 and \$76,785, respectively, which includes both lease revenue and interest.

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Below is a schedule of future payments that are included in the measurement of the lease receivable:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 70,783	\$ 7,652	\$ 78,435
2024	22,208	6,351	28,559
2025	23,755	5,795	29,550
2026	21,026	5,225	26,251
2027	19,803	4,766	24,569
2028-2032	113,764	16,494	130,258
2033-2037	76,544	3,482	80,026
2038-2039	7,055	96	7,151
	<u>\$ 354,938</u>	<u>\$ 49,861</u>	<u>\$ 404,799</u>

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Note 7: Capital and Leased Assets

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 1,841,745	\$ -	\$ -	\$ 1,841,745
Construction in progress	1,024,494	3,695,646	(2,532,664)	2,187,476
Total capital assets not being depreciated	<u>2,866,239</u>	<u>3,695,646</u>	<u>(2,532,664)</u>	<u>4,029,221</u>
Capital assets being depreciated				
Building and building improvements	116,623,250	-	-	116,623,250
Land improvements	53,166,650	2,552,999	-	55,719,649
Equipment	29,669,557	1,285,392	-	30,954,949
Total capital assets being depreciated	<u>199,459,457</u>	<u>3,838,391</u>	<u>-</u>	<u>203,297,848</u>
Total	<u>202,325,696</u>	<u>7,534,037</u>	<u>(2,532,664)</u>	<u>207,327,069</u>
Less accumulated depreciation for				
Buildings and building improvements	(45,875,923)	(2,330,465)	-	(48,206,388)
Land improvements	(39,516,159)	(2,721,156)	-	(42,237,315)
Equipment	(25,449,743)	(1,700,958)	-	(27,150,701)
Total accumulated depreciation	<u>(110,841,825)</u>	<u>(6,752,579)</u>	<u>-</u>	<u>(117,594,404)</u>
Capital assets, net	<u>\$ 91,483,871</u>	<u>\$ 781,458</u>	<u>\$ (2,532,664)</u>	<u>\$ 89,732,665</u>

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The following is a summary of changes in capital assets for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land and improvements	\$ 1,841,745	\$ -	\$ -	\$ 1,841,745
Construction in progress	220,923	1,385,674	(582,103)	1,024,494
Total capital assets not being depreciated	<u>2,062,668</u>	<u>1,385,674</u>	<u>(582,103)</u>	<u>2,866,239</u>
Capital assets being depreciated				
Building and building improvements	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 capital assets being depreciated	<u>197,211,976</u>	<u>2,247,481</u>	<u>-</u>	<u>199,459,457</u>
Total	<u>199,274,644</u>	<u>3,633,155</u>	<u>(582,103)</u>	<u>202,325,696</u>
Less accumulated depreciation for				
Buildings and building improvements	(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	<u>(103,665,786)</u>	<u>(7,176,039)</u>	<u>-</u>	<u>(110,841,825)</u>
Capital assets, net	<u>\$ 95,608,858</u>	<u>\$ (3,542,884)</u>	<u>\$ (582,103)</u>	<u>\$ 91,483,871</u>

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Leased assets activity for the years ended June 30, 2022 and 2021, was:

2022	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Leased assets being amortized				
Leased - equipment	\$ 262,572	\$ 111,516	\$ -	\$ 374,088
Leased - real estate	199,013	-	-	199,013
Total leases assets being amortized	<u>461,585</u>	<u>111,516</u>	<u>-</u>	<u>573,101</u>
Leased assets being amortized				
Leased - equipment	29,700	71,855	-	101,555
Leased - real estate	34,523	34,564	-	69,087
Total accumulated amortization	<u>64,223</u>	<u>106,419</u>	<u>-</u>	<u>170,642</u>
Total, net of accumulated amortization	<u>\$ 397,362</u>	<u>\$ 5,097</u>	<u>\$ -</u>	<u>\$ 402,459</u>
2021	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
(Restated)				
Leased assets being amortized				
Leased - equipment	\$ 61,590	\$ 200,982	\$ -	\$ 262,572
Leased - real estate	197,554	1,459	-	199,013
Total leases assets being amortized	<u>259,144</u>	<u>202,441</u>	<u>-</u>	<u>461,585</u>
Leased assets being amortized				
Leased - equipment	-	29,700	-	29,700
Leased - real estate	-	34,523	-	34,523
Total accumulated amortization	<u>-</u>	<u>64,223</u>	<u>-</u>	<u>64,223</u>
Total, net of accumulated amortization	<u>\$ 259,144</u>	<u>\$ 138,218</u>	<u>\$ -</u>	<u>\$ 397,362</u>

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Note 8: Lease Liability

The College leases various equipment and real estate, the terms of which expire in various years through 2028.

At June 30, 2022, the principal and interest requirements to maturity for the lease liability is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 109,714	\$ 12,506	\$ 122,220
2024	113,260	8,488	121,748
2025	97,387	4,413	101,800
2026	53,240	2,077	55,317
2027	16,860	1,032	17,892
2028-2032	26,510	76	26,586
	<u>\$ 416,971</u>	<u>\$ 28,592</u>	<u>\$ 445,563</u>

Note 9: Unearned Revenue

Unearned revenue consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Unearned Student Tuition and Fees	\$ 1,365,106	\$ 1,294,846
Other Unearned Revenue	<u>1,326,964</u>	<u>1,069,429</u>
Total Unearned Revenue	<u>\$ 2,692,070</u>	<u>\$ 2,364,275</u>

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Note 10: Long-Term Obligations

The following is a summary of changes in long-term liabilities for the years ended June 30, 2022 and 2021:

	June 30, 2021	Additions	Deletions	June 30, 2022	Due within One Year
Compensated Absences	\$ 1,924,596	\$ 1,410,000	\$ 1,468,665	\$ 1,865,931	\$ -
Bonds payable	43,145,000	-	3,845,000	39,300,000	4,330,000
Unamortized bond premium	3,214,036	-	381,866	2,832,170	381,866
Retirement obligations	7,052,195	1,762,278	2,019,653	6,794,820	2,289,865
Property tax payable	472,860	-	158,000	314,860	158,000
Other postemployment benefit	32,601,493	2,443,865	4,869,654	30,175,704	-
Leases	406,696	111,516	101,241	416,971	109,714
Total Long-Term Liabilities	\$ 88,816,876	\$ 5,727,659	\$ 12,844,079	\$ 81,700,456	\$ 7,269,445

	June 30, 2020 (Restated)	Additions	Deletions	June 30, 2021	Due within One Year
Compensated Absences	\$ 1,803,667	\$ 1,440,000	\$ 1,319,071	\$ 1,924,596	\$ -
Bonds payable	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 obligations	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	-
Leases	259,144	202,441	54,889	406,696	101,241
Total Long-Term Liabilities	\$ 93,251,494	\$ 7,710,053	\$ 12,144,671	\$ 88,816,876	\$ 6,481,236

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Total principal and interest maturities on the bonds and notes from direct borrowings and direct placements payable as of June 30, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 4,330,000	\$ 1,580,410	\$ 5,910,410
2024	4,860,000	1,396,610	6,256,610
2025	5,465,000	1,162,785	6,627,785
2026	6,150,000	872,410	7,022,410
2027	6,890,000	549,710	7,439,710
2028-2030	11,605,000	41,930	11,646,930
	<u>\$ 39,300,000</u>	<u>\$ 5,603,855</u>	<u>\$ 44,903,855</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 at that time. No defeasance of debt occurred during the transaction and all existing deferred refunding expense were carried at existing amortization periods. The refunding resulted in a bond premium of \$4,200,523, of which \$381,866 was amortized against interest expense in fiscal year 2022 and 2021. The remaining \$2,832,170 will be amortized over an additional seven years. Interest rates on the bonds range from 2.80% to 5.00%

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 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 year 2022 and 2021 were \$690,300 and \$693,600, respectively. At June 30, 2022, pledged future revenues totaled \$5,425,050, which is the amount of remaining principal and interest on the bonds.

The deferred refunding expense was fully amortized as of June 30, 2021. Total amortization expense for 2021 was \$22,030.

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The interest incurred for all long-term debt for the long-term debt for the year ended June 30, 2022 and 2021 was \$1,731,088 and \$1,899,423, 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 August 2018, S&P reaffirmed Parkland's rating of AA Stable. Moody's most recent rating of Aa3 is from December 2017.

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.

Note 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 a 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 \$6,557 and \$5,557 for the years ended June 30, 2022 and 2021, respectively. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date. At June 30, 2022 and 2021, this early retirement plan had 99 and 101 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, 2022 and 2021, this early retirement plan had 41 and 32 active participants, respectively.

Early retirement plan expense was \$1,762,278 and \$3,395,317 for fiscal year 2022 and 2021, respectively. At June 30, 2022 and 2021, the College had accrued a liability of \$6,794,820 and \$7,052,195, respectively, for future required payments for the College's declared retirees under the plans described above. The liability was calculated based on the present value of future payments discounted at the Wall Street Journal Prime Rate, which was 4.75 percent and 3.25 percent at June 30, 2022 and 2021, respectively.

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Note 12: Defined Benefit Pension Plan

Plan Description

The College contributes to the State Universities Retirement System (SURS) of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 1, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier I 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, 2021, 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% of the total actuarial accrued liability by the end of fiscal year 2045. Employer contributions from trust, federal and other funds are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer's normal cost for fiscal year 2021 and 2022 was 12.70% and 12.32%, respectively, of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of affected annuitants or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Net Pension Liability

At June 30, 2022 and 2021, SURS reported a net pension liability (NPL) of \$28,528,477,079 and \$30,619,504,321, respectively. The net pension liability was measured as of June 30, 2021 and 2020, respectively.

Employer Proportionate Share of Net Pension Liability

The fiscal year 2022 and 2021 amounts of the proportionate share of the net pension liability to be recognized by the College is \$0. The fiscal year 2022 and 2021 proportionate shares of the State's net pension liability associated with the College are \$247,195,260 or 0.8665% and \$265,978,904 or 0.8637%, respectively. This amount is not recognized in the financial statements, due to the special funding situation. The net pension liabilities and total pension liabilities were measured as of June 30, 2021 and 2020, and were determined based on the June 30, 2020 and 2019 actuarial valuations rolled forward. The basis of allocations used in the proportionate share of net pension liabilities are the actual reported pensionable earnings made to SURS during fiscal years 2021 and 2020.

Pension Expense

For the years ended June 30, 2022 and 2021, SURS defined benefit plan reported a collective net pension expense of \$2,342,460,058 and \$3,364,411,021, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2020. As a result, the College recognized on-behalf revenue and pension expense of \$20,297,088 from this special funding situation for the fiscal year ended June 30, 2022, and \$29,225,240 for the fiscal year ended June 30, 2021.

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Deferred Outflows of Resources and Deferred Inflows of Resources

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	As of June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 113,467,689	\$ -
Change in assumptions	776,968,084	-
Net difference between projected and actual earnings on pension plan investments	-	2,283,514,660
	\$ 890,435,773	\$ 2,283,514,660

	As of June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 170,987,483	\$ -
Change in assumptions	473,019,629	-
Net difference between projected and actual earnings on pension plan investments	474,659,178	-
	\$ 1,118,666,290	\$ -

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SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Expenses as of June 30, 2021

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 34,095,451
2023	(197,005,703)
2024	(538,343,058)
2025	(691,825,577)
2026	-
Thereafter	-
	<u>\$ (1,393,078,887)</u>

Employer Deferral of Fiscal Year 2022 Pension Expense

The College paid \$67,878 in federal, trust or grant contributions for the fiscal year ended June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2021 and are recognized as Deferred Outflows of Resources as of June 30, 2022.

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.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017-2020. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50% beginning with the actual valuation as of June 30, 2021

Mortality rates were based on the Pub-2010 employee and retiree gender distinct 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

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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 plans target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Asset Class	Strategic Policy Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	41.0%	6.30%
Credit Fixed Income	14.0%	1.82%
Core Real Assets	5.0%	3.92%
Options Strategies	6.0%	4.20%
Private Equity	7.5%	10.45%
Non-Core Real Assets	2.5%	8.83%
U.S. TIPS	6.0%	(0.22)%
Core Fixed Income	8.0%	(0.81)%
Systematic Trend Following	3.5%	3.45%
Alternative Risk Premia	3.0%	2.30%
Long Duration	3.5%	0.91%
Total	100%	
Weighted Average		4.43%
Inflation		2.25%
Expected Arithmetic Return		6.68%

Discount Rate

A single discount rate of 6.12% (6.49% in the prior year) 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 6.50% and a municipal bond rate of 1.92% (2.45% in the prior year) (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2021). 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.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 6.12% (6.49% in the prior year), as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.12%	Current Single Discount Rate Assumption 6.12%	1% Increase 7.12%
\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

Additional information regarding the SURS basic financial statements including the plan net position can be found in the SURS annual comprehensive financial report by accessing the website at www.SURS.org.

Note 13: Defined Contribution Pension Plan

Plan Description

The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS) of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 1, 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. The RSP and its benefit terms were established and may be amended by the State’s General Assembly.

Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2021, can be found in SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

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Contributions

All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from “trust, federal, and other funds” as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State’s General Assembly.

Forfeitures

Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee’s RSP account designated as employer contribution is forfeited.

Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee’s own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a position of the State’s contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and maybe amended by the State’s General Assembly.

Pension Expense

For the year ended June 30, 2022 and 2021, the State’s contributions to the RSP on behalf of individual employers totaled \$76,280,832 and \$0, respectively. Of this amount, \$70,403,460 and \$0, respectively, was funded via an appropriation from the State and \$5,877,372 and \$0, respectively, was funded from previously forfeited contributions.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable earnings made to RSP during fiscal year 2021. The College’s share of pensionable contributions was 0.5985%. As a result, the College recognized on-behalf revenue and defined contribution pension expense of \$456,557 from this special funding situation for the fiscal year ended June 30, 2022, of which \$35,177 constitutes forfeitures.

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Note 14: Other Postemployment Benefit Plan

Plan Description

The College contributes and is part of the Community College Health Insurance Security Fund (CCHISF) [also known as the College Insurance Program, “CIP”] which was established under the *State Employees Group Insurance Act of 1971*, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code.

The OPEB Plan is a cost-sharing, multiple-employer, defined benefit OPEB Plan due to the following criteria:

1. Plan assets are pooled and may be used to pay employee benefits of any employer participating in the plan.
2. OPEB is provided to the employees of more than one employer.
3. Benefits plan members will receive at or after separation from employment are defined by specific benefit terms as noted in 5 ILCS 375/6 and 5 ILCS 375/6.1.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, paragraph 18, states, “special funding situations are circumstances in which a nonemployer entity is legally responsible for providing financial support for OPEB of the employees of another entity by making contributions directly to an OPEB plan that is administered through a trust that meets the criteria,” of trust fund reporting (GASB 75, paragraph 4), and either of the following criteria are met: (1) the amount of contributions or benefit payments for which the nonemployer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB or (2) the nonemployer entity is the only entity with a legal obligation to provide financial support directly to an OPEB plan that is used to provide OPEB to employees of another entity.

The CCHISF has a special funding situation as described in 40 ILCS 15/1.4. The State is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through a trust.

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financial statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. This fund is a nonappropriated 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.

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The *State Employees Group Insurance Act of 1971* (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the Board of Trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

Benefits Provided

The CCHISF provides health, prescription, vision and dental coverage to eligible retirees and their dependents. A summary of postemployment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

Contributions

Employers participating in a cost-sharing OPEB plan, and any nonemployer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEB amounts for OPEB benefits provided to members through the CCHISF plan.

The *State Employees Group Insurance Act of 1971* (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The *State Pension Funds Continuing Appropriation Act* (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees.

For each of the years ended June 30, 2022 and 2021, the College contributed \$160,596 and \$161,662, respectively, to CCHISF.

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

At June 30, 2022, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the College. The amounts recognized by the College as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the College were as follows:

	2022	2021
College's proportionate shares of the net OPEB liability	\$ 30,175,704	\$ 32,601,493
State proportionate share of the net OPEB liability associated with the College	30,175,704	32,601,428
	\$ 60,351,408	\$ 65,202,921

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on actual contributions made to the plan by the College compared to the total actual contributions made to the plan by all employers. At June 30, 2021, the College's proportion was 1.7387%, which was an increase of 0.05% from its proportion as of June 30, 2020.

For the years ended June 30, 2022 and 2021, the College recognized OPEB expense of \$(128,762) and \$703,652, respectively. The College recognized on-behalf revenue for the State share amounting to \$160,596 in 2022 and \$161,662 in 2021. These amounts are included in the OPEB expense recognized by the College.

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At June 30, 2022 and 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 190,963	\$ 2,205,487
Changes of assumptions	-	5,764,514
Net difference between projected and actual earnings on OPEB investments	-	869
Changes in proportion and differences between the College's contributions and proportionate share of contributions	140,304	1,796,729
College contributions subsequent to the measurement date	160,596	-
	\$ 491,863	\$ 9,767,599
	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296,157	\$ 1,824,639
Changes of assumptions	-	5,211,785
Net difference between projected and actual earnings on OPEB investments	-	1,381
Changes in proportion and differences between the College's contributions and proportionate share of contributions	208,479	1,179,022
College contributions subsequent to the measurement date	161,662	-
	\$ 666,298	\$ 8,216,827

The College's contributions of \$160,596 in 2022 and \$161,662 in 2021, are reported as deferred outflows of resources related to OPEB resulting from College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2022, will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (1,887,268)
2023	(1,887,266)
2024	(1,887,266)
2025	(1,887,266)
2026	(1,887,266)
	<u>\$ (9,436,332)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 and 2021 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the following:

- Retirement and beneficiary annuitant – RP-2014 White Collar Annuitant Mortality Table
- Disabled annuitant – 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.

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OPEB Plan Investment and Returns

During plan year ended June 30, 2021, the trust earned \$25,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2021, is negative \$88.0 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Discount Rate

The State, community colleges and active members each contribute 0.50% of pay. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, this single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.45% at June 30, 2020, and 1.92% at June 30, 2021, was used to measure the total OPEB liability.

Sensitivity of the College’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The College’s proportionate share of the net OPEB liability has been calculated using a discount rate of 1.92% (2.45% in the prior year). The following presents the College’s proportionate share of the net OPEB liability calculated using a discount rate 1% higher and 1% lower than the current discount rate.

1% Decrease 0.92%	Current Single Discount Rate Assumption 1.92%	1% Increase 2.92%
\$ 34,378,999	\$ 30,175,704	\$ 26,545,784

The following table shows the College’s share in the plan’s net OPEB liability as of June 30, 2021, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key current assumed trend rates are 8.00% for fiscal year 2023 decreasing to an ultimate trend rate of 4.25% in 2038.

1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
\$ 24,864,306	\$ 30,175,704	\$ 37,289,252

(a) One percent point decrease in healthcare trend rates are 7.00% for fiscal year end 2023 decreasing to an ultimate trend rate of 3.25% in 2038.

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- (b) One percent point increase in healthcare trend rates are 9.00% for fiscal year end 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

Payable to the OPEB Plan

At June 30, 2022 and 2021, the College has no outstanding contributions payable the OPEB Plan.

Note 15: On-Behalf Payments for Fringe Benefits

For the years ending June 30, 2022 and 2021, payments for fringe benefits made by the State of Illinois on behalf of the College to SURS were \$20,753,645 and \$29,225,240 for pensions and to CIP were \$160,596 and \$579,826 for other postemployment benefits, respectively.

Note 16: 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, 2022 and 2021, the net amount owed to the College was \$55,324 and \$20,303, respectively.
- During the years ended June 30, 2022 and 2021, the College incurred costs for the foundation in the form of donated in-kind services in the amount of \$77,016 and \$76,858, 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, 2022 and 2021, was \$562,319 and \$653,728, 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 2022 or 2021.

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Note 17: 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, 2022 and 2021, the submitted and estimated accrued claims were \$850,000 and \$1,350,000, 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, 2022 and 2021 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:

	2022	2021
Accrued Claims, Beginning of Year	\$ 1,350,000	\$ 720,000
Incurred Claims	5,261,612	7,421,461
Claim Payments	(5,761,612)	(6,791,461)
Accrued Claims, End of Year	\$ 850,000	\$ 1,350,000

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Note 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 the sub-funds as of June 30, 2022.

	Due To	Due From
Education Fund	\$ -	\$ 57,283
Restricted Purpose Fund	57,283	-
Total Inter-Sub Fund Balances	\$ 57,283	\$ 57,283
	Transfer In	Transfer Out
Education Fund	\$ 3,348	\$ 1,237,743
Bond and Interest Fund	493,392	-
Operations and Maintenance Fund - Restricted	-	493,392
Working Cash Fund	-	3,348
Auxiliary Athletics Fund	835,000	-
Auxiliary Reprographics	50,000	-
Auxiliary Business Development Center Fund	176,743	-
Auxiliary Child Care Services Fund	176,000	-
Total Inter-Sub Fund Balances	\$ 1,734,483	\$ 1,734,483

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Following is a summary of the balances and transactions among the sub-funds as of June 30, 2021.

	Due To	Due From
Education Fund	\$ -	\$ 209,653
Restricted Purpose Fund	209,653	-
Total Inter-Sub Fund Balances	\$ 209,653	\$ 209,653
	Transfer In	Transfer Out
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 Inter-Sub Fund Balances	\$ 2,564,868	\$ 2,564,868

Note 19: Risk Management

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.

Note 20: Commitments and Contingencies

General Liability

The College is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is of the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the College. Events could occur that would change this estimate materially in the near term.

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Other Commitments

The College has one uncompleted major construction contract in progress through the date of the Independent Auditor's Report. The remaining commitment was approximately \$306,000 at June 30, 2022.

The College has a contract for the purchase of electricity through December 2024. The contract contains a set rate of \$0.04531 per kilowatt hours. Total electricity charges for the fiscal year ending June 30, 2022, were \$824,298.

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 \$687,000 at June 30, 2022.

Note 21: Pronouncements to be Implemented in the Future

GASB Statement No. 96, Subscription - Based Information Technology Arrangements (GASB 96)

GASB 96 provides guidance on governments are utilizing more cloud-based solutions for their information technology (IT) needs and paying for the use of third-parties' IT software on a subscription basis. The accounting and financial reporting for what GASB refers to as subscription-based information technology arrangements (SBITAs) has been inconsistent because of a lack of authoritative guidance. The Standard is effective for reporting periods after June 15, 2022, and all reporting periods thereafter, with early implementation encouraged. The statement would be applied retroactively, using the facts and circumstances that exist at the beginning of the fiscal year of implementation. Due to the COVID-19 pandemic, the effective date was delayed one year from that originally proposed.

Note 22: Discretely Presented Component Unit

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

Nature of Operations

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.

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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.

Use of Estimates

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

Cash Equivalents

Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and assets limited as to use, are not considered to be cash and cash equivalents.

At June 30, 2022, the Foundation's cash accounts exceeded federally insured limits by approximately \$566,000.

Investments

The Foundation measures securities, other than investments that qualify for the equity method of accounting, at fair value. 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.

Net Investment Return

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Nature of the Gift	Value Recognized
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Special Events

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.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Promises to Give

Promises to give at June 30, 2022 consist of amounts due in:

Less than one year	\$ 12,250
One to five years	45,000
More than five years	<u>391,000</u>
Gross promises to give	448,250
Less: discount on long-term promises to give	<u>(170,714)</u>
Total promises to give, net	<u>\$ 277,536</u>

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	<u>456,674</u>
Gross promises to give	475,674
Less: discount on long-term promises to give	<u>(174,694)</u>
Total promises to give, net	<u>\$ 300,980</u>

Discount rates ranged from 4.46 percent to 4.75 percent and from 3.25 percent to 4.51 percent for 2022 and 2021, respectively.

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose		
Unallocated cumulative investment income	\$ 2,326,375	\$ 2,997,650
Institutional programs and support	2,678,147	4,325,685
Scholarship	3,084,471	2,781,097
Other	<u>81,594</u>	<u>88,907</u>
Total	<u>\$ 8,170,587</u>	<u>\$ 10,193,339</u>
Endowments – restricted by donors		
Scholarship	\$ 4,597,162	\$ 4,205,948
Institutional programs and support	1,041,028	1,041,028
Other	<u>277,935</u>	<u>324,191</u>
Total	<u>\$ 5,916,125</u>	<u>\$ 5,571,167</u>

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 have been designated for the following purposes:

	2022	2021
Undesignated	\$ (496,150)	\$ (238,564)
Designated by the Board for endowment	<u>704,717</u>	<u>416,017</u>
 Total	 <u>\$ 208,567</u>	 <u>\$ 177,453</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2022	2021
Satisfaction of purpose restriction		
Institutional programs and support	\$ 265,610	\$ 175,778
Scholarship	<u>501,686</u>	<u>512,729</u>
 Total	 <u>\$ 767,296</u>	 <u>\$ 688,507</u>

Liquidity and Availability of Financial Assets

	2022	2021
Financial Assets:		
Cash and cash equivalents	\$ 816,738	\$ 2,254,102
Promises to give, current portion	12,250	13,000
Investments	13,205,910	13,356,332
Cash surrender value of life insurance	<u>56,903</u>	<u>56,903</u>
Total Financial Assets	14,091,801	15,680,337
Unavailable for General Expenditures within One Year:		
Perpetually restricted endowment	(5,916,125)	(5,571,167)
Restricted by donor with time or purpose restriction	<u>(8,170,587)</u>	<u>(9,897,359)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u>\$ 5,089</u>	 <u>\$ 211,811</u>

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

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.

Disclosure About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022.

	Cost	Market	Fair Value Level
Cash and cash equivalents	\$ 1,350,639	\$ 1,350,639	1
Fixed income funds	5,090,861	4,619,200	1
Stock mutual funds	7,580,963	6,903,044	1
Exchange-traded products	358,213	333,027	1
Total	<u>\$ 14,380,676</u>	<u>\$ 13,205,910</u>	

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

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 fund	6,612,229	7,372,244	1
Exchange-traded products	<u>352,549</u>	<u>384,497</u>	1
Total	<u>\$ 12,367,455</u>	<u>\$ 13,356,332</u>	

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Foundation does not have any Level 3 securities.

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 Directors 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 subject to 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 College classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Additionally, in accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The College’s endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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, 2022, is summarized as follows:

	Without Donor Restrictions	Purpose Restricted	Total
Board Designated Endowment Funds	\$ 704,717	\$ —	\$ 704,717
Donor-Restricted Endowment Funds:			
Original Donor-restricted Gift Amount and Amount Required to be Retained by Donor	—	5,663,437	5,663,437
Portion Subject to Appropriation under UPMIFA	<u>—</u>	<u>6,837,756</u>	<u>6,837,756</u>
	<u>\$ 704,717</u>	<u>\$ 12,501,193</u>	<u>\$ 13,205,910</u>

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

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

	Without Donor Restrictions	Purpose Restricted	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	<u>—</u>	<u>7,634,379</u>	<u>7,634,379</u>
	<u>\$ 416,017</u>	<u>\$ 12,940,315</u>	<u>\$ 13,356,332</u>

During the year ended June 30, 2022, 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, 2022, the Board elected to charge a 2 percent management fee, which totaled \$277,004. The fee is classified as Reclassification of Net Assets on the Statement of Activities.

The change in endowment net assets for the year ended June 30, 2022, by type of fund, is as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restricted	Perpetually Restricted	
Beginning of Year, July 1, 2021	\$ 416,017	\$ 7,634,379	\$ 5,305,936	\$ 13,356,332
Contributions	—	1,787	357,501	359,288
Transfers in	400,000	1,000,000	—	1,400,000
Interest and dividend	11,291	214,267	—	225,558
Net realized and unrealized gain	(122,003)	(1,999,487)	—	(2,121,490)
Fee	<u>(588)</u>	<u>(13,190)</u>	<u>—</u>	<u>(13,778)</u>
End of Year, June 30, 2022	<u>\$ 704,717</u>	<u>\$ 6,837,756</u>	<u>\$ 5,663,437</u>	<u>\$ 13,205,910</u>

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

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

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restricted	Perpetually Restricted	
Beginning of Year, July 1, 2021	\$ 321,742	\$ 4,149,564	\$ 4,886,953	\$ 9,358,259
Contributions	25,000	1,586,505	418,983	2,030,488
Interest and dividend	7,120	195,278	-	202,398
Net realized and unrealized gain	62,531	1,713,546	-	1,776,077
Fee	<u>(376)</u>	<u>(10,514)</u>	<u>-</u>	<u>(10,890)</u>
End of Year, June 30, 2022	<u>\$ 416,017</u>	<u>\$ 7,634,379</u>	<u>\$ 5,305,936</u>	<u>\$ 13,356,332</u>

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 \$55,324 and \$20,303 at June 30, 2022 and 2021, respectively 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, 2022 and 2021, the amount contributed and included as in-kind revenues totaled \$77,016: \$60,000 in salaries, \$16,606 in facility space and utilities, and \$410 in materials, and \$76,858: \$60,000 in salaries, \$16,606 in facility space and utilities, and \$252 in materials, respectively.

During the years ended June 30, 2022 and 2021 the Foundation donated certain in-kind items to the College totaling \$362,554 and \$478,862, 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 \$199,765 and \$174,866, respectively. These items are classified as Institutional Support in the statement of activities.

Significant Estimates and Concentrations

Approximately 21 percent and 29 percent of all contributions were received from one donor in 2022 and 2021, respectively.

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2022 and 2021

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Required Supplementary Information

Parkland College District #505
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability – SURS
For the Year Ended June 30, 2022

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2021
a) Parkland's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	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>	<u>247,195,260</u>	<u>247,195,260</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>	<u>\$ 247,195,260</u>	<u>\$ 247,195,260</u>
Parkland Defined Benefit Covered Payroll	\$ 33,831,347	\$ 33,645,622	\$ 33,863,462	\$ 32,745,297	\$ 32,726,421	\$ 32,978,576	\$ 32,152,358	\$ 30,257,533	\$ 30,257,533
Proportion of Collective Net Pension Liability Associated with Parkland as a Percentage of Defined Benefit Covered Payroll	599%	653%	720%	723%	771%	796%	827%	817%	817%
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%	45.45%	45.45%

Note: The College 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
Required Supplementary Information
Schedule of Contributions – SURS
For the Year Ended June 30, 2022

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Parkland's Federal, Trust, Grant, and Other Contribution	\$ 35,613	\$ 49,760	\$ 53,803	\$ 72,189	\$ 84,337	\$ 62,972	\$ 79,454	\$ 79,626	\$ 67,878
Parkland's Contribution in Relation to Required Contribution	35,613	49,760	53,803	72,189	84,337	62,972	79,454	79,626	67,878
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parkland's Covered Payroll	\$ 299,018	\$ 424,937	\$ 423,983	\$ 576,129	\$ 676,862	\$ 512,384	\$ 610,246	\$ 626,976	\$ 550,958
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%	12.29%	13.02%	12.70%	12.32%

Note: The College implemented GASB No. 68 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
Notes to Required Supplementary Information – Pension Liability
June 30, 2022

Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2022 and 2021.

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, 2017 to June 30, 2020, was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021.

- *Salary increase.* Decrease in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, with underlying wage inflation of 2.25%.
- *Investment return.* Decrease the investment return assumption to 6.50%. This reflects maintaining an assumed real rate of return of 4.25% and decreasing the underlying assumed price inflation to 2.25%.
- *Effective rate of interest.* Decrease the long-term assumption for the effective interest rate for crediting the money purchase accounts to 6.50%.
- *Normal retirement rates.* Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Early retirement rates.* Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- *Turnover rates.* Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as year of service increase.
- *Mortality rates.* Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- *Disability rates.* Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- *Plan election.* Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement Savings Plan for academic members.

Parkland College District #505
Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability – CIP
June 30, 2022

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
a) Parkland's Proportionate Percentage of the Collective Net OPEB Liability	1.84339%	1.85735%	1.82364%	1.83198%	1.78858%	1.73870%
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	\$ 30,175,704
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Parkland	34,954,080	33,425,197	34,380,281	34,597,679	32,601,428	30,175,704
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>	<u>\$ 60,351,408</u>
Parkland's Covered- Employee Payroll	\$ 33,413,130	\$ 32,227,736	\$ 31,850,706	\$ 32,889,600	\$ 32,898,000	\$ 32,322,400
Parkland's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered- Employee Payroll	100%	105%	108%	105%	99%	93%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%

Note: The College 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
June 30, 2022

<u>Year Ended June 30,</u>	<u>Statutorily Required Contributions*</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2022	\$ 160,596	\$ 32,119,200	0.50%
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.

Parkland College District #505
Required Supplementary Information
Notes to Required Supplementary Information – OPEB Liability
For the Year Ended June 30, 2022

Changes of Benefit Terms

There were no benefit changes in the Total OPEB Liability as of June 30, 2021 or 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, 2021, 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 of SURS.
- 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 - Trend used for fiscal year 2022 based on premium increases. For fiscal years on and after 2023, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25 percent.
- 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.

Supplementary Information

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, 2022

	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	
ASSETS										
Cash and Cash Equivalents	\$ 39,330,565	\$ 2,246,719	\$ 3,564,168	\$ 5,855,751	\$ 3,763,541	\$ 4,623,776	\$ 45,325	\$ -	\$ -	\$ 59,429,845
Investments	5,478,997	-	-	-	-	-	-	-	-	5,478,997
Receivables:										
Property Taxes, Net	13,274,224	2,118,169	3,111,426	1,394,111	-	-	-	-	-	19,897,930
Replacement Taxes	1,165,699	-	-	-	-	-	-	-	-	1,165,699
Agency Tuition, Net	430,370	-	-	-	-	-	-	-	-	430,370
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of \$ 4,226,045	857,446	-	-	-	76,310	-	-	-	-	933,756
Governmental Grants	-	1,119,024	-	-	-	-	-	-	-	1,119,024
Other	146,501	-	-	-	4,594	-	-	-	-	151,095
Due from Parkland Foundation	59,245	10,866	-	260,000	-	3,722,447	-	-	-	4,052,558
Due from Other Funds	57,283	-	-	-	-	-	-	-	-	57,283
Prepaid Assets	-	27,016	-	-	-	-	-	-	-	27,016
Inventory	-	-	-	-	391,328	-	-	-	-	391,328
Property and Equipment, Net	-	-	-	-	66,670	-	-	89,665,995	-	89,732,665
OTHER DEBITS										
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	4,269,876	4,269,876
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	39,535,078	39,535,078
Total Assets and Other Debits	\$ 60,800,330	\$ 5,521,794	\$ 6,675,594	\$ 7,509,862	\$ 4,302,443	\$ 8,346,223	\$ 45,325	\$ 89,665,995	\$ 43,804,954	\$ 226,672,520

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, 2022

	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)
LIABILITIES										
Accounts Payable	\$ 268,519	\$ 83,821	\$ -	\$ 650,152	\$ 7,183	\$ 37	\$ -	\$ -	\$ -	\$ 1,009,712
Vacation Payable	1,582,707	129,950	-	-	153,273	-	-	-	-	1,865,930
Retirement Payable	2,289,866	-	-	-	-	-	-	-	4,504,954	6,794,820
Accrued Liabilities	2,714,626	35,454	27,015	30,794	1,508	-	-	-	-	2,809,397
Unearned Revenue	12,787,189	2,942,209	2,378,703	1,099,633	331,824	-	-	-	-	19,539,558
Due to Other Funds	-	57,283	-	-	-	-	-	-	-	57,283
Due to Parkland Foundation	3,957,760	22,414	-	-	17,060	-	-	-	-	3,997,234
Due to Student Groups	-	-	-	-	-	747,400	-	-	-	747,400
G. O. Bonds	-	-	-	-	-	-	-	-	39,300,000	39,300,000
Total Liabilities	23,600,667	3,271,131	2,405,718	1,780,579	510,848	747,437	-	-	43,804,954	76,121,334
COLLEGE EQUITY										
Investment in General Fixed Assets	-	-	-	-	-	-	-	89,665,995	-	89,665,995
Fund Balance:										
Reserved For:										
Trust and Agency Assets	-	-	-	-	-	7,598,786	-	-	-	7,598,786
Other Governments	-	-	-	-	-	-	45,325	-	-	45,325
Unreserved, Undesignated	37,199,663	2,250,663	4,269,876	5,729,283	-	-	-	-	-	49,449,485
Retained Earnings	-	-	-	-	3,791,595	-	-	-	-	3,791,595
Total College Equity	37,199,663	2,250,663	4,269,876	5,729,283	3,791,595	7,598,786	45,325	89,665,995	-	150,551,186
Total Liabilities and College Equity	\$ 60,800,330	\$ 5,521,794	\$ 6,675,594	\$ 7,509,862	\$ 4,302,443	\$ 8,346,223	\$ 45,325	\$ 89,665,995	\$ 43,804,954	\$ 226,672,520

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, 2022

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund- Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	\$ 29,501,171	\$ 3,583,846	\$ 5,108,179	\$ 2,298,029	\$ 40,491,225
State Sources	5,141,070	2,665,015	-	734,487	8,540,572
Federal Sources	5,660,565	25,801,017	-	-	31,461,582
Tuition and Fees	20,804,767	-	-	-	20,804,767
Facilities	609,166	-	-	493,392	1,102,558
Interest	154,969	-	-	-	154,969
Other Revenue	381,809	46,845	-	1,610	430,264
On- Behalf Payments	-	20,914,241	-	-	20,914,241
Total Revenue	<u>62,253,517</u>	<u>53,010,964</u>	<u>5,108,179</u>	<u>3,527,518</u>	<u>123,900,178</u>
Expenditures					
Instruction	22,453,802	2,116,542	-	-	24,570,344
Academic Support	4,265,072	1,659,132	-	5,733	5,929,937
Student Services	4,892,437	587,733	-	-	5,480,170
Public Service	283,435	653,651	-	-	937,086
Auxiliary Services	-	48,654	-	-	48,654
Operation and Maintenance of Plant	5,256,640	1,460,941	-	3,550,826	10,268,407
Scholarships and Grants	-	16,564,627	-	-	16,564,627
Institutional Support	13,969,391	8,548,027	-	-	22,517,418
Principal	-	-	3,845,000	-	3,845,000
Interest	-	-	1,743,910	-	1,743,910
On- Behalf Payments	-	20,914,241	-	-	20,914,241
Total Expenditures	<u>51,120,777</u>	<u>52,553,548</u>	<u>5,588,910</u>	<u>3,556,559</u>	<u>112,819,794</u>
Revenue Over (Under) Expenditures	<u>11,132,740</u>	<u>457,416</u>	<u>(480,731)</u>	<u>(29,041)</u>	<u>11,080,384</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	(1,234,395)	-	493,392	(493,392)	(1,234,395)
Total Other Financing Sources (Uses)	<u>(1,234,395)</u>	<u>-</u>	<u>493,392</u>	<u>(493,392)</u>	<u>(1,234,395)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	9,898,345	457,416	12,661	(522,433)	9,845,989
Fund Balance, July 1, 2021	<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>
Fund Balance, June 30, 2022	<u>\$ 37,199,663</u>	<u>\$ 2,250,663</u>	<u>\$ 4,269,876</u>	<u>\$ 5,729,283</u>	<u>\$ 49,449,485</u>

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, 2022

	General		Special Revenue		Debt Service - Bond and Interest Fund		Capital Projects Fund - Operation and Maintenance Restricted		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	Revenue									
Local Sources	\$ 24,689,325	\$ 29,501,171	\$ 3,612,237	\$ 3,583,846	\$ 4,936,821	\$ 5,108,179	\$ 2,314,542	\$ 2,298,029	\$ 35,552,925	\$ 40,491,225
State Sources	5,106,418	5,141,070	5,945,183	2,665,015	-	-	-	734,487	11,051,601	8,540,572
Federal Sources	125,000	5,660,565	34,353,352	25,801,017	-	-	-	-	34,478,352	31,461,582
Tuition and Fees	22,710,541	20,804,767	-	-	-	-	545,486	-	23,256,027	20,804,767
Facilities	188,500	609,166	-	-	-	-	-	493,392	188,500	1,102,558
Interest	157,000	154,969	-	-	-	-	20,000	-	177,000	154,969
Other Revenue	960,100	381,809	72,283	46,845	-	-	-	1,610	1,032,383	430,264
Total Revenue	<u>53,936,884</u>	<u>62,253,517</u>	<u>43,983,055</u>	<u>32,096,723</u>	<u>4,936,821</u>	<u>5,108,179</u>	<u>2,880,028</u>	<u>3,527,518</u>	<u>105,736,788</u>	<u>102,985,937</u>
Expenditures										
Instruction	22,784,636	22,453,802	4,056,305	2,116,542	5,588,910	-	-	-	32,429,851	24,570,344
Academic Support	5,257,353	4,265,072	2,153,077	1,659,132	-	-	-	5,733	7,410,430	5,929,937
Student Services	5,265,922	4,892,437	943,947	587,733	-	-	-	-	6,209,869	5,480,170
Public Service	361,735	283,435	1,075,118	653,651	-	-	-	-	1,436,853	937,086
Auxiliary Services	-	-	81,950	48,654	-	-	-	-	81,950	48,654
Operation and Maintenance of Plant	5,535,995	5,256,640	1,581,517	1,460,941	-	-	6,576,807	3,550,826	13,694,319	10,268,407
Scholarships and Grants	-	-	24,887,789	16,564,627	-	-	-	-	24,887,789	16,564,627
Institutional Support	15,317,365	13,969,391	8,945,603	8,548,027	-	-	-	-	24,262,968	22,517,418
Principal	-	-	-	-	-	3,845,000	-	-	-	3,845,000
Interest	-	-	-	-	-	1,743,910	-	-	-	1,743,910
Total Expenditures	<u>54,523,006</u>	<u>51,120,777</u>	<u>43,725,306</u>	<u>31,639,307</u>	<u>5,588,910</u>	<u>5,588,910</u>	<u>6,576,807</u>	<u>3,556,559</u>	<u>110,414,029</u>	<u>91,905,553</u>
Revenue Over (Under) Expenditures	<u>(586,122)</u>	<u>11,132,740</u>	<u>257,749</u>	<u>457,416</u>	<u>(652,089)</u>	<u>(480,731)</u>	<u>(3,696,779)</u>	<u>(29,041)</u>	<u>(4,677,241)</u>	<u>11,080,384</u>
Other Financing Sources (Uses)										
Operating Transfers, Net	865,000	(1,234,395)	-	-	(545,486)	493,392	545,486	(493,392)	865,000	(1,234,395)
Total Other Financing Sources (Uses)	<u>865,000</u>	<u>(1,234,395)</u>	<u>-</u>	<u>-</u>	<u>(545,486)</u>	<u>493,392</u>	<u>545,486</u>	<u>(493,392)</u>	<u>865,000</u>	<u>(1,234,395)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 278,878</u>	<u>9,898,345</u>	<u>\$ 257,749</u>	<u>457,416</u>	<u>\$ (1,197,575)</u>	<u>12,661</u>	<u>\$ (3,151,293)</u>	<u>(522,433)</u>	<u>\$ (3,812,241)</u>	<u>9,845,989</u>
Fund Balance, July 1, 2021		<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>
Fund Balance, June 30, 2022		<u>\$ 37,199,663</u>		<u>\$ 2,250,663</u>		<u>\$ 4,269,876</u>		<u>\$ 5,729,283</u>		<u>\$ 49,449,485</u>

Parkland College District #505
Combined Statement of Revenue, Expenditures,
and Changes in College Equity – Budget and Actual
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2022

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	\$ -	\$ -	\$ 3,278,300	\$ 2,820,275
Student Tuition and Fees	-	-	2,956,222	2,961,263
Other Revenue	-	-	46,000	719,550
Investment Revenue	10,000	2,776	2,000	31
Total Operating Revenue	<u>10,000</u>	<u>2,776</u>	<u>6,282,522</u>	<u>6,501,119</u>
Operating Expenses				
Salaries	-	-	2,631,691	2,631,690
Employee Benefits	-	-	407,136	407,134
Capital Outlay	-	-	12,297	12,299
Contractual Services	-	-	1,460,701	1,460,701
General Materials and Supplies	-	-	1,851,084	1,851,085
Conference and Meeting	-	-	219,526	219,526
Fixed Charges	-	-	421,730	421,729
Utilities	-	-	1,867	1,867
Depreciation	-	-	-	53,087
Other	-	-	68,017	89,036
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>7,074,049</u>	<u>7,148,154</u>
Operating Income (Loss)	10,000	2,776	(791,527)	(647,035)
Other Financing Sources (Uses)				
Operating Transfers, Net	<u>10,000</u>	<u>(3,348)</u>	<u>(875,000)</u>	<u>1,237,743</u>
Net Income (Loss)	<u>\$ 20,000</u>	<u>(572)</u>	<u>\$ (1,666,527)</u>	<u>590,708</u>
College Equity, July 1, 2021		<u>7,600,000</u>		<u>3,200,887</u>
College Equity, June 30, 2022		<u>\$ 7,599,428</u>		<u>\$ 3,791,595</u>

* Budget Column Represents the Collee'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, 2022

	Fiduciary Fund Type	Proprietary Fund Type
	Working Cash Fund	Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 2,820,275
Student Tuition and Fees	-	3,074,741
Payments to Suppliers	-	(4,049,093)
Payments to Employees and Benefits Paid	-	(2,979,266)
Net Disbursements to Parkland Foundation	-	(509)
Receipts of Miscellaneous Revenue	-	719,550
Interest on Investments	2,776	31
Net Cash Provided by (Used in) Operating Activities	<u>2,776</u>	<u>(414,271)</u>
Capital and Related Financing Activities		
Purchase of Equipment	-	(22,995)
Non- Capital Financing Activities		
Operating Transfers In (Out)	<u>(3,348)</u>	<u>1,237,743</u>
Net Decrease in Cash and Cash Equivalents	(572)	800,477
Cash and Cash Equivalents, July 1, 2021	<u>7,600,000</u>	<u>2,963,064</u>
Cash and Cash Equivalents, June 30, 2022	<u>\$ 7,599,428</u>	<u>\$ 3,763,541</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 2,776	\$ (647,035)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	53,087
Changes in Assets and Liabilities:		
Receivables	-	40,521
Inventories	-	85,873
Accounts Payable	-	-
Accrued Liabilities	-	7,150
Vacation Payable	-	(26,315)
Unearned Revenue	-	72,957
Due to Parkland Foundation	-	(509)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,776</u>	<u>\$ (414,271)</u>

Parkland College District #505
Combining Balance Sheet – Modified Accrual Basis
General Funds
June 30, 2022

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 28,479,483	\$ 10,851,082	\$ 39,330,565
Investments	5,478,997	-	5,478,997
Receivables:			
Property Taxes, Net	9,586,945	3,687,279	13,274,224
Replacement Taxes	1,165,699	-	1,165,699
Agency Tuition, Net	430,370	-	430,370
Student Tuition and Fees, Net	857,446	-	857,446
Governmental Grants	-	-	-
Other	115,423	31,078	146,501
Due From Parkland Foundation	55,245	4,000	59,245
Due From Other Funds	57,283	-	57,283
Prepaid Assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 46,226,891</u>	<u>\$ 14,573,439</u>	<u>\$ 60,800,330</u>
LIABILITIES			
Accounts Payable	\$ 87,607	\$ 180,912	\$ 268,519
Vacation Payable	1,411,835	170,872	1,582,707
Retirement Payable	2,289,866	-	2,289,866
Due to Parkland Foundation	3,957,760	-	3,957,760
Accrued Liabilities	2,653,071	61,555	2,714,626
Due to Other Funds	-	-	-
Unearned Revenue	9,918,777	2,868,412	12,787,189
Total Liabilities	<u>20,318,916</u>	<u>3,281,751</u>	<u>23,600,667</u>
FUND BALANCE			
Unreserved	<u>25,907,975</u>	<u>11,291,688</u>	<u>37,199,663</u>
Total Fund Balance	<u>25,907,975</u>	<u>11,291,688</u>	<u>37,199,663</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 46,226,891</u>	<u>\$ 14,573,439</u>	<u>\$ 60,800,330</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, 2022

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	\$ 23,282,764	\$ 6,218,407	\$ 29,501,171
State Sources	5,141,070	-	5,141,070
Federal Sources	5,660,565	-	5,660,565
Tuition and Fees	20,804,767	-	20,804,767
Facilities	-	609,166	609,166
Interest	151,113	3,856	154,969
Other Revenue	381,809	-	381,809
Total Revenue	<u>55,422,088</u>	<u>6,831,429</u>	<u>62,253,517</u>
Expenditures			
Instruction	22,453,802	-	22,453,802
Academic Support	4,265,072	-	4,265,072
Student Services	4,892,437	-	4,892,437
Public Service	283,435	-	283,435
Operation and Maintenance of Plant	-	5,256,640	5,256,640
Institutional Support	13,969,391	-	13,969,391
Total Expenditures	<u>45,864,137</u>	<u>5,256,640</u>	<u>51,120,777</u>
Revenue Over Expenditures	<u>9,557,951</u>	<u>1,574,789</u>	<u>11,132,740</u>
Other Financing Uses			
Operating Transfers, Net	<u>(1,234,395)</u>	<u>-</u>	<u>(1,234,395)</u>
Total Other Financing Uses	<u>(1,234,395)</u>	<u>-</u>	<u>(1,234,395)</u>
Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	8,323,556	1,574,789	9,898,345
Fund Balance, July 1, 2021	<u>17,584,419</u>	<u>9,716,899</u>	<u>27,301,318</u>
Fund Balance, June 30, 2022	<u>\$ 25,907,975</u>	<u>\$ 11,291,688</u>	<u>\$ 37,199,663</u>

Parkland College District #505
Combining Balance Sheet – Modified Accrual Basis
Special Revenue Funds
June 30, 2022

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 188,584	\$ 2,058,135	\$ 2,246,719
Receivables:				
Property Taxes, Net	-	53,173	2,064,996	2,118,169
Due from Parkland Foundation	10,866	-	-	10,866
Governmental Grants	1,119,024	-	-	1,119,024
Prepaid Assets	-	-	27,016	27,016
Due from Other Funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,129,890</u>	<u>\$ 241,757</u>	<u>\$ 4,150,147</u>	<u>\$ 5,521,794</u>
LIABILITIES				
Accounts Payable	\$ 53,132	\$ -	\$ 30,689	\$ 83,821
Vacation Payable	38,787	-	91,163	129,950
Accrued Liabilities	-	1,166	34,288	35,454
Unearned Revenue	1,327,180	39,598	1,575,431	2,942,209
Due to Other Funds	57,283	-	-	57,283
Due to Parkland Foundation	-	-	22,414	22,414
Total Liabilities	<u>1,476,382</u>	<u>40,764</u>	<u>1,753,985</u>	<u>3,271,131</u>
FUND BALANCE				
Unreserved, Undesignated	<u>(346,492)</u>	<u>200,993</u>	<u>2,396,162</u>	<u>2,250,663</u>
Total Fund Balance	<u>(346,492)</u>	<u>200,993</u>	<u>2,396,162</u>	<u>2,250,663</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 1,129,890</u>	<u>\$ 241,757</u>	<u>\$ 4,150,147</u>	<u>\$ 5,521,794</u>

Parkland College District #505
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances – Modified Accrual Basis
Special Revenue Funds
June 30, 2022

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	\$ -	\$ 87,057	\$ 3,496,789	\$ 3,583,846
State Sources	2,665,015	-	-	2,665,015
Federal Sources	25,801,017	-	-	25,801,017
Facilities	-	-	-	-
Interest	-	-	-	-
Other	46,845	-	-	46,845
On- Behalf Payments	20,914,241	-	-	20,914,241
	<u>49,427,118</u>	<u>87,057</u>	<u>3,496,789</u>	<u>53,010,964</u>
Total Revenue				
	49,427,118	87,057	3,496,789	53,010,964
Expenditures				
Instruction	2,116,542	-	-	2,116,542
Academic Support	1,659,132	-	-	1,659,132
Student Services	587,733	-	-	587,733
Public Service	653,651	-	-	653,651
Auxiliary Services	48,654	-	-	48,654
Operations and Maintenance of Plant	18,790	-	1,442,151	1,460,941
Institutional Support	6,861,986	80,526	1,605,515	8,548,027
Scholarships and Grants	16,564,627	-	-	16,564,627
On- Behalf Payments	20,914,241	-	-	20,914,241
	<u>49,425,356</u>	<u>80,526</u>	<u>3,047,666</u>	<u>52,553,548</u>
Total Expenditures				
	49,425,356	80,526	3,047,666	52,553,548
Revenue Over Expenditures	1,762	6,531	449,123	457,416
Other Financing Sources				
Operating Transfers (Net)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue Over Expenditures and Other Financing Sources				
	1,762	6,531	449,123	457,416
Fund Balance, July 1,2021	<u>(348,254)</u>	<u>194,462</u>	<u>1,947,039</u>	<u>1,793,247</u>
Fund Balance, June 30, 2022	<u>\$ (346,492)</u>	<u>\$ 200,993</u>	<u>\$ 2,396,162</u>	<u>\$ 2,250,663</u>

Parkland College District #505
Combining Balance Sheet
Enterprise Funds
June 30, 2022

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	\$ 179,289	\$ 114,737	\$ 107,154	\$ (7,414)	\$ (6,429)	\$ 2,647,542	\$ (2,793)	\$ 731,455	\$ 3,763,541
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	76,310	-	-	-	76,310
Other	-	-	-	-	-	4,594	-	-	4,594
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	391,328	-	-	391,328
Property and Equipment, Net of Accumulated Depreciation	3,613	-	18,281	44,776	-	-	-	-	66,670
Total Assets	\$ 182,902	\$ 114,737	\$ 125,435	\$ 37,362	\$ 69,881	\$ 3,043,464	\$ (2,793)	\$ 731,455	\$ 4,302,443
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ 7,150	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ 7,183
Vacation Payable	25,121	12,426	17,670	-	67,463	15,776	-	14,817	153,273
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Parkland Foundation	-	-	-	-	-	-	17,060	-	17,060
Unearned Revenue	-	-	22,551	-	-	-	-	309,273	331,824
Total Liabilities	25,121	12,426	48,879	-	67,496	15,776	17,060	324,090	510,848
RETAINED EARNINGS (ACCUMULATED DEFICIT)	157,781	102,311	76,556	37,362	2,385	3,027,688	(19,853)	407,365	3,791,595
Total Liabilities and Retained Earnings (Accumulated Deficit)	\$ 182,902	\$ 114,737	\$ 125,435	\$ 37,362	\$ 69,881	\$ 3,043,464	\$ (2,793)	\$ 731,455	\$ 4,302,443

Parkland College District #505
Combining Statement of Revenue, Expenses,
and Changes in Retained Earnings (Deficit)
Enterprise Funds
For the Year Ended June 30, 2022

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Operating Revenue									
Student and Community Services	\$ 420,608	\$ 145,455	\$ 13,997	\$ -	\$ 772,424	\$ 1,466,441	\$ 1,350	\$ -	\$ 2,820,275
Student Tuition and Fees	-	-	173,185	60,000	988,999	-	-	1,739,079	2,961,263
Other Revenue	-	-	-	-	79,119	622,948	-	17,514	719,581
Total Operating Revenue	<u>420,608</u>	<u>145,455</u>	<u>187,182</u>	<u>60,000</u>	<u>1,840,542</u>	<u>2,089,389</u>	<u>1,350</u>	<u>1,756,593</u>	<u>6,501,119</u>
Operating Expenses									
Salaries	444,166	83,208	67,644	419,277	730,743	165,712	-	720,940	2,631,690
Employee Benefits	101,673	11,732	13,900	63,363	113,238	18,827	-	84,401	407,134
Contractual Services	260	-	22,622	81,761	992,072	18,897	-	345,089	1,460,701
General Materials and Supplies	37,276	30,478	472	95,702	109,186	1,120,304	127	457,540	1,851,085
Conference and Meeting	1,073	102	12,633	191,632	5,815	1,425	-	6,846	219,526
Fixed Charges	-	62,752	-	9,250	4,200	210,962	-	134,565	421,729
Utilities	-	-	-	-	1,867	-	-	-	1,867
Depreciation Expense	6,500	-	41,079	1,479	-	4,029	-	-	53,087
Other	4,023	-	20,595	18,282	58,425	10	-	-	101,335
Total Operating Expenses	<u>594,971</u>	<u>188,272</u>	<u>178,945</u>	<u>880,746</u>	<u>2,015,546</u>	<u>1,540,166</u>	<u>127</u>	<u>1,749,381</u>	<u>7,148,154</u>
Operating Income (Loss)	(174,363)	(42,817)	8,237	(820,746)	(175,004)	549,223	1,223	7,212	(647,035)
Other Financing Sources									
Operating Transfers, Net	<u>176,000</u>	<u>50,000</u>	<u>-</u>	<u>835,000</u>	<u>176,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,237,743</u>
Net Income	1,637	7,183	8,237	14,254	1,739	549,223	1,223	7,212	590,708
Retained Earnings (Deficit) , July 1, 2021	<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>
Retained Earnings (Deficit) , June 30, 2022	<u>\$ 157,781</u>	<u>\$ 102,311</u>	<u>\$ 76,556</u>	<u>\$ 37,362</u>	<u>\$ 2,385</u>	<u>\$ 3,027,688</u>	<u>\$ (19,853)</u>	<u>\$ 407,365</u>	<u>\$ 3,791,595</u>

Parkland College District #505

Combining Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2022

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Cash Flows from Operating Activities									
Auxiliary Enterprise Charges	\$ 420,608	\$ 145,455	\$ 13,997	\$ -	\$ 772,424	\$ 1,466,441	\$ 1,350	\$ -	\$ 2,820,275
Student Tuition and Fees	-	-	174,029	60,000	1,012,819	16,701	-	1,811,192	3,074,741
Payments to Suppliers	(42,632)	(93,332)	(49,172)	(396,627)	(1,171,565)	(1,351,598)	(127)	(944,040)	(4,049,093)
Payments to Employees and Benefits Paid	(540,443)	(94,768)	(105,327)	(482,640)	(854,160)	(98,666)	-	(803,262)	(2,979,266)
Net Distributions to Parkland Foundation	-	-	-	-	-	-	(509)	-	(509)
Other Receipts	-	-	-	-	79,119	622,948	-	17,514	719,581
Net Cash Provided by (Used in) Operating Activities	<u>(162,467)</u>	<u>(42,645)</u>	<u>33,527</u>	<u>(819,267)</u>	<u>(161,363)</u>	<u>655,826</u>	<u>714</u>	<u>81,404</u>	<u>(414,271)</u>
Capital and Related Financing Activities									
Purchase of Equipment	(7,729)	-	(507)	(14,759)	-	-	-	-	(22,995)
Non- Capital Financing Activities									
Operating Transfers In	<u>176,000</u>	<u>50,000</u>	<u>-</u>	<u>835,000</u>	<u>176,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,237,743</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>5,804</u>	<u>7,355</u>	<u>33,020</u>	<u>974</u>	<u>15,380</u>	<u>655,826</u>	<u>714</u>	<u>81,404</u>	<u>800,477</u>
Cash and Cash Equivalents, July 1,2021	<u>173,485</u>	<u>107,382</u>	<u>74,134</u>	<u>(8,388)</u>	<u>(21,809)</u>	<u>1,991,716</u>	<u>(3,507)</u>	<u>650,051</u>	<u>2,963,064</u>
Cash and Cash Equivalents, June 30,2022	<u>\$ 179,289</u>	<u>\$ 114,737</u>	<u>\$ 107,154</u>	<u>\$ (7,414)</u>	<u>\$ (6,429)</u>	<u>\$ 2,647,542</u>	<u>\$ (2,793)</u>	<u>\$ 731,455</u>	<u>\$ 3,763,541</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	\$ (174,363)	\$ (42,817)	\$ 8,237	\$ (820,746)	\$ (175,004)	\$ 549,223	\$ 1,223	\$ 7,212	\$ (647,035)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	6,500	-	41,079	1,479	-	4,029	-	-	53,087
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	23,820	16,701	-	-	40,521
Inventories	-	-	-	-	-	85,873	-	-	85,873
Accounts Payable	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	7,150	-	-	-	-	-	7,150
Vacation Payable	5,396	172	(23,783)	-	(10,179)	-	-	2,079	(26,315)
Unearned Revenue	-	-	844	-	-	-	-	72,113	72,957
Due to Parkland Foundation	-	-	-	-	-	-	(509)	-	(509)
Net Cash Provided By (Used in) Operating Activities	<u>\$ (162,467)</u>	<u>\$ (42,645)</u>	<u>\$ 33,527</u>	<u>\$ (819,267)</u>	<u>\$ (161,363)</u>	<u>\$ 655,826</u>	<u>\$ 714</u>	<u>\$ 81,404</u>	<u>\$ (414,271)</u>

Parkland College District #505
Combining Balance Sheet
Fiduciary Funds
June 30, 2022

	Non- Expendable Trust		Custodial Funds	Total
	Working Cash Fund	Trust and Agency Fund		
ASSETS				
Cash and Cash Equivalents	\$ 7,599,428	\$ (2,975,652)	\$ 45,325	\$ 4,669,101
Receivables:				
Due from Parkland Foundation	-	3,722,447	-	3,722,447
Due from Other Funds	-	-	-	-
	<u>7,599,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 7,599,428</u>	<u>\$ 746,795</u>	<u>\$ 45,325</u>	<u>\$ 8,391,548</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 37	\$ -	\$ 37
Due to Student Groups	-	747,400	-	747,400
Total Liabilities	<u>-</u>	<u>747,437</u>	<u>-</u>	<u>747,437</u>
FUND BALANCE				
Reserved for Trust and Agency Assets	7,599,428	(642)	-	7,598,786
Reserved for Other Governments	-	-	45,325	45,325
Total Fund Balance	<u>7,599,428</u>	<u>(642)</u>	<u>45,325</u>	<u>7,644,111</u>
Total Liabilities and Fund Balance	<u>\$ 7,599,428</u>	<u>\$ 746,795</u>	<u>\$ 45,325</u>	<u>\$ 8,391,548</u>

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, 2022

												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, 2022	June 30, 2021
ASSETS															
Cash and Cash Equivalents	\$ 28,479,483	\$ 10,851,082	\$ 5,855,751	\$ 3,763,541	\$ -	\$ 7,599,428	\$ (2,975,652)	\$ 45,325	\$ 3,564,168	\$ 188,584	\$ 2,058,135	\$ -	\$ -	\$ 59,429,845	\$ 51,962,959
Investments	5,478,997	-	-	-	-	-	-	-	-	-	-	-	-	5,478,997	5,430,261
Receivables:															
Property Taxes, Net	9,586,945	3,687,279	1,394,111	-	-	-	-	-	3,111,426	53,173	2,064,996	-	-	19,897,930	17,192,414
Replacement Taxes	1,165,699	-	-	-	-	-	-	-	-	-	-	-	-	1,165,699	615,624
Agency Tuition, Net	430,370	-	-	-	-	-	-	-	-	-	-	-	-	430,370	341,223
Student Tuition and Fees, Net	857,446	-	-	76,310	-	-	-	-	-	-	-	-	-	933,756	678,329
Governmental Grants	-	-	-	-	1,119,024	-	-	-	-	-	-	-	-	1,119,024	1,358,629
Other	115,423	31,078	-	4,594	-	-	-	-	-	-	-	-	-	151,095	406,732
Due from Parkland Foundation	55,245	4,000	260,000	-	10,866	-	3,722,447	-	-	-	-	-	-	4,052,558	3,541,480
Due from Other Funds	57,283	-	-	-	-	-	-	-	-	-	-	-	-	57,283	209,653
Prepaid Assets	-	-	-	-	-	-	-	-	-	-	27,016	-	-	27,016	69,283
Inventory	-	-	-	391,328	-	-	-	-	-	-	-	-	-	391,328	477,201
Property and Equipment at Cost, Net	-	-	-	66,670	-	-	-	-	-	-	-	89,665,995	-	89,732,665	91,483,871
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	-	4,269,876	4,257,215	
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	42,367,248	-	42,367,248	47,158,887
Total Assets	\$ 46,226,891	\$ 14,573,439	\$ 7,509,862	\$ 4,302,443	\$ 1,129,890	\$ 7,599,428	\$ 746,795	\$ 45,325	\$ 6,675,594	\$ 241,757	\$ 4,150,147	\$ 89,665,995	\$ 46,637,124	\$ 229,504,690	\$ 225,183,761
LIABILITIES															
Accounts Payable	\$ 87,607	\$ 180,912	\$ 650,152	\$ 7,183	\$ 53,132	\$ -	\$ 37	\$ -	\$ -	\$ -	\$ 30,689	\$ -	\$ -	\$ 1,009,711	\$ 688,674
Vacation Payable	1,411,835	170,872	-	153,273	38,787	-	-	-	-	-	91,163	-	-	1,865,931	1,924,596
Retirement Payable	2,289,866	-	-	-	-	-	-	-	-	-	-	4,504,954	-	6,794,820	7,052,195
Accrued Liabilities	2,653,071	61,555	30,794	1,508	-	-	-	-	27,015	1,166	34,288	-	-	2,809,397	3,486,434
Due to Other Funds	-	-	-	-	57,283	-	-	-	-	-	-	-	-	57,283	209,653
Due to Parkland Foundation	3,957,760	-	-	17,060	-	-	-	-	-	-	22,414	-	-	3,997,234	3,521,177
Unearned Revenue	9,918,777	2,868,412	1,099,633	331,824	1,327,180	-	-	-	2,378,703	39,598	1,575,431	-	-	19,539,558	18,483,748
Due to Student Groups	-	-	-	-	-	-	747,400	-	-	-	-	-	-	747,400	587,110
Unamortized Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	2,832,170	2,832,170	3,214,036
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	39,300,000	39,300,000	43,145,000
Total Liabilities	20,318,916	3,281,751	1,780,579	510,848	1,476,382	-	747,437	-	2,405,718	40,764	1,753,985	-	46,637,124	78,953,504	82,312,623
COLLEGE EQUITY															
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	89,665,995	-	89,665,995	91,387,109
Fund Balance:															
Reserved For:															
Trust and Agency Assets	-	-	-	-	-	7,599,428	(642)	-	-	-	-	-	-	7,598,786	7,599,358
Other Governments	-	-	-	-	-	-	-	45,325	-	-	-	-	-	45,325	1,080,288
Unreserved, Undesignated	25,907,975	11,291,688	5,729,283	-	(346,492)	-	-	-	4,269,876	200,993	2,396,162	-	-	49,449,485	39,603,496
Retained Earnings	-	-	-	3,791,595	-	-	-	-	-	-	-	-	-	3,791,595	3,200,887
Total College Equity (Deficit)	25,907,975	11,291,688	5,729,283	3,791,595	(346,492)	7,599,428	(642)	45,325	4,269,876	200,993	2,396,162	89,665,995	-	150,551,186	142,871,138
Total Liabilities and College Equity	\$ 46,226,891	\$ 14,573,439	\$ 7,509,862	\$ 4,302,443	\$ 1,129,890	\$ 7,599,428	\$ 746,795	\$ 45,325	\$ 6,675,594	\$ 241,757	\$ 4,150,147	\$ 89,665,995	\$ 46,637,124	\$ 229,504,690	\$ 225,183,761

Parkland College District #505
Statement of Revenue, Expenditures, and Changes in Collee Equity –
Modified Accrual Basis (Governmental Fund Types)
and GAAP Basis (Proprietary Fund Type)
All Funds
For the Year Ended June 30, 2022

	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							2022	2021
Revenue											
Local Sources	\$ 23,282,764	\$ 6,218,407	\$ 2,298,029	\$ -	\$ -	\$ -	\$ 5,108,179	\$ 87,057	\$ 3,496,789	\$ 40,491,225	\$ 35,153,050
State Sources	5,141,070	-	734,487	-	2,665,015	-	-	-	-	8,540,572	8,402,562
Federal Sources	5,660,565	-	-	-	25,801,017	-	-	-	-	31,461,582	28,407,126
Tuition and Fees	20,804,767	-	-	2,962,858	-	-	-	-	-	23,767,625	25,062,957
Facilities	-	609,166	493,392	-	-	-	-	-	-	1,102,558	1,158,764
Other Revenue	532,922	3,856	1,610	3,538,261	46,845	2,776	-	-	-	4,126,270	3,989,453
On-Behalf Payments	-	-	-	-	20,914,241	-	-	-	-	20,914,241	29,805,066
Total Revenue	55,422,088	6,831,429	3,527,518	6,501,119	49,427,118	2,776	5,108,179	87,057	3,496,789	130,404,073	131,978,978
Expenditures											
Instruction	22,453,802	-	-	1,749,385	2,116,542	-	-	-	-	26,319,729	26,597,556
Academic Support	4,265,072	-	5,733	188,272	1,659,132	-	-	-	-	6,118,209	6,287,548
Student Services	4,892,437	-	-	-	587,733	-	-	-	-	5,480,170	5,157,506
Public Service	283,435	-	-	2,015,833	653,651	-	-	-	-	2,952,919	2,278,191
Auxiliary Services	-	-	-	3,141,577	48,654	-	-	-	-	3,190,231	3,068,956
Operation and Maintenance of Plant	-	5,256,640	3,550,826	-	18,790	-	-	-	1,442,151	10,268,407	7,683,201
Institutional Support	13,969,391	-	-	-	6,861,986	-	-	80,526	1,605,515	22,517,418	22,853,752
Scholarships and Grants	-	-	-	-	16,564,627	-	-	-	-	16,564,627	14,104,372
Principal	-	-	-	-	-	-	3,845,000	-	-	3,845,000	3,395,000
Interest	-	-	-	-	-	-	1,743,910	-	-	1,743,910	1,888,710
Depreciation	-	-	-	53,087	-	-	-	-	-	53,087	52,064
On-Behalf Payments	-	-	-	-	20,914,241	-	-	-	-	20,914,241	29,805,066
Total Expenditures	45,864,137	5,256,640	3,556,559	7,148,154	49,425,356	-	5,588,910	80,526	3,047,666	119,967,948	123,171,922
Revenue Over (Under) Expenditures	9,557,951	1,574,789	(29,041)	(647,035)	1,762	2,776	(480,731)	6,531	449,123	10,436,125	8,807,056
Other Financing Sources (Uses)											
Operating Transfers, Net	(1,234,395)	-	(493,392)	1,237,743	-	(3,348)	493,392	-	-	-	-
Total Other Financing Sources (Uses)	(1,234,395)	-	(493,392)	1,237,743	-	(3,348)	493,392	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,323,556	1,574,789	(522,433)	590,708	1,762	(572)	12,661	6,531	449,123	10,436,125	8,807,056
College Equity, Beginning of Year	17,584,419	9,716,899	6,251,716	3,200,887	(348,254)	7,600,000	4,257,215	194,462	1,947,039	50,404,383	41,597,327
College Equity, End of Year	\$ 25,907,975	\$ 11,291,688	\$ 5,729,283	\$ 3,791,595	\$ (346,492)	\$ 7,599,428	\$ 4,269,876	\$ 200,993	\$ 2,396,162	\$ 60,840,508	\$ 50,404,383

Parkland College District #505
Reconciliation of the Balance Sheet - Modified Accrual Basis (Governmental Fund Types and Account Groups) and GAAP Basis of (Proprietary and Fiduciary Fund Types) to the Statement of Net Position – Proprietary Fund
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
College Equity	\$ 150,551,186	\$ 142,871,138
Reconciling Items:		
Recognition of Summer School Revenues	1,636,231	1,484,335
Deferred Revenue for Property Taxes Not Received	15,211,257	14,634,921
Property Taxes Receivable Not Earned and Not Received	(15,211,257)	(14,634,921)
Recognition of Right of Use Assets, net	(14,512)	(9,334)
Recognition of Lease Receivable, net	12,283	6,071
Reclassification of Long Term Debt	(43,804,955)	(48,202,066)
Recognition of Bond Premium	(2,832,170)	(3,214,036)
Deferred Retirement Plan Contributions	67,878	79,626
Recognition of Other Postemployment Benefit Liability	(30,175,704)	(32,601,493)
Deferred Other Postemployment Benefit Contributions	491,863	666,298
Deferred Postemployment Benefits	(9,767,599)	(8,216,827)
Fiduciary Activity Fund Balance	(45,325)	(1,080,288)
Recognition of Accrued interest for leases, net	(2,172)	(2,185)
Recognition of Interest Payable on Long Term Debt	(138,918)	(151,734)
Net Position	<u>\$ 65,978,086</u>	<u>\$ 51,629,505</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in College Equity – Modified Accrual Basis (Governmental Fund Types) and GASP Basis (Proprietary Fund Types) To the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund For the Years Ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Change in College Equity	\$ 10,436,125	\$ 8,807,056
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O& M Fund	(186,325)	(186,799)
Remove Rent Expense from the Bookstore	186,325	186,799
Remove Revenue Paid by the Education Fund to Reprographics	(145,455)	(80,795)
Remove Expenditures from the Education Fund	145,455	80,795
Remove Student Aid and Scholarship Payments from Revenue	(8,587,208)	(9,135,815)
Remove Student Aid and Scholarship Payments from Expense	8,587,208	9,135,815
Remove Grant Revenue Paid by the Restricted Fund to the Education and Auxiliary Funds	(6,249,189)	(5,609,735)
Remove Expenditures from the Restricted Fund	6,249,189	5,609,735
Change in Recognition of Summer School Revenues	151,896	7,018
General Obligation Debt Retired	3,845,000	3,395,000
Change in Retirement Obligations	552,111	(1,345,020)
Change in Other Postemployment Benefit Expense	700,517	(324,729)
Change in Deferred Other Postemployment Benefit Contributions	66,739	2,828
Remove Capital Expenditures Related to Capitalized Assets	4,911,705	3,037,512
Remove lease revenue and expense	110,043	55,582
Record Depreciation on the Capital Assets	(6,699,493)	(7,123,975)
Record amortization Roll Base Assets	(106,419)	(64,223)
Record interest related to leases	(2,577)	3,193
Change in Deferred Refunding Expense	-	(22,030)
Change in Deferred Retirement Plan Contributions	(11,748)	172
Change in Investment Income on Bond Premium	381,866	381,866
Change in Accrued Interest on Long Term Debt	12,816	11,317
Change in Net Position	<u>\$ 14,348,581</u>	<u>\$ 6,821,567</u>

Parkland College District #505

Schedule of Assessed Valuations, Tax Rates, Extensions and Collections

June 30, 2022

	2021 LEVY	2020 LEVY	2019 LEVY	2018 LEVY	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY
Assessed Valuations										
County:										
Champaign	\$ 4,574,222,037	\$ 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
Coles	12,276,852	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
DeWitt	102,632,992	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
Douglas	386,771,006	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
Edgar	5,512,080	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
Ford	290,208,295	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
Iroquois	127,901,822	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
Livingston	91,030,394	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
McLean	219,306,572	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
Moultrie	6,117,023	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
Piatt	472,987,930	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
Vermilion	22,515,645	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
TOTAL	\$ 6,311,482,648	\$ 6,036,663,108	\$ 5,861,515,040	\$ 5,651,731,009	\$ 5,438,688,489	\$ 5,220,775,341	\$ 4,975,439,425	\$ 4,878,191,848	\$ 4,797,194,455	\$ 4,816,048,491
Tax Rates										
(Per \$ 100 Assessed Valuations)										
Education Fund	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Operations and Maintenance:										
Operational Fund	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bond	0.0841	0.0824	0.0791	0.0771	0.0847	0.0841	0.0824	0.0794	0.0770	0.0715
Tort and Immunity	0.0322	0.0328	0.0336	0.0346	0.0341	0.0355	0.0372	0.0369	0.0375	0.0374
Audit	0.0014	0.0015	0.0015	0.0015	0.0014	0.0014	0.0015	0.0010	0.0010	0.0010
Worker's Compensation	0.0023	0.0025	0.0015	0.0018	0.0021	0.0016	0.0015	0.0014	0.0019	0.0019
Unemployment Insurance	0.0012	0.0017	0.0009	0.0002	0.0003	0.0005	0.0008	0.0010	0.0010	0.0010
Protection, Health, and Safety	0.0366	0.0383	0.0375	0.0373	0.0368	0.0384	0.0400	0.0267	0.0271	0.0263
Medicare Insurance	0.0096	0.0109	0.0111	0.0116	0.0120	0.0125	0.0126	0.0113	0.0115	0.0117
Property Insurance	0.0104	0.0104	0.0103	0.0098	0.0097	0.0096	0.0100	0.0082	0.0083	0.0083
TOTAL	0.5378	0.5405	0.5355	0.5339	0.5411	0.5436	0.5460	0.5259	0.5253	0.5191

Parkland College District #505
Schedule of Assessed Valuations, Tax Rates, Extensions and Collections
June 30, 2022

	2021 LEVY	2020 LEVY	2019 LEVY	2018 LEVY	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY	2012 LEVY
Tax Extensions										
Education Fund	\$ 16,409,854	\$ 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
Operations and Maintenance:										
Operational Fund	6,311,483	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
Bond	5,307,957	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
Tort and Immunity	2,032,297	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
Audit	88,361	90,550	87,923	84,776	76,142	73,091	74,632	48,782	47,972	48,160
Worker's Compensation	145,164	150,917	87,923	101,731	114,212	83,532	74,632	68,295	91,147	91,505
Unemployment Insurance	75,738	102,623	52,754	11,303	16,316	26,104	39,804	48,782	47,972	48,160
Protection, Health, and Safety	2,310,003	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
Medicare Insurance	605,902	657,996	650,628	655,601	652,643	652,597	626,905	551,236	551,677	563,478
Property Insurance	656,394	627,813	603,736	553,870	527,553	501,194	497,544	400,012	398,167	399,732
	<u>33,943,154</u>	<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>
Tax Collections Prior to Year End	<u>(13,468,218)</u>	<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>
	20,474,936	17,682,545	24,189,584	24,247,635	17,124,273	15,851,775	15,341,884	13,655,261	13,236,130	14,540,910
Taxes Not Collectible Due to Taxpayer Exemption	-	-	-	-	-	-	-	-	-	(358,909)
Allowance for Uncollectible Taxes and Potential Refunds	<u>(490,131)</u>	<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>
Property Taxes Receivable	<u>\$ 19,984,805</u>	<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>
Property Taxes Receivable by Fund										
Education Fund	\$ 9,586,945	\$ 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
Operations and Maintenance:										
Operational Fund	3,687,279	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
Restricted Fund	1,394,111	1,241,802	1,700,549	1,558,640	1,025,649	980,806	984,981	578,447	568,014	623,221
Bond Fund	3,111,426	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
Audit Fund	53,173	46,337	67,856	62,678	38,897	35,416	36,739	21,461	20,692	23,470
Liability, Protection, and Settlement Fund	2,064,996	1,832,628	2,546,274	2,428,506	1,633,179	1,532,210	1,536,243	1,371,237	1,361,341	1,535,278
	<u>\$ 19,897,930</u>	<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>
TOTAL	<u>\$ 19,897,930</u>	<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>

Parkland College District #505
Schedule of Legal Debt Margin
June 30, 2022

ASSESSED VALUATIONS - 2021 LEVY	<u>\$ 6,311,482,648</u>
Debt Limit, 2.875 Percent of Assessed Valuation	\$ 181,455,126
Indebtedness:	
G.O. Bonds	<u>34,785,000</u>
Legal Debt Margin	<u>\$ 146,670,126</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
June 30, 2022
(Unaudited)

School Quarter	<u>Student Enrollment</u>	<u>Full- Time Equivalency Semester</u>
Summer 2021	2,741	1,447
Fall 2021	5,394	3,250
Spring 2022	<u>4,808</u>	<u>2,811</u>
Semester Average (Exclusive of Summer School)	<u><u>5,101</u></u>	<u><u>3,031</u></u>

State Required Report Section

Parkland College District #505
All Funds Summary – Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2022

	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, 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
Revenues:										
Local Tax Revenue	16,167,857	6,218,407	2,284,615	5,079,594	-	-	-	86,555	3,476,381	33,313,409
All Other Local Revenue	7,114,907	-	13,414	28,585	-	-	-	502	20,408	7,177,816
ICCB Grants	4,705,810	-	-	-	-	1,484,050	-	-	-	6,189,860
All Other State Revenue	435,260	-	734,487	-	-	1,180,965	-	-	-	2,350,712
Federal Revenue	5,660,565	-	-	-	-	25,801,017	-	-	-	31,461,582
Student Tuition and Fees	20,804,767	-	-	-	2,962,858	-	-	-	-	23,767,625
On- Behalf SURS	-	-	-	-	-	20,753,645	-	-	-	20,753,645
On- Behalf CIP	-	-	-	-	-	160,596	-	-	-	160,596
All Other Revenue	532,922	613,022	495,002	-	3,538,261	46,845	2,776	-	-	5,228,828
Total Revenue	<u>55,422,088</u>	<u>6,831,429</u>	<u>3,527,518</u>	<u>5,108,179</u>	<u>6,501,119</u>	<u>49,427,118</u>	<u>2,776</u>	<u>87,057</u>	<u>3,496,789</u>	<u>130,404,073</u>
Expenditures:										
Instruction	22,453,802	-	-	-	1,749,385	12,396,241	-	-	-	36,599,428
Academic Support	4,265,072	-	5,733	-	188,272	3,199,295	-	-	-	7,658,372
Student Services	4,892,437	-	-	-	-	2,658,336	-	-	-	7,550,773
Public Service/ Continuing Education	283,435	-	-	-	2,015,833	1,299,967	-	-	-	3,599,235
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	3,194,664	612,029	-	-	-	3,806,693
Operations and Maintenance	-	5,256,640	3,550,826	-	-	1,432,169	-	-	1,442,151	11,681,786
Institutional Support	13,969,391	-	-	5,588,910	-	11,186,502	-	80,526	1,605,515	32,430,844
Scholarships, Student Grants, & Waivers	-	-	-	-	-	16,640,817	-	-	-	16,640,817
Total Expenditures	<u>45,864,137</u>	<u>5,256,640</u>	<u>3,556,559</u>	<u>5,588,910</u>	<u>7,148,154</u>	<u>49,425,356</u>	<u>-</u>	<u>80,526</u>	<u>3,047,666</u>	<u>119,967,948</u>
Net Transfers	<u>(1,234,395)</u>	<u>-</u>	<u>(493,392)</u>	<u>493,392</u>	<u>1,237,743</u>	<u>-</u>	<u>(3,348)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2022	<u>\$ 25,907,975</u>	<u>\$ 11,291,688</u>	<u>\$ 5,729,283</u>	<u>\$ 4,269,876</u>	<u>\$ 3,791,595</u>	<u>\$ (346,492)</u>	<u>\$ 7,599,428</u>	<u>\$ 200,993</u>	<u>\$ 2,396,162</u>	<u>\$ 60,840,508</u>

Parkland College District #505

Summary of Fixed Assets and Debt

Uniform Financial Statement No. 2

For the Year Ended June 30, 2022

	Capital Assets / Long Term Debt			
	July 1, 2021	Additions	Deletions	June 30, 2022
Fixed Assets:				
Land & Land Improvements	\$ 54,969,026	\$ 2,532,665	\$ -	\$ 57,501,691
Construction in Progress	1,024,488	3,695,646	(2,532,665)	2,187,469
Buildings, Additions, & Improvements	116,623,250	-	-	116,623,250
Equipment & Fixtures	27,107,841	1,282,732	-	28,390,573
Accumulated Depreciation	(108,337,496)	(6,699,493)	-	(115,036,989)
Net Fixed Assets	<u>\$ 91,387,109</u>	<u>\$ 811,550</u>	<u>\$ (2,532,665)</u>	<u>\$ 89,665,994</u>
Fixed Debt:				
Bonds	\$ 43,145,000	\$ -	\$ (3,845,000)	\$ 39,300,000
Net Other Postemployment Benefit Liability	32,601,493	2,443,865	(4,869,654)	30,175,704
Early Retirement Benefits	5,057,066	1,474,847	(2,026,959)	4,504,954
Total Fixed Debt	<u>\$ 80,803,559</u>	<u>\$ 3,918,712</u>	<u>\$ (10,741,613)</u>	<u>\$ 73,980,658</u>
Outstanding				
	July 1, 2021	Issued	Redeemed	June 30, 2022
Education Fund:				
Tax Anticipation Warrants	\$ -	\$ -	\$ -	\$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	<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, 2022

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating Revenues by Source:			
Local Government			
Local Taxes	\$ 16,167,857	\$ 6,218,407	\$ 22,386,264
Chargeback Revenue	-	-	-
CPPRT	7,114,907	-	7,114,907
Total Local Government	<u>23,282,764</u>	<u>6,218,407</u>	<u>29,501,171</u>
State Government			
ICCB Base Operating Grant	4,664,760	-	4,664,760
ICCB Equalization Grant	41,050	-	41,050
Other State	435,260	-	435,260
Total State Government	<u>5,141,070</u>	<u>-</u>	<u>5,141,070</u>
Federal Government			
Department of Education	5,660,565	-	5,660,565
Total Federal Government	<u>5,660,565</u>	<u>-</u>	<u>5,660,565</u>
Student Tuition and Fees			
Tuition	18,015,560	-	18,015,560
Fees	2,789,207	-	2,789,207
Total Student Tuition and Fees	<u>20,804,767</u>	<u>-</u>	<u>20,804,767</u>
Other Sources			
Sales and Service Fees	150,102	-	150,102
Facilities Revenue	-	609,166	609,166
Investment Revenue	151,113	3,856	154,969
Other	231,707	-	231,707
Total Other Sources	<u>532,922</u>	<u>613,022</u>	<u>1,145,944</u>
Total Operating Revenues	<u>55,422,088</u>	<u>6,831,429</u>	<u>62,253,517</u>
Less: Non- Operating Items			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 55,422,088</u>	<u>\$ 6,831,429</u>	<u>\$ 62,253,517</u>

Parkland College District #505
Operating Funds Revenues and Expenditures – Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 22,453,802	\$ -	\$ 22,453,802
Academic Support	4,265,072	-	4,265,072
Student Services	4,892,437	-	4,892,437
Public Service/ Continuing Education	283,435	-	283,435
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,256,640	5,256,640
Institutional Support	13,969,391	-	13,969,391
Scholarships, Grants, Waivers	-	-	-
Transfers	1,234,395	-	1,234,395
Total Operating Expenditures by Program	<u>47,098,532</u>	<u>5,256,640</u>	<u>52,355,172</u>
Less: Non- Operating Items			
Transfers	(1,234,395)	-	(1,234,395)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	<u>\$ 45,864,137</u>	<u>\$ 5,256,640</u>	<u>\$ 51,120,777</u>
Operating Expenditures by Object:			
Salaries	\$ 33,587,550	\$ 1,721,714	\$ 35,309,264
Employee Benefits	5,086,006	731,452	5,817,458
Contractual Services	2,741,752	591,315	3,333,067
General Materials and Supplies	1,904,862	345,816	2,250,678
<i>Library Materials *</i>	<i>205,811</i>	-	<i>205,811</i>
Conference and Meeting Expenses	300,542	1,143	301,685
Fixed Charges	27,845	38,253	66,098
Utilities	2,711	1,653,027	1,655,738
Capital Outlay	310,171	173,920	484,091
Other	1,902,698	-	1,902,698
Transfers	1,234,395	-	1,234,395
Total Operating Expenditures by Object	<u>47,098,532</u>	<u>5,256,640</u>	<u>52,355,172</u>
Less: Non- Operating Items			
Transfers	(1,234,395)	-	(1,234,395)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	<u>\$ 45,864,137</u>	<u>\$ 5,256,640</u>	<u>\$ 51,120,777</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
Restricted Purpose Funds Revenues and Expenditures – Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2022

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
State Government	
ICCB - SWFT: Workforce Equity Initiative	\$ 1,139,213
ICCB - Adult Education	235,560
ICCB - ESLTP	23,580
ICCB - Transitional Instruction	1,468
Illinois State Board of Education	1,049,540
On-Behalf SURS	20,753,645
On-Behalf CIP	160,596
Other	215,654
Total State Government	<u>23,579,256</u>
Federal Government	
Department of Education	25,092,297
Department of Labor	55,905
Department of Transportation	295,153
Department of Agriculture	35,077
Department of Health and Human Services	63,137
National Science Foundation	259,448
Total Federal Government	<u>25,801,017</u>
Other Sources	
Other	46,845
Total Other Sources	<u>46,845</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 49,427,118</u></u>

Parkland College District #505
Restricted Purpose Funds Revenues and Expenditures – Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2022

	<u>Restricted Purposes Fund</u>
Expenditures by Program:	
Instruction	\$ 12,396,243
Academic Support	3,199,295
Student Services	2,658,336
Public Service/ Continuing Education	1,299,967
Auxiliary Services	612,029
Operations and Maintenance	1,432,169
Institutional Support	11,186,502
Scholarships, Student Grants, and Waivers	<u>16,640,817</u>
Total Restricted Purposes Fund Expenditures by Program	<u><u>\$ 49,425,358</u></u>
Expenditures by Object:	
Salaries	\$ 1,718,151
Employee Benefits (Including SURS On- Behalf)	21,159,100
Contractual Services	1,048,802
General Materials and Supplies	453,819
Travel & Conference/ Meeting Expenses	243,740
Fixed Charges	46,426
Utilities	6,744
Capital Outlay	907,051
Other	23,841,525
<i>Scholarships, Grants, Waivers *</i>	<u>16,640,817</u>
Total Restricted Purposes Fund Expenditures by Object	<u><u>\$ 49,425,358</u></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, 2022

Instruction:	
Instructional Programs	\$ 36,599,430
Academic Support:	
Library Center	812,213
Academic Computing Support	1,794,385
Other	5,046,041
Total Academic Support	<u>7,652,639</u>
Student Services Support:	
Admissions and Records	691,890
Counseling and Career Services	1,604,713
Financial Aid Administration	706,588
Other	4,547,582
Total Student Services Support	<u>7,550,773</u>
Public Service/ Continuing Education:	
Community Education	89
Customized Training (Instructional)	2,310,986
Community Services	291,219
Other	996,940
Total Public Service/ Continuing Education	<u>3,599,234</u>
Auxiliary Services	3,806,693
Operations and Maintenance of Plant:	
Maintenance	954,281
Custodial Services	1,695,577
Grounds	534,795
Campus Security	1,359,612
Transportation	39,098
Utilities	1,653,027
Administration	379,862
Other	1,514,708
Total Operations and Maintenance of Plant	<u>8,130,960</u>

Parkland College District #505
Current Funds* Expenditures by Activity – Modified Accrual Basis
Uniform Financial Statement No. 5 (Continued)
For the Year Ended June 30, 2022

Institutional Support:	
Executive Management	\$ 514,624
Fiscal Operations	898,967
Community Relations	108,629
Board of Trustees	49,685
General Institutional	3,174,028
Institutional Research	329,045
Administrative Data Processing	2,805,997
Other	18,960,958
Total Institutional Support	<u>26,841,933</u>
Scholarships, Student Grants, and Waivers	<u>16,640,817</u>
Total Current Funds Expenditures	<u><u>\$ 110,822,479</u></u>

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

Parkland College District #505
Fiscal Year 2022 Certification of Chargeback Reimbursement
For the Year Ended June 30, 2022

All Fiscal Year 2022 noncapital audited operating expenditures
from the following funds:

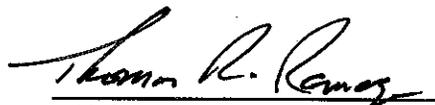
Education Fund	\$ 45,553,969
Operations and Maintenance Fund	5,082,721
Restricted Purpose Fund	27,604,065
Audit Fund	80,525
Liability, Protection, and Settlement Fund	3,025,807
Auxiliary Enterprise Fund (subsidy only)	1,237,743
Total noncapital expenditures	<u>82,584,830</u>
Depreciation on capital outlay expenses paid from sources other than state and federal funds	<u>2,928,463</u>
Total costs included	<u>\$ 85,513,293</u>
Total certified semester credit hours	<u>92,233</u>
Per capita cost per semester credit hour	<u>\$ 927.15</u>
All fiscal year 2022 state and federal operation grants for noncapital expenses, except ICCB grants	\$ 33,162,036
Fiscal year 2022 state and federal grants per semester credit hour	359.55
District's average ICCB grant rate for fiscal year 2022	<u>38.69</u>
District's student tuition and fees per semester credit hour for fiscal year 2022	<u>171.00</u>
Chargeback reimbursement per semester credit hour	<u>\$ 357.90</u>

Approved:


Chief Fiscal Officer

10/14/2022
Date

Approved:


Chief Executive Officer

10/14/22
Date

**State Adult Education and
Family Literacy Grant Program**

Independent Auditor's Report

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on the Financial Statements

Opinion

We have audited the financial statements of the Parkland College District #505 (College) Adult Education and Family Literacy Grant (Grant), which comprise the balance sheet as of June 30, 2022, and the related statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College Adult Education and Family Literacy Grant as of June 30, 2022 and the results of its operations for the year then ended on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

These financial statements were prepared to conform with Illinois Community College Board requirements. As discussed in Note 1, the financial statements of the Grant are intended to present the financial position and results of operations of the portion of the College that is attributable to the transactions of the Grant. They do not purport to, and do not, present fairly the financial position of the College as of June 30, 2022 or the results of its operations for the year then ended in conformity with the basis of accounting described in Note 1. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Parkland College District #505 Adult Education and Family Literacy Grant's financial statements. The Expenditure Amounts and Percentages for ICCB Grant Funds is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated October 14, 2022 on our consideration of the Parkland College District #505 Adult Education and Family Literacy Grant'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 Parkland College District #505 Adult Education and Family Literacy Grant's internal control over financial reporting and compliance.

Restriction of Use

Our report is intended solely for the information and use of the Board of Trustees, management and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

FORVIS,LLP

Decatur, Illinois
October 14, 2022
Illinois Department of Professional Regulation
License Number 066-003844

Independent Auditor's Report on Compliance with State Requirements for the Adult Education and Family Literacy Grant

Board of Trustees of Parkland College District #505 and
Illinois Community College Board

Report on Compliance for the Adult Education and Family Literacy Grant

Opinion on Adult Education and Family Literacy Grant

We have audited the Parkland College District #505 (College) Adult Education and Literacy Grant's (Grant) compliance with the types of compliance requirements described in the Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements for School Districts* (Guidelines) that could have a direct and material effect on the Grant for the year ended June 30, 2022.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Grant for the year ended June 30, 2022.

Basis for Opinion on Adult Education and Family Literacy Grant

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements for School Districts*. Our responsibilities under those standard are described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Grant's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Grant.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Grant's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Illinois Community College Board's

Adult Education and Family Literacy Audit Requirements for School Districts will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Grant's compliance with the requirements as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements for School Districts*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grant's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Grant's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements for School Districts*, but not for the purpose of expressing an opinion on the effectiveness of Grant's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Illinois Community College Board's *Adult Education and Family Literacy Audit Requirements for School Districts*. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

Decatur, Illinois
October 14, 2022
Illinois Department of Professional Regulation
License Number 066-003844

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*

Independent Auditor's Report

Board of Trustees of Parkland College District #505 and
Illinois Community College Board

We have audited, 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, the financial statements of the Parkland College District #505 (College) Adult Education and Family Literacy Grant (Grant), which comprise the balance sheet as of June 30, 2022, and the related statement of revenues, expenditures, and changes in fund balances for the year then ended, and the related notes to the financial statements, prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and have issued our report thereon dated October 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grant'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 Grant's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grant'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 Grant'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grant's financial statements are free from 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 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 Grant's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grant's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

FORVIS,LLP

Decatur, Illinois
October 14, 2022

Parkland College District #505
State Adult Education and Family Literacy Grant Program
(State Basic and Performance)
Balance Sheet
June 30, 2022

	State Basic	State Performance	Total
Assets			
Cash	\$ 13,000	\$ 1,476	\$ 14,476
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 13,000	\$ 1,476	\$ 14,476
Due to College	-	-	-
Total liabilities	13,000	1,476	14,476
Fund Balance	-	-	-
Total Liabilities and Fund Balance	\$ 13,000	\$ 1,476	\$ 14,476

Parkland College District #505
State Adult Education and Family Literacy Grant Program
(State Basic and Performance)
Statement of Revenues, Expenditures and Changes in Program Balances
Year Ended June 30, 2022

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenues			
Illinois Community College Board Grant	\$ 181,516	\$ 68,520	\$ 250,036
Expenditures			
Instructional and student services			
Instruction	99,720	16,580	116,300
Social work services	2,064	-	2,064
Guidance services	28,570	-	28,570
Assessment and testing	8,034	3,553	11,587
Student transportation services	990	4	994
Literacy services	-	-	-
Child care services	-	-	-
Total instructional and student services	<u>139,378</u>	<u>20,137</u>	<u>159,515</u>
Program support			
Improvement of instructional service	28,522	1,159	29,681
General administration	13,300	23,477	36,777
Operation and Maintenance of Plant Services	-	-	-
Data and informational service	316	20,261	20,577
Workforce coordination	-	3,486	3,486
Approved Indirect Costs	-	-	-
Total program support	<u>42,138</u>	<u>48,383</u>	<u>90,521</u>
Total expenditures	<u>181,516</u>	<u>68,520</u>	<u>250,036</u>
Excess of Revenues Over Expenditures	-	-	-
Program Balance			
Beginning balance - July 1, 2021	-	-	-
Ending balance - June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Parkland College District #505
ICCB Compliance Statement for the
Adult and Family Literacy Grant Program
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2022

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% minimum required)	\$ 99,720	55%
General administration (15% maximum allowed)	13,300	7%

Parkland College District #505
Notes to Grant Program Financial Statements
June 30, 2022

Note 1: Description of Programs

The following grants received from the Illinois Community College Board (ICCB) are administered by Parkland College District #505 (College). The accompanying statements include only those transactions resulting from the State Adult Education and Family Literacy Grant. These transactions have been accounted for in the College's Restricted Purposes Fund. Because the financial statements of the ICCB grant programs present only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows, if applicable, of the College.

State Adult Education and Family Literacy Grant

This grant is intended to assist adults to become literate, obtain the knowledge and skills necessary for employment and self-sufficiency, become full partners in the educational development of their children and completion of secondary school education.

Note 2: Basis of Presentation and Significant Accounting Policies

ICCB Grant Programs

The financial statements of the ICCB grant programs have been prepared on the modified accrual basis of accounting. Expenditures included all accounts payable representing liabilities for goods and services actually received as of June 30, 2022. Amounts received from ICCB are recognized as revenues when the corresponding expenditures are incurred.

Funds obligated for goods and services by June 30, 2022, and paid for by August 31, 2022, are recorded as unearned revenue. Payments of prior year's encumbrances for goods received prior to August 31, 2021, are reflected as expenditures during the current fiscal year.

Accounts Receivable

The College's accounts receivable are comprised of amounts committed from the State of Illinois for the Adult Education program. Management reviews all the accounts receivable as of June 30 each year, and establishes an allowance for doubtful accounts based on specific assessment of each account as necessary. There was no allowance as of June 30, 2022.

Credit Hour Data



225 N. Water Street, Suite 400 / Decatur, IL 62523

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forvis.com

Independent Accountant's Report on Schedule of Credit Hour Data and Other Basis Upon Which Claims Were Filed

Board of Trustees
Parkland College District #505
Champaign, Illinois

We have examined the accompanying Schedule of Credit Hour Data and Other Basis Upon Which Claims Were Filed (Schedule) of Parkland College District #505 for the year ended June 30, 2022. Parkland College District #505's management is responsible for the Schedule. Our responsibility is to express an opinion on the Schedule based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*; and accordingly, including examining, on a test basis, evidence supporting the Schedule and performing such other procedures as we consider necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to the engagement.

In our opinion, the accompanying Schedule of Credit Hour Data and Other Basis Upon Which Claims Were Filed is fairly presented, in all material respects, in accordance with the provisions of the aforementioned guidelines for the year ended June 30, 2022.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

FORVIS, LLP

Decatur, Illinois
October 14, 2022

Parkland College
Schedule of Enrollment Hour Data and Other Bases
Upon Which Claims Were Filed
Year Ended June 30, 2022

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer Term		Fall Term		Spring Term		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	7,610.0	-	26,854.0	-	23,387.0	-	57,851.0	-
Business occupational	196.5	-	1,537.0	-	1,352.0	-	3,085.5	-
Technical occupational	770.0	322	5,204.5	371	4,577.5	596	10,552.0	1,289
Health occupational	992.0	-	4,740.0	-	4,986.0	-	10,718.0	-
Remedial/developmental	395.0	-	3,154.0	-	1,982.0	-	5,531.0	-
Adult education	72	261.0	352	1,009.0	299	1,213.0	723.0	2,483
Total	10,035.5	583.0	41,841.5	1,380.0	36,583.5	1,809.0	88,460.5	3,772.0

Reimbursable Semester Credit Hours (All Terms)	<u>Attending In-District</u> 71,181.50	<u>Attending Out-of-District on Chargeback</u> -	<u>Total</u> 71,181.50
Reimbursable Semester Credit Hours (All Terms)	<u>Dual Credit</u> 5,678.00	<u>Dual Enrollment</u> 481.00	
District 2021 Equalized Assessed Valuation	<u>\$ 6,311,482,648</u>		

Categories	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer Term	Fall Term	Spring Term	Total
Business occupational	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial/developmental	-	-	-	-
Adult education	-	-	-	-
Total	-	-	-	-

Signatures: Thomas R. Ramsey 10/3/22 Christine Ruelle 10/03/2022

Parkland College District #505
Reconciliation of Total Semester Credit Hours
Year Ended June 30, 2022

Reconciliation of Total Semester Credit Hours

Categories	Total	Total Unrestricted	Difference	Total	Total Restricted	Difference
	Unrestricted Credit Hours	Credit Hours Certified to ICCB		Restricted Credit Hours	Credit Hours Certified to ICCB	
Baccalaureate	57,851.0	57,851.0	-	-	-	-
Business occupational	3,085.5	3,085.5	-	-	-	-
Technical occupational	10,552.0	10,552.0	-	1,289.0	1,289.0	-
Health occupational	10,718.0	10,718.0	-	-	-	-
Remedial/developmental	5,531.0	5,531.0	-	-	-	-
Adult education	723.0	723	-	2,483.0	2,483	-
Total Credit Hours Certified	<u>88,460.5</u>	<u>88,460.5</u>	<u>-</u>	<u>3,772.0</u>	<u>3,772.0</u>	<u>-</u>

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

	Total Attending	Total Attending as Certified to ICCB	Difference
	In-District Residents	71,181.5	71,181.5
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	<u>71,181.5</u>	<u>71,181.5</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
	Dual credit	5,678	5,678
Dual enrollment	481	481	-
Total	<u>6,159</u>	<u>6,159</u>	<u>-</u>

Reconciliation of Total Correctional Semester Credit Hours

Credit Hour Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to ICCB	Difference
Baccalaureate	-	-	-
Business occupational	-	-	-
Technical occupational	-	-	-
Health occupational	-	-	-
Remedial/developmental	-	-	-
Adult education	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Parkland College District #505

Documentation of Residency Verification Steps

For the Year Ended June 30, 2022

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

Applicants

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

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

Students

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

Returned Mail

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

Parkland College District #505
Background Information on State Grant Activity
For the Year Ended June 30, 2022

Unrestricted Grants

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

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

Statewide Initiatives

Other Grants – These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the College and the State of Illinois. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

State Basic – Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and childcare facilities or provision.

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

Parkland College District #505
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2022

Findings – ICCB Grant Compliance

No matters are reportable.

Parkland College District #505
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2022

Findings – ICCB Grant Compliance

No matters are reportable.

Illinois Grant Accountability and Transparency Report

Parkland College District #505
Illinois Grant Accountability and Transparency Act
Consolidated Year End Financial Report
Year Ended June 30, 2022

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
586-18-0409	Child and Adult Care Food Program	\$ -	\$ 30,815	\$ -	\$ 30,815
586-18-0875	Agricultural Education	1,049,540	-	-	1,049,540
586-44-2307	Title I Migrant Education	-	350,624	-	350,624
601-00-0748	Illinois Cooperative Work Study Program	26,481	-	-	26,481
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	598,247	-	598,247
684-00-2549	Career and Technical Education - Basic Grants to States	-	7,112	-	7,112
684-00-0822	Early School Leaver Transition Program - State CTE	23,580	-	-	23,580
	Customized Apprenticeship Programming in Information				
684-00-2334	Technology	-	38,067	-	38,067
684-00-2727	Governor's Emergency Education Relief Fund II Federal	-	109,034	-	109,034
684-02-2455	Governor's Emergency Education Relief	-	142,369	-	142,369
684-01-0625	Adult Education and Literacy Basic Grants - Federal and State	235,560	145,380	-	380,940
684-01-1670	Innovative Bridge and Transition Grant - State	75,159	-	-	75,159
684-01-2213	Workforce Equity Initiative	1,139,214	-	-	1,139,214
	Other Grant Programs and Activities	-	24,380,572	-	24,380,572
	All Other Costs Not Allocated	-	-	72,677,369	72,677,369
		<u>-</u>	<u>-</u>	<u>72,677,369</u>	<u>72,677,369</u>
	Total	<u>\$ 2,549,534</u>	<u>\$ 25,802,220</u>	<u>\$ 72,677,369</u>	<u>\$ 101,029,123</u>

Federal Compliance Section

Parkland College District #505
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title/ Grant Name	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Agriculture				
Passed through the University of Illinois				
Agriculture and Food Research Initiative	10.310		\$ 4,262	\$ -
Passed through the Illinois State Board of Education (ISBE)				
Child & Adult Care Food Program	10.558	4226	30,815	-
Department of Labor				
Passed through the Champaign County Regional Planning Commission				
WIOA Cluster				
WIOA Youth Activities	17.259		17,839	-
H-1B Job Training Grants	17.268		38,067	-
Total Department of Labor			55,906	-
Department of Transportation				
Passed through the Illinois Department of Transportation (IDOT)				
Highway Planning and Construction Cluster				
Highway Planning and Construction Program - ICCB/IDOT HCCTP	20.205		295,153	-
Department of Education				
Direct				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		190,704	-
Federal Work Study (FWS)	84.033		162,440	-
Pell Grant Program	84.063		6,108,363	-
Federal Direct Loans	84.268		2,094,880	-
Direct Plus: Department of Education	84.268		421,127	-
Unsubsidized Direct Loan Even: Department of Education	84.268		1,058,139	-
Total Student Financial Aid Cluster			10,035,653	-
Other Direct Programs				
Trio Cluster				
Trio Student Support Services	84.042a		309,540	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		48,654	-
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		6,289,614	-
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E		6,533,681	-
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		532,564	-
COVID-19 Governor's Emergency Education Relief Fund	84.425C		251,403	-
Total Education Stabilization Fund			13,607,262	-
Total Other Direct Programs			13,965,456	-
Passed through the Illinois Community College Board (ICCB)				
Adult Education - EL/CIVICS				
Adult Education - Basic	84.002a	5050122	127,645	-
Total Adult Education			145,380	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CBE2202	7,112	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CTE50522	598,247	-
Total Career and Technical Education - Basic Grants to States (Perkins V)			605,359	-
Passed through the Illinois State Board of Education (ISBE)				
Title I - Migrant Education				
Title I - Migrant Education	84.011A	4340	350,624	-
Passed through University of Illinois - Center for Global Studies				
Title VI National Resources Grant				
Title VI National Resources Grant	84.015A		6,642	-
Total Department of Education			25,109,114	-
National Science Foundation				
Direct				
Research and Development Cluster				
Research Pheno Plasticity	47.074		15,657	-
Precision Ag Curriculum Enhancement	47.076		243,791	-
Total National Science Foundation			259,448	-
Department of Health and Human Services				
Passed through the Illinois Community College Board (ICCB)				
CCDF Cluster				
Child Care and Development Block Grant	93.575		63,137	-
Total Expenditures of Federal Awards			\$ 25,817,835	\$ -

Parkland College District #505
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Note 1: Basis of presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Parkland College District #505 (College) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Independent Auditor's Report

Board of Trustees
Parkland College District #505
Champaign, Illinois

We have audited, 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, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Parkland College District #505 (College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 14, 2022, which contained an "Emphasis of Matter" paragraph for the adoption of a new accounting standard.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness 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 College's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Decatur, Illinois
October 14, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Parkland College District #505's (College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of College's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the College complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The College's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. The College’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

FORVIS,LLP

Decatur, Illinois
October 14, 2022

Parkland College District #505
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):

- Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

 Significant deficiency(ies) identified? Yes None reported

 Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:

 Significant deficiency(ies) identified? Yes None reported

 Material weakness(es) identified? Yes No

5. Type of auditor's report issued on compliance for major federal award programs:

- Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

7. Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Numbers
Student Financial Aid Cluster	84.007, 84.033, 84.063, 84.268
Higher Education Emergency Relief Fund	84.425C, 84.425E, 84.425F, 84.425M

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. The College qualified as a low-risk auditee? Yes No

Parkland College District #505
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable

Parkland College District #505
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	<p>Student Financial Assistance Cluster, Assistance Listing #84.268 – Federal Direct Student Loans, Assistance Listing #84.063 – Federal Pell Grant Program, U.S. Department of Education</p>
2022-001	<p>Criteria of specific requirement – Special Tests and Provisions – Enrollment Reporting</p> <p>Condition – Changes in enrollment to less than half time, graduated or withdrawn students must be reported within 30 days or a complete roster file is to be submitted every 60 days as described in the School eligibility and operations sections of the Federal Student Aid Handbook. The College did not submit student’s current enrollment status to the National Student Loan Data Services (NSLDS) within 60 days.</p> <p>Questioned costs – None.</p> <p>Context – Out of a population of 1,865 students who received federal student financial aid in the form of Federal Direct Student Loans and withdrew (partial or full) or graduated during the academic year, a sample of 40 students was selected for testing. Out of the 40 students tested, 14 students’ change of enrollment status was not submitted to the NSLDS in a timely matter. Our sample was not and was not intended to be statistically valid.</p> <p>Effect – The NSLDS was not provided with timely submission of enrollment status changes for students who withdrew (partial or full) or graduated during the fiscal year. Such submissions are required to allow for proper calculation of the students allowed grace and repayment period.</p> <p>Cause – The student enrollment status changes that were not reported timely related to the College’s internal control procedures in place for identifying and reporting students in ample time to the third-party servicer who reports to the NSLDS.</p> <p>Identification as a repeat finding – N/A</p> <p>Recommendation – The College should monitor its compliance with federal regulations and should implement procedures to report all statuses of students to ensure enrollment status changes are reported to the NSLDS in a timely matter. We also recommend the College review a sample of students to verify that the students have been reported to the NSLDS.</p> <p>Views of responsible officials and planned corrective actions – See attachment.</p>

Action Plan for Graduate and Enrollment Reporting Audit Finding 2022-001

Issue – Graduate reporting is completed by submitting a DEGREE VERIFY file and a GRAD ONLY file to the National Student Clearinghouse (NSC). For spring 2022, the Technology Specialist sent a DEGREE VERIFY file to the NSC on 6/23/22 but did not include a GRAD ONLY file with that submission. This caused an issue with graduates being reported in a timely manner. Also, some students' enrollment status was not submitted to the NSC in a timely manner, to be compliant with the 60-day requirement for reporting to NSLDS.

Action Plan 1– From this time forward, all graduate submissions (DEGREE VERIFY and GRAD ONLY files) to the NSC will be completed within two weeks following final grades being due. This will allow time for the NSC to submit to the National Student Loan Data System (NSLDS). Within 2-3 business days, the NSC sends an email confirmation to the Technology Specialist and Registrar stating that a degree file has been processed (see below). In addition, the Technology Specialist and the Registrar will attend training provided by the National Student Clearinghouse when it is available, to stay abreast of any regulatory changes or processing changes.

Action Plan 2– The Technology Specialist submits Enrollment Reporting files to the NSC, once per month, per the NSC's schedule. Once rosters are submitted, an email is then sent to the Technology Specialist and the Registrar confirming submission. Once this email is received, both the Technology Specialist and the Registrar will log into the NSC to verify the submission. If errors are reported with the submission, both will then log into the NSC, go to the NSLDS reporting tab to identify errors and correct each record within 10 days to ensure timely reporting.

Action Plan 3– To further ensure compliance, the Office of Financial Aid and Veteran Services will run the NSLDS SCHER1 (NSLDS Enrollment Summary Report) monthly and send it to the Technology Specialist and the Registrar so they can identify any errors that were reported by NSLDS for each submission. In addition, the Technology Specialist and the Registrar will attend training provided by the National Student Clearinghouse when it is available, to stay abreast of any regulatory changes or processing changes.

Contact: Tim Wendt, Director Enrollment Services, twendt@parkland.edu

Anticipated completion date: 11/1/2022

Parkland College District #505
Summary of Schedule of Prior Year Audit Findings
Year Ended June 30, 2022

Reference Number	Summary of Finding	Status
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No matters are reportable.