Parkland College
Comprehensive
Annual Financial Report
June 30, 2023 and 2022

Forvis, LLP

Parkland College
2400 West Bradley Avenue
Champaign, IL 61821-1899
217-351-2200
www.parkland.edu

Parkland College District #505
Champaign, Illinois

Annual Comprehensive Financial Report

June 30, 2023 and 2022

Parkland College District #505
Annual Comprehensive Financial Report
June 30, 2023 and 2022

Contents

Independent Auditor's Report ... 1

Management's Discussion and Analysis ... 4

Financial Statements

Basic Financial Statements

Statements of Net Position ... 15

Statements of Revenue, Expenses and Changes in Net Position ... 17

Statements of Cash Flows ... 18

Statements of Fiduciary Net Position ... 20

Statements of Changes in Fiduciary Net Position ... 21

Parkland College Foundation – Statements of Financial Position ... 22

Parkland College Foundation – Statements of Activities ... 23

Notes to Basic Financial Statements ... 24

Required Supplementary Information

Pension

Schedule of Proportionate Share of the Net Pension Liability – SURS ... 73

Schedule of Contributions – SURS ... 74

Notes to Required Supplementary Information – Pension Liability ... 75

Other Postemployment Benefit Obligations

Schedule of Proportionate Share of the Net OPEB Liability – CIP ... 76

Schedule of Contributions – CIP ... 77

Notes to Required Supplementary Information – OPEB Liability ... 78

Supplementary Information

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 ... 79

Combined Statement of Revenue, Expenditures, and Changes in Fund Balances – Modified Accrual Basis – All Governmental Fund Types ... 81

Contents (Continued)

Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Modified Accrual Basis – All Governmental Fund Types 82

Combined Statement of Revenue, Expenditures, and Changes in College Equity – Budget and Actual – Proprietary Fund Types and Similar Trust Funds 83

Combined Statement of Cash Flows – Proprietary Fund Types and Similar Trust Funds 84

Combining Balance Sheet – Modified Accrual Basis – General Funds 85

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Modified Accrual Basis – General Funds 86

Combining Balance Sheet – Modified Accrual Basis – Special Revenue Funds 87

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Modified Accrual Basis – Special Revenue Funds 88

Combining Balance Sheet – Enterprise Funds 89

Combining Statement of Revenue, Expenses, and Changes in Retained Earnings (Deficit) – Enterprise Funds 90

Combining Statement of Cash Flows – Enterprise Funds 91

Combining Balance Sheet – Fiduciary Funds 92

Balance Sheet – Modified Accrual Basis (Governmental Fund Types and Account Groups) and GAAP Basis (Proprietary and Fiduciary Fund Types) 93

Statement of Revenue, Expenditures, and Changes in College Equity – Modified Accrual Basis (Governmental Fund Types) GAAP Basis (Proprietary Fund Type) – All Funds 94

Reconciliations to the Basic Financial Statements 95

Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections 96

Schedule of Legal Debt Margin 98

Student Enrollment and Full-Time Equivalency At Tenth Day (Unaudited) 99

State Required Report Section

Uniform Financial Statements

All Funds Summary – Modified Accrual Basis – Uniform Financial Statement No. 1 100

Summary of Fixed Assets and Debt – Uniform Financial Statement No. 2 101

Parkland College District #505
Annual Comprehensive Financial Report
June 30, 2023 and 2022

Contents (Continued)

Operating Funds Revenues and Expenditures – Modified Accrual Basis – Uniform Financial Statement No. 3 102

Restricted Purpose Fund Revenues and Expenditures – Modified Accrual Basis – Uniform Financial Statement No. 4 104

Current Funds – Expenditures by Activity Modified Accrual Basis – Uniform Financial Statement No. 5 106

Fiscal Year 2023 Certification of Chargeback Reimbursement 108

Credit Hour Data

Independent Accountant's Report on Schedule of Credit Hour Data and Other Basis Upon Which Claims Were Filed 109

Schedule of Enrollment Hour Data and Other Bases Upon Which Claims Were Filed 110

Reconciliation of Total Semester Credit Hours 111

Documentation of Residency Verification Steps 112

Background Information on State Grant Activity 113

Schedule of Findings and Questioned Costs – ICCB Grant Compliance 114

Summary of Schedule of Prior Audit Findings – ICCB Grant Compliance 115

Illinois Grant Accountability and Transparency Reports

Illinois Grant Accountability and Transparency Act – Consolidated Year-End Financial Report 116

Federal Compliance Section

Schedule of Expenditures of Federal Awards 117

Notes to the Schedule of Expenditures of Federal Awards 118

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 119

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor's Report 121

Schedule of Findings and Questioned Costs 124

Summary Schedule of Prior Audit Findings 128

FORVIS
225 N. Water Street, Suite 400 / Decatur, IL 62523
P 217.429.2411 / **F** 217.429.6109
forvis.com

Independent Auditor's Report

Board of Trustees
Parkland College District #505
Champaign, Illinois

Report on the Audit of the Financial Statements

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 years ended June 30, 2023 and 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, 2023 and 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 2023, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are 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, 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 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.

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 GAAS, 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 audits were 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 including other schedules, state required report section, Illinois grant accountability and transparency reports including the federal compliance section, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 information 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 GAAS. 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements.

The student enrollment and full-time equivalency at tenth day schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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 13, 2023, 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 13, 2023

Management’s Discussion and Analysis

Parkland College District #505
Management's Discussion and Analysis
June 30, 2023 and 2022

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 2023, 2022 and 2021. 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 2023, 2022 and 2021 only.

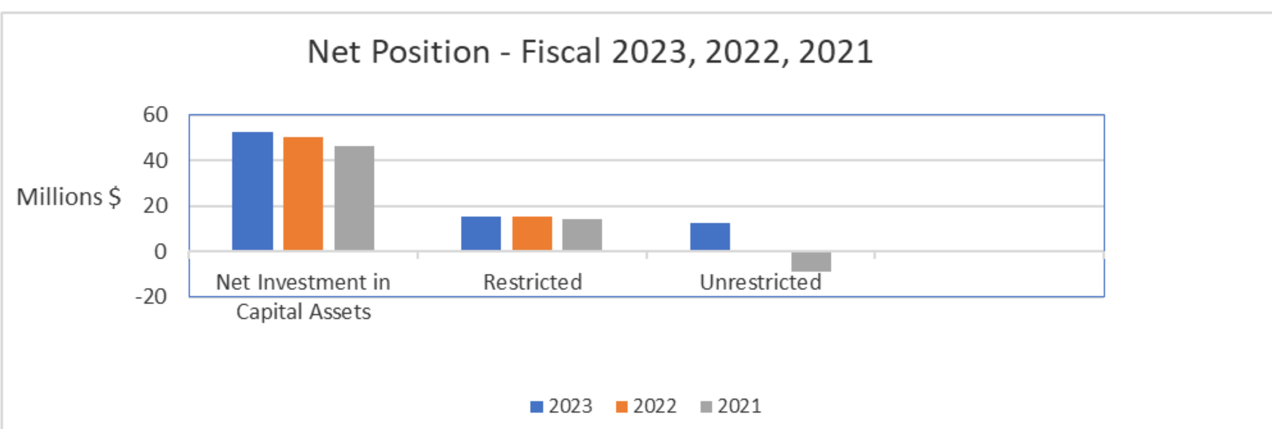
Using This Annual Report

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, 2023. Copies of the Foundation's annual audit can be obtained from the Foundation office at Parkland College.

Primary Institution Financial Highlights

Comparative Net Position Chart



The Statement of Net Position

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

	2023	2022**	2021*
Current Assets	$ 68.7	$ 73.9	$ 63.7
Non-Current Assets:			
Capital Assets, Net of Depreciation	88.4	89.7	91.5
Other non-current assets	10.7	1.6	0.4
Total Assets	167.8	165.2	155.2
Deferred Outflows of Resources	0.4	0.6	0.7
Total Assets and Deferred Outflows of Resources	168.2	165.8	155.9
Current Liabilities	14.8	15.1	13.3
Non-Current Liabilities	49.9	74.6	82.4
Total Liabilities	64.7	89.7	95.7
Deferred Inflows of Resources	22.9	10.1	8.6
Net Position:			
Net Investment in Capital Assets	52.5	50.4	46.0
Restricted	15.5	14.9	14.4
Unrestricted	12.6	0.7	(8.8)
Total Net Position	$ 80.6	$ 66.0	$ 51.6

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
** Restated for the adoption of GASB Statement No. 96

Fiscal Year 2023 Compared to 2022

Net position increased $14.6 million during fiscal year 2023. This increase was due to increases in net investment capital assets of $2.1 million, restricted net position of $0.6 million, and unrestricted net position of $11.9 million.

Total liabilities decreased by $25.0 million to $64.7 million. This decrease was due to a decrease in both current liabilities of $0.3 million and non-current liabilities of $24.7 million.

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

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 $1.2 million and unrestricted net position of $8.8 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.

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

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

Operating Results
For Year Ended June 30
(in millions)

	2023	2022**	2021
Operating Revenue:			
Tuition and Fees	$ 22.9	$ 15.3	$ 15.9
Auxiliary Enterprises	3.1	3.5	3.4
Other	1.4	1.3	1.4
Total	27.4	20.1	20.7
Less: Operating Expenses	96.5	99.7	108.6
Operating Loss	(69.1)	(79.6)	(87.9)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	10.5	8.6	8.4
Local Property Taxes	42.8	40.5	35.1
Federal Grants and Contracts	13.7	25.1	22.8
On-Behalf Payments	16.2	20.9	29.8
Interest Expense	(1.6)	(1.7)	(1.9)
Interest Income	0.4	0.4	0.4
Investment Income	1.7	0.2	0.1
Total	83.7	94.0	94.7
Increase in Net Position	14.6	14.4	6.8
Net Position, Beginning of Year	66.0	51.6	44.8
Net Position, End of Year	$ 80.6	$ 66.0	$ 51.6

Fiscal Year 2023 Compared to 2022

Operating revenues increased $7.3 million from the prior year. Operating revenue increased by $7.6 million in the tuition & fees category, along with a $0.1 million increase in other revenues offset by a $0.4 decrease in auxiliary revenue. The increase in tuition and fees revenue is reflected by the $5.7 million decrease in scholarship allowance from the prior year. This resulted in the increase in operating revenue as mentioned above.

In total, operating expenses decreased by $3.2 million. This is due to decreases in student services of $0.7 million, public service of $0.4 million, on-behalf payments of $4.8 million, scholarships and grants of $0.4 million offset by an increase in institutional support of $2.3 million, operations of maintenance of plant of $0.7 million and depreciation and amortization of $0.1 million.

The non-operating revenues, net of non-operating expenses, decreased by $10.3 million. This is due to a decrease in federal grants and contracts of $11.4 million and on behalf payments of $4.7 million offset by increases in state grants and contracts of $1.9 million, local property taxes of $2.3 million, and investment income of $1.5 million along with a decrease in interest expense 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 2022 Compared to 2021

Operating revenues increased $0.6 million from the prior year. 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.

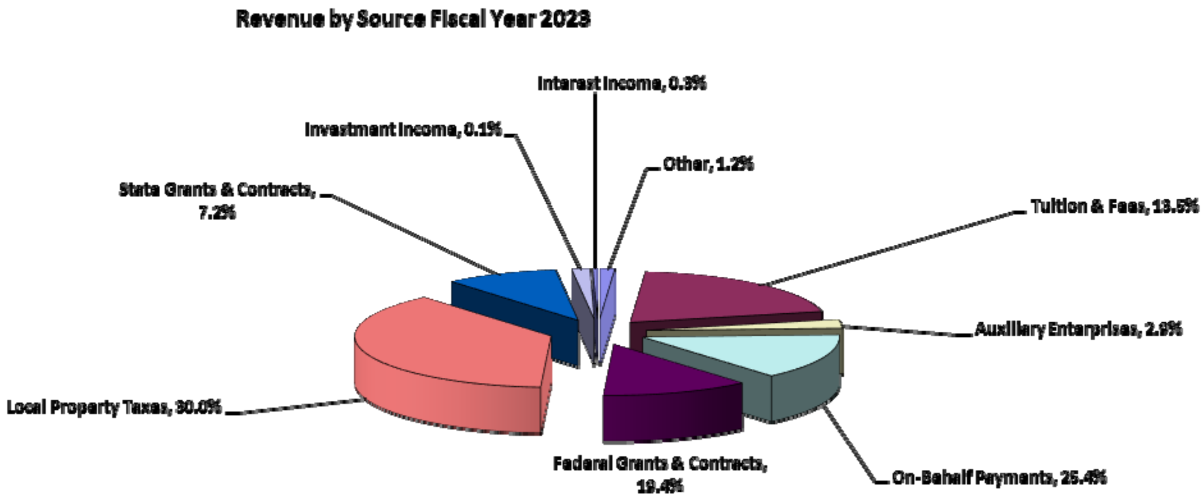
The non-operating revenues, net of non-operating expenses, decreased by $0.7 million. This is due to a decrease in on-behalf payments of $8.9 million offset by increases in federal grants and contracts of $2.3 million, local property taxes of $5.4 million, state grants and contracts of $0.2 million, 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).

Parkland College District #505

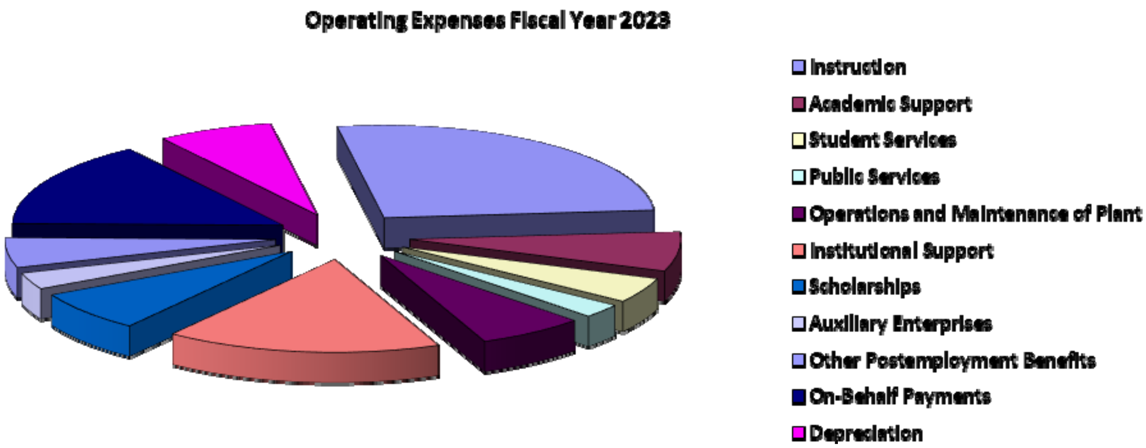
Management's Discussion and Analysis

June 30, 2023 and 2022



Operating Expenses
For Year Ended June 30
(in millions)

	2023	2022	2021
Operating Expenses:			
Instruction	$ 28.5	$ 25.6	$ 27.8
Academic Support	7.4	5.7	5.8
Student Services	4.7	5.5	5.1
Public Service	2.6	2.9	2.3
Operations and Maintenance of Plant	6.9	6.2	6.2
Instutitional Support	17.7	15.7	16.3
Scholarships	7.6	8.0	4.9
Auxiliary Enterprises	3.1	3.0	2.9
On-Behalf Payments	16.2	20.9	29.8
Other Postemployment Benefits	(5.6)	(0.7)	0.3
Depreciation	7.4	6.9	7.2
Total	$ 96.5	$ 99.7	$ 108.6



Analysis of Net Position
June 30
(in millions)

	2023	2022	2021
Net Position:			
Net Investment in Capital Assets	$ 52.5	$ 50.4	$ 46.0
Restricted	15.5	14.9	14.4
Unrestricted	12.6	0.7	(8.8)
Total	$ 80.6	$ 66.0	$ 51.6

Fiscal Year 2023 Compared to 2022

Total net position increased by $14.6 million from fiscal year 2022 to fiscal year 2023. The net investment in capital assets increased $2.1 million, or 4.2% 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. The restricted net position increased by $0.6 million compared to the previous year, and the unrestricted net position increased by $11.9 million during fiscal year 2023.

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 increased by $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. The restricted net position increased by $1.2 million compared to the previous year, and the unrestricted net position increased by $8.8 million during fiscal year 2022.

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 2023, the College had $88.4 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and depreciation) of $1.3 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)

	2023	2022	2021
Land	$ 1.8	$ 1.8	$ 1.8
Construction in Progress	2.5	2.2	1.0
Buildings	66.1	68.4	70.7
Land Improvements	13.3	13.5	13.7
Equipment	4.7	3.8	4.6
Total	$ 88.4	$ 89.7	$ 91.8

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

Campus Door Lock Phase I	$ 2.5
Total	$ 2.5

The College's fiscal year 2024 operating capital budget is $7.4 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 in fiscal year 2023 from $82.6 million to $58.2 million. The general obligation bonds payable decreased by $4.3 million, the net other post-employment benefit liability decreased by $18.5 million, the unamortized bond premium decreased by $0.4 million, and the retirement obligation increased by $0.7 million, property tax payable decreased by $0.1 million and subscription liability by $0.3 million.

In March 2022, 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 11 to the Basic Financial Statements.

The College has nearly $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 salaries and benefit expenses.

For fiscal year 2024, the Parkland College Board of Trustees raised tuition and fees per credit hour $7.50 for a total of $178.50 in-district per credit hour for the first time in four years. The intention has been to hold enrollment steady and produce similar revenue from tuition and fees. Based on initial feedback from the district 505 counties, the College also expects an increase in local property tax revenue with initial projections of 7% EAV growth. With the passage of a FY24 State budget, the College budgeted $5.3 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. Planning for negotiations will begin during FY2024. This includes preparing for the lingering impact of the pandemic on employee recruitment and retention. Also, the College has entered the eighth year with its health insurance administrator. While the first several years yielded significant savings, healthcare costs appear to be trending upward. This will be another item in planning for union negotiations. 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 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 the marketing efforts of the underwriting team. The Refunding Bonds did not extend the payment schedule and saved nearly $6.6 million in aggregate. Also, the College continually works with its outside financial advisors to monitor if another refinancing opportunity becomes available to save money.

The College engaged an information technology consultant (Moran Technology) in fiscal year 2014 to evaluate the College's information systems. The College completed this which included hiring a Chief Information Officer who was charged with implementing various aspects of the technology master plan. Several major items that were completed include the transition to a new email system, a singular password system along with multifactor authentication, and a new website design. In addition to this, the College has placed more emphasis on cybersecurity including more training for employees along with the creation and hiring of a Director of Information Security. Since completing the technology master plan recommended by Moran the College has engaged with Campus Works to consult on technology. Again, this includes a review of information technology that includes cloud-based technology and services.

Parkland continues its capital improvements to its grounds and facilities. The college plans to complete the improvements of the Fountain Courtyard prior to the end of the calendar year 2024. Also, the College plans to use two years of PHS dollars to fund the campus electronic door lock upgrade. Phase I of this project is complete, and Phase II is underway. Along with this, the College is working with the Capital

Development Board (CDB) on two pending projects: exterior door replacements and cooling plant upgrades. Then the College board approved the bid to build the new AGCO Training Center at Parkland with a $5 million donation from AGCO corporation. Groundbreaking will begin in October 2023. Lastly, the College is considering hiring a consultant to do an efficiency and space usage analysis of its facilities.

The College's approved operating budget for fiscal year 2024 is $63.2 million. The total College budget is $119.3 million.

The Parkland Foundation will continue to raise money for the College's needs as described in its mission statement. This will include raising funds for scholarships and future capital projects. This includes the annual Creating Impact Celebration that is scheduled for the Fall of 2023.

The College received its 10-year accreditation from the Higher Learning Commission in October 2023. Also, the College will have an assurance review during FY27 and then a comprehensive evaluation again in FY33. Additional information about the accreditation can be found on the Higher Learning Commission website.

President Dr. Ramage retired on 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 named Dr. Pam Lau as acting President on January 1, 2023. The transition has gone smoothly given her tenure at the College as she brings a great deal of experience and enthusiasm to the position.

Ongoing challenges include retention of employees and students, along with State of Illinois funding. In particular, the Corporate Property Replacements Tax payments will continue to be monitored. Additionally, global unrest could impact the college in various ways unknown.

Basic Financial Statements

Parkland College District #505

Statements of Net Position

June 30, 2023 and 2022

Assets and Deferred Outflows of Resources

	2023	2022 (Restated)
Current Assets		
Unrestricted		
Cash and cash equivalents	$ 36,596,327	$ 46,551,188
Investments	8,881,315	5,478,997
Due from Parkland Foundation	29,066	55,325
Property taxes receivable, net	4,368,470	3,824,625
Accounts receivable, net	2,905,518	2,680,920
Inventories	432,449	391,328
Lease receivable	132,140	70,783
Prepaid assets and other	28,278	28,554
Restricted		
Cash and cash equivalents	12,723,336	12,833,331
Property taxes receivable, net	952,179	862,048
Accounts receivable, net	1,678,858	1,119,024
Total current assets	68,727,936	73,896,123
Property and Equipment, Net	88,390,132	89,732,665
Noncurrent Assets		
Investments	9,191,539	-
Lease receivable	270,549	284,155
Subscription assets, net	733,282	948,063
Lease assets, net	466,983	402,459
Total noncurrent assets	10,662,353	1,634,677
Total assets	167,780,421	165,263,465
Deferred Outflows of Resources		
Deferred retirement plan contributions subsequent to measurement date	89,523	67,878
Other postemployment benefits	325,003	491,863
Total deferred outflows of resources	414,526	559,741
Total assets and deferred outflows of resources	$ 168,194,947	$ 165,823,206

(Cont.)

Parkland College District #505

Statements of Net Position

June 30, 2023 and 2022

Liabilities, Deferred Inflows or Resources, and Net Position

	2023	2022 (Restated)
Current Liabilities		
Accounts payable	$ 898,344	$ 1,009,711
Accrued liabilities	2,722,648	2,657,333
Current portion of property tax refund payable	156,860	158,000
Due to student groups	662,928	747,400
Unearned revenue	2,128,154	2,692,070
Current portion of lease payable	169,991	109,714
Current portion of subscriptions liabilities	531,597	683,018
Current portion of retirement obligation	2,307,409	2,289,865
Current portion of unamortized bond premium	381,866	381,866
Current portion of bonds payable	4,860,000	4,330,000
Total current liabilities	14,819,797	15,058,977
Long-Term Liabilities		
Property tax refund payable, net of current portion	-	156,860
Retirement obligations, net of current portion	3,798,794	4,504,955
Accrued compensated absences	1,843,579	1,865,931
Leases payable, net of current portion	313,109	307,257
Subscriptions liabilities, net of current portion	50,274	223,420
Unamortized bond premium, net of current portion	2,068,438	2,450,304
Bonds payable, net of current portion	30,110,000	34,970,000
Net other postemployment benefit liability	11,657,741	30,175,704
Total long-term liabilities	49,841,935	74,654,431
Total liabilities	64,661,732	89,713,408
Deferred Inflows of Resources		
Deferred amounts from leases	382,991	342,655
Other postemployment benefits	22,530,640	9,767,599
	22,913,631	10,110,254
Net Position		
Net investment in capital assets	52,459,380	50,430,436
Restricted for:		
Expendable trust	7,735,163	7,598,786
Debt service	4,398,831	4,269,876
Purposes allowed by property tax levies	2,885,560	2,597,155
Aviation program operation	434,397	407,365
Unrestricted		
General purposes	46,569,631	40,147,366
Related to OPEB	(33,863,378)	(39,451,440)
Total net position	80,619,584	65,999,544
Total liabilities, deferred inflows of resources, and net position	$ 168,194,947	$ 165,823,206

Parkland College District #505

Statements of Revenue, Expenses and Changes in Net Position

Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Operating Revenues		
Tuition and fees, net of scholarship allowances of $2,747,791 and $8,435,312, respectively	$ 22,939,116	$ 15,332,313
Auxiliary enterprises revenue	3,109,385	3,446,274
Other operating revenues	1,380,413	1,288,014
Total operating revenues	27,428,914	20,066,601
Operating Expenses		
Instruction	28,521,313	25,570,247
Academic support	7,398,741	5,514,382
Student services	4,709,980	5,453,430
Public service	2,567,252	2,928,291
Auxiliary enterprises	3,094,471	2,986,149
Operations and maintenance of plant	6,949,865	6,223,543
Scholarships and grants	7,575,322	7,977,419
Institutional support	17,689,137	15,381,681
On-behalf payments	16,180,435	20,914,241
Other postemployment benefits	(5,588,062)	(700,582)
Depreciation and amortization	7,403,946	7,393,612
Total operating expenses	96,502,400	99,642,413
Operating Loss	(69,073,486)	(79,575,812)
Nonoperating Revenues (Expenses)		
State grants and contracts	10,503,666	8,540,572
Local property tax revenues	42,829,092	40,491,227
Federal grants and contracts	13,713,147	25,212,393
On-behalf payments	16,180,435	20,914,241
Investment income earned	1,671,455	159,390
Interest income	393,884	391,280
Interest expense	(1,598,153)	(1,763,252)
Total nonoperating revenues	83,693,526	93,945,851
Change in Net Position	14,620,040	14,370,039
Net Position, Beginning of Year, as restated - see Note 2	65,999,544	51,629,505
Net Position, End of Year	$ 80,619,584	$ 65,999,544

Parkland College District #505

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Operating Activities		
Tuition and fees	$ 21,590,689	$ 14,862,496
Payments to suppliers	(19,710,128)	(15,416,693)
Payments to employees and benefits paid	(52,199,007)	(48,534,580)
Payments for financial aid and scholarships	(7,575,322)	(7,977,419)
Auxiliary enterprise charges	3,109,385	3,446,274
Net receipts from (disbursements to) Parkland Foundation	26,259	(35,022)
Other receipts	965,647	1,288,014
Net cash used in operating activities	(53,792,477)	(52,366,930)
Noncapital Financing Activities		
Local property taxes	42,037,116	38,204,041
State grants and contracts	10,503,666	8,578,499
Federal grants and contracts	13,713,147	25,174,466
Net cash provided by noncapital financing activities	66,253,929	71,957,006
Capital and Related Financing Activities		
Purchase of property and equipment	(5,377,402)	(5,001,373)
Principal paid on bonds	(4,330,000)	(3,845,000)
Interest paid on bonds	(1,580,410)	(1,743,904)
Principal and interest payments received on lease receivable	93,510	68,874
Principal and interest paid on lease liabilities	(131,719)	(101,241)
Principal and interest paid on subscription liabilities	(692,652)	(576,238)
Net cash used in capital and related financing activities	(12,018,673)	(11,198,882)
Investing Activities		
Purchase of investments	(19,238,903)	(1,675,150)
Proceeds from maturities of investments	7,059,813	1,626,414
Interest on cash and cash equivalents	1,671,455	159,390
Net cash provided by (used in) investing activities	(10,507,635)	110,654
Net Increase (Decrease) in Cash and Cash Equivalents	(10,064,856)	8,501,848
Cash and Cash Equivalents, Beginning of Year	59,384,519	50,882,671
Cash and Cash Equivalents, End of Year	$ 49,319,663	$ 59,384,519
On the Statement of Net Position as Follows:		
Unrestricted - Cash and Cash Equivalents	$ 36,596,327	$ 46,551,188
Restricted - Cash and Cash Equivalents	12,723,336	12,833,331
Cash and Cash Equivalents, End of Year	$ 49,319,663	$ 59,384,519

Parkland College District #505

Statements of Cash Flows (Continued)

Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating loss	$ (69,073,486)	$ (79,575,812)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	7,403,946	7,393,612
Lease (revenue) expense	(88,908)	(77,676)
On-behalf payments	16,180,435	20,914,241
Net investment return	(414,766)	-
Other postemployment benefit (revenue) expense	(5,588,062)	(700,582)
Changes in assets, deferred outflows, and liabilities:		
Accounts receivable, net	(784,430)	(399,612)
Inventories	(41,121)	85,873
Prepaid assets	276	42,440
Deferred retirement plan contributions subsequent to measurement date	(21,645)	11,748
Accounts payable	(111,367)	321,037
Accrued liabilities	79,749	(519,222)
Due to student groups	(84,472)	160,290
Due from Parkland Foundation	26,259	(35,022)
Unearned revenue	(563,916)	327,795
Retirement obligations	(688,617)	(257,375)
Accrued compensated absences	(22,352)	(58,665)
Net cash used in operating activities	$ (53,792,477)	$ (52,366,930)
Noncash Investing, Capital and Financing Activities		
Lease obligations incurred for lease assets	$ 181,762	$ 111,516
Subscription obligations incurred for subscription assets	$ 311,671	$ 85,762

Parkland College District #505

Statements of Fiduciary Net Position

June 30, 2023 and 2022

Assets

	2023	2022
Current Assets		
Cash and cash equivalents	$ 40,928	$ 45,325
Total current assets	$ 40,928	$ 45,325

Liabilities and Net Position

	2023	2022
Liabilities	$ -	$ -
Net Position		
Restricted for governments	40,928	45,325
Total liabilities and net position	$ 40,928	$ 45,325

Parkland College District #505

Statements of Changes in Fiduciary Net Position

Years Ended June 30, 2023 and 2022

	2023	2022
Additions		
Royalty revenue	$ 17,599	$ 70,353
Deductions		
Contractual services	21,996	1,104,876
General materials and supplies	-	440
Total deductions	21,996	1,105,316
Change in Net Position	(4,397)	(1,034,963)
Net Position, Beginning of Year	45,325	1,080,288
Net Position, End of Year	$ 40,928	$ 45,325

Parkland College District #505

Parkland College Foundation –
Statements of Financial Position

June 30, 2023 and 2022

Assets	2023	2022
Current Assets		
Cash and cash equivalents	$ 1,546,508	$ 816,738
Promises to give, current portion	22,000	12,250
Total current assets	1,568,508	828,988
Other Assets		
Promises to give, net of current portion, and discount of $173,583 and $170,714, respectively	250,417	265,286
Investments	14,803,140	13,205,910
Cash surrender value of life insurance	56,903	56,903
Other assets	17,500	17,500
Total other assets	15,127,960	13,545,599
Total assets	$ 16,696,468	$ 14,374,587
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 36,014	$ 55,325
Accrued vacation payable	21,984	23,983
Total current liabilities	57,998	79,308
Net Assets		
Without donor restrictions	323,231	208,567
With donor restrictions	16,315,239	14,086,712
Total net assets	16,638,470	14,295,279
Total liabilities and net assets	$ 16,696,468	$ 14,374,587

Parkland College District #505

Parkland College Foundation –
Statements of Activities

Years Ended June 30, 2023 and 2022

	2023	2022
Change in Net Assets Without Donor Restrictions		
Support and Revenue:		
Contributions	$ 53,468	$ 39,193
Contributed nonfinancial assets	589,342	440,220
Special events	72,203	66,726
Interest and dividends, net of fees	16,887	10,699
Net realized and unrealized gain (loss) on investments	47,996	(122,003)
Net assets released from restrictions	885,829	767,296
Total support and revenue	1,665,725	1,202,131
Expenses:		
Program Services:		
Scholarships and fellowships	588,040	529,992
Institutional support	811,464	562,319
Total program services	1,399,504	1,092,311
Supporting Services		
Management and general	158,671	142,204
Fundraising	258,614	213,506
Total supporting services	417,285	355,710
Total expenses	1,816,789	1,448,021
Reclassification of net assets	265,728	277,004
Change in unrestricted net assets	114,664	31,114
Change in Net Assets with Donor Restrictions		
Support and Revenue:		
Contributions	2,063,958	1,090,133
Special events	134,397	71,875
Interest and dividends, net of fees	293,946	203,985
Net realized and unrealized gain (loss) on investments	887,783	(1,999,487)
Net assets released from restrictions	(885,829)	(767,296)
Total support and revenue	2,494,255	(1,400,790)
Reclassification of net assets	(265,728)	(277,004)
Change in temporarily restricted assets	2,228,527	(1,677,794)
Change in Net Assets	2,343,191	(1,646,680)
Net Assets, Beginning of Year	14,295,279	15,941,959
Net Assets, End of Year	$ 16,638,470	$ 14,295,279

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.

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, 2023 and 2022, the College's investments consist of U.S. Treasury securities which are recorded at fair value, as well as 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, 2023 and 2022 was $4,761,746 and $4,226,045, respectively.

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

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.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Unearned Tuition and Fee Revenue

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2023 and 2022, 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.

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 lease/subscription 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.

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, 2023 and 2022, were $2,747,791 and $8,435,312, respectively.

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, 2023 and 2022, the College distributed $1,987,620 and $2,094,880, 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. See Note 13 for additional disclosures.

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.

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 15 for additional disclosures.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 presentation. The reclassifications had no effect on the changes in financial position.

Note 2: Change in Accounting Principle

During the fiscal year, the College adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, and the adoption was retrospective to the earliest period presented which was July 1, 2021. This retrospective application resulted in the restatement of 2022 amounts. A summary of the restated balances are as follows:

	As Previously Reported	GASB Statement No. 96 Impact	Restatement Reported
Subscription assets, net	$ -	$ 948,063	$ 948,063
Accrued liabilities	2,637,166	-	2,637,166
Current portion of subscriptions liabilities	-	683,018	683,018
Subscriptions liabilities, net of current portion	-	223,420	223,420
Net position	65,978,086	21,458	65,999,544
Instruction	25,572,067	(1,820)	25,570,247
Academic support	5,727,854	(213,472)	5,514,382
Auxiliary enterprises	3,003,906	(17,757)	2,986,149
Institutional support	15,724,870	(343,189)	15,381,681
Depreciation and amortization	6,858,999	534,613	7,393,612
Interest expense	1,743,085	20,167	1,763,252

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 2022 tax levy was passed by the Board of Trustees in November 2022. 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 2022 tax levy be allocated and recognized 55% in fiscal year 2023 and 45% in fiscal year 2022. Property tax revenue for the years ended June 30, 2023 and 2022 were from the 2022 and 2021 levies and the 2021 and 2020 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, 2023 and 2022, 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, 2023, $23,365,484 of the College's $31,272,919 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, 2023 and 2022, the College held $25,233,670 and $27,968,088, 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 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, 2023, 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 and U.S. Treasuries) in excess of the SIPC protection limit was $1,768,642.

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, 2023 and 2022, the College held the following investments:

	2023	2022
U.S Treasury Securities	$ 12,146,102	$ -
Certificates of Deposit - Non-negotiable	1,981,664	2,235,216
Certificates of Deposit - Negotiable	3,945,088	3,243,781
Total Investments	$ 18,072,854	$ 5,478,997

At June 30, 2023 and 2022, the investments had the following maturities:

	June 30, 2023				
		Maturities in Years			
Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Securities	$ 12,146,102	$ 6,265,709	$ 5,880,393	$ -	$ -
Certificates of Deposit - Non-negotiable	1,981,664	499,118	1,482,546	-	-
Certificates of Deposit - Negotiable	3,945,088	2,116,490	1,828,598	-	-
	$ 18,072,854	$ 8,881,317	$ 9,191,537	$ -	$ -

	June 30, 2022				
			Maturities in Years		
Type	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**More than 10**
Certificates of Deposit - Non-negotiable	$ 2,235,216	$ 1,688,983	$ 546,233	$ -	$ -
Certificates of Deposit - Negotiable	3,243,781	2,114,865	1,128,916	-	-
	$ 5,478,997	$ 3,803,848	$ 1,675,149	$ -	$ -

Note 5: Accounts Receivable, Net

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

	2023	2022
Tuition Receivables from Students, Net	$ 1,010,723	$ 933,756
State Replacement Tax	1,170,906	1,165,699
Tuition Receivables from Agencies	501,432	430,370
Grants from Federal and State Sources	1,678,858	1,119,024
Interest Receivable	141,918	-
Other Receivables	80,539	151,095
Total Accounts Receivable, Net	$ 4,584,376	$ 3,799,944
Unrestricted	$ 2,905,518	$ 2,680,920
Restricted	1,678,858	1,119,024
Total Accounts Receivable, Net	$ 4,584,376	$ 3,799,944

Note 6: Leases Receivable

The College leases a portion of its property to various third parties, the terms of which expire 2024 through 2039.

Revenue recognized under lease contracts during the years ended June 30, 2023 and 2022, was $92,884 and $78,465, respectively, which includes both lease revenue and interest.

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 132,140	$ 10,211	$ 142,351
2025	33,114	7,224	40,338
2026	19,146	6,542	25,688
2027	18,552	6,014	24,566
2028	19,089	5,476	24,565
2029-2033	118,464	17,869	136,333
2034-2038	52,435	3,409	55,844
2039-2043	9,749	26	9,775
	$ 402,689	$ 56,771	$ 459,460

Note 7: Capital, Leased and Subscription Assets

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital assets not being depreciated				
Land and improvements	$ 1,841,745	$ -	$ -	$ 1,841,745
Construction in progress	2,187,476	2,959,977	(2,646,553)	2,500,900
Total capital assets not being depreciated	4,029,221	2,959,977	(2,646,553)	4,342,645
Capital assets being depreciated				
Building and building improvements	116,623,250	-	-	116,623,250
Land improvements	55,719,649	2,646,553	-	58,366,202
Equipment	30,954,949	2,417,752	-	33,372,701
Total capital assets being depreciated	203,297,848	5,064,305	-	208,362,153
Total	207,327,069	8,024,282	(2,646,553)	212,704,798
Less accumulated depreciation for				
Buildings and building improvements	(48,206,388)	(2,330,465)	-	(50,536,853)
Land improvements	(42,237,315)	(2,833,574)	-	(45,070,889)
Equipment	(27,150,701)	(1,556,223)	-	(28,706,924)
Total accumulated depreciation	(117,594,404)	(6,720,262)	-	(124,314,666)
Capital assets, net	$ 89,732,665	$ 1,304,020	$ (2,646,553)	$ 88,390,132

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	2,866,239	3,695,646	(2,532,664)	4,029,221
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	199,459,457	3,838,391	-	203,297,848
Total	202,325,696	7,534,037	(2,532,664)	207,327,069
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	(110,841,825)	(6,752,579)	-	(117,594,404)
Capital assets, net	$ 91,483,871	$ 781,458	$ (2,532,664)	$ 89,732,665

Parkland College District #505
Notes to Basic Financial Statements
June 30, 2023 and 2022

Leased assets activity for the years ended June 30, 2023 and 2022, was:

2023	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Leased assets being amortized				
Leased - equipment	$ 374,088	$ 35,340	$ -	$ 409,428
Leased - real estate	199,013	146,422	-	345,435
Total leases assets being amortized	573,101	181,762	-	754,863
Leased assets being amortized				
Leased - equipment	101,555	72,595	-	174,150
Leased - real estate	69,087	44,643	-	113,730
Total accumulated amortization	170,642	117,238	-	287,880
Total, net of accumulated amortization	$ 402,459	$ 64,524	$ -	$ 466,983

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	461,585	111,516	-	573,101
Leased assets being amortized				
Leased - equipment	29,700	71,855	-	101,555
Leased - real estate	34,523	34,564	-	69,087
Total accumulated amortization	64,223	106,419	-	170,642
Total, net of accumulated amortization	$ 397,362	$ 5,097	$ -	$ 402,459

Subscription asset activity for the years ended June 30, 2023 and 2022, was:

2023	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Subscription IT asset	$ 1,523,864	$ 311,671	$ -	$ 1,835,535
Less accumulated amortization Subscription IT asset	575,801	526,452	-	1,102,253
Subscription Assets, Net	$ 948,063	$ (214,781)	$ -	$ 733,282

2022	Beginning Balance (Restated)	Additions	Transfers/ Disposals	Ending Balance
Subscription IT asset	$ 1,438,102	$ 85,762	$ -	$ 1,523,864
Less accumulated amortization Subscription IT asset	-	575,801	-	575,801
Subscription Assets, Net	$ 1,438,102	$ (490,039)	$ -	$ 948,063

Note 8: Lease Liabilities

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

At June 30, 2023, the principal and interest requirements to maturity for the lease liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 169,991	$ 15,418	$ 185,409
2025	144,565	8,853	153,418
2026	104,732	3,680	108,412
2027	33,143	1,356	34,499
2028	30,669	228	30,897
	$ 483,100	$ 29,535	$ 512,635

Note 9: Subscription Liabilities

The College has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027.

The following is a schedule by year of payments under the SBITAs as of June 30, 2023.

Year Ending June 30,	Principal	Interest	Total
2024	$ 531,597	$ 3,211	$ 534,808
2025	42,787	565	43,352
2026	3,643	101	3,744
2027	3,844	8	3,852
	$ 581,871	$ 3,885	$ 585,756

Note 10: Unearned Revenue

Unearned revenue consists of the following at June 30:

	2023	2022
Unearned Student Tuition and Fees	$ 1,519,848	$ 1,365,106
Other Unearned Revenue	608,306	1,326,964
Total Unearned Revenue	$ 2,128,154	$ 2,692,070

Note 11: Long-Term Obligations

The following is a summary of changes in long-term liabilities for the years ended June 30, 2023 and 2022:

	June 30, 2022	Additions	Reductions	June 30, 2023	Due within One Year
Compensated Absences	$ 1,865,931	$ 1,520,000	$ 1,542,352	$ 1,843,579	$ -
Bonds payable	39,300,000	-	4,330,000	34,970,000	4,860,000
Unamortized bond premium	2,832,170	-	381,866	2,450,304	381,866
Retirement obligations	6,794,820	1,528,016	2,216,633	6,106,203	2,307,409
Property tax payable	314,860	-	158,000	156,860	156,860
Other postemployment benefit	30,175,704	474,467	18,992,430	11,657,741	-
Lease liability	416,971	181,762	115,633	483,100	169,991
Subscription liability	861,655	311,671	636,238	537,088	531,597
Total Long-Term Liabilities	$ 82,562,111	$ 4,015,916	$ 28,373,152	$ 58,204,875	$ 8,407,723

	June 30, 2021 (Restated)	Additions	Reductions	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	-
Lease liability	406,696	111,516	101,241	416,971	109,714
Subscription liability	1,438,102	85,762	662,209	861,655	683,018
Total Long-Term Liabilities	$ 90,254,978	$ 5,813,421	$ 13,506,288	$ 82,562,111	$ 7,952,463

Total principal and interest maturities on the bonds and notes from direct borrowings and direct placements payable as of June 30, 2023, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	553,910	7,443,910
2028	6,095,000	286,030	6,381,030
2029-2033	5,510,000	128,900	5,638,900
	$ 34,970,000	$ 4,400,645	$ 39,370,645

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 2023 and 2022. The remaining $2,450,304 will be amortized over an additional six 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% of such revenues. The principal and interest payments for alternative revenue source bonds for fiscal year 2023 and 2022 were $681,900 and $690,300, respectively. At June 30, 2023, pledged future revenues totaled $4,778,650, which is the amount of remaining principal and interest on the bonds.

The interest incurred for all long-term debt for the year ended June 30, 2023 and 2022 was $1,580,410 and $1,731,088, respectively.

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 12: 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% 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%, readjusted annually according to the new yearly rate. The rate was $7,755 and $6,557 for the years ended June 30, 2023 and 2022, respectively. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date. At June 30, 2023 and 2022, this early retirement plan had 94 and 99 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, 2023 and 2022, this early retirement plan had 47 and 41 active participants, respectively.

Early retirement plan expense was $1,528,016 and $1,762,278 for fiscal year 2023 and 2022, respectively. At June 30, 2023 and 2022, the College had accrued a liability of $6,106,203 and $6,794,820, 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 8.25% and 4.75% at June 30, 2023 and 2022, respectively.

Note 13: 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 Annual Comprehensive Financial Report (CAFR) 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, 2022, can be found in the Financial Section of SURS ACFR.

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 2022 and 2023 was 12.32% and 12.83%, 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.

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, 2023 and 2022, SURS reported a net pension liability (NPL) of $29,078,053,857 and $28,528,477,079, respectively. The net pension liability was measured as of June 30, 2022 and 2021, respectively.

Employer Proportionate Share of Net Pension Liability

The fiscal year 2023 and 2022 amounts of the proportionate share of the net pension liability to be recognized by the College is $0. The fiscal year 2023 and 2022 proportionate shares of the State's net pension liability associated with the College are $236,571,486 or 0.8136% and $247,195,260 or 0.8665%, 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, 2022 and 2021, and were determined based on the June 30, 2021 and 2020 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 2022 and 2021.

Pension Expense

For the years ended June 30, 2023 and 2022, SURS defined benefit plan reported a collective net pension expense of $1,903,314,699 and $2,342,460,058, 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 2021. As a result, the College recognized on-behalf revenue and pension expense of $15,484,874 from this special funding situation for the fiscal year ended June 30, 2023, and $20,297,088 for the fiscal year ended June 30, 2022.

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, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,973,496	$ -
Change in assumptions	279,362,441	-
Net difference between projected and actual earnings on pension plan investments	-	979,999,932
	$ 311,335,937	$ 979,999,932

	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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Expenses as of June 30, 2022

Year Ending June 30,	Amount
2023	$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
2027	-
Thereafter	-
	$ (668,663,995)

Employer Deferral of Fiscal Year 2023 Pension Expense

The College paid $89,523 in federal, trust or grant contributions for the fiscal year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and are recognized as Deferred Outflows of Resources as of June 30, 2023.

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.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2022 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, 2022 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%

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 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, 2022, these best estimates are summarized in the following table:

Asset Class	Strategic Policy Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	38.0%	7.62%
Public Credit Fixed Income	9.0%	4.20%
Credit Real Assets	4.5%	4.98%
Options Strategies	2.5%	4.91%
Private Credit	1.0%	7.45%
Private Equity	10.5%	11.91%
Non-Core Real Assets	2.5%	9.43%
U.S. TIPS	5.0%	0.01
Core Fixed Income	8.0%	0.02
Systematic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.0%	3.59%
Long Duration	4.0%	2.16%
Total	100%	
Weighted Average		6.08%
Inflation		2.25%
Expected Arithmetic Return		8.33%

Discount Rate

A single discount rate of 6.39% (6.12% 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 3.69% (1.92% in the prior year) (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.39% (6.12% 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 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
$ 35,261,802,968	$ 29,078,053,857	$ 23,928,731,076

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 14: 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, 2022, can be found in SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

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, 2023 and 2022, the State's contributions to the RSP on behalf of individual employers totaled $89,770,940 and $76,280,832, respectively. Of this amount, $80,902,699 and $70,403,460, respectively, was funded via an appropriation from the State and $8,868,241 and $5,877,372, 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 2022. The College's share of pensionable contributions was 0.5902%. As a result, the College recognized on-behalf revenue and defined contribution pension expense of $529,787 and $456,557 from this special funding situation for the fiscal years ended June 30, 2023 and 2022, of which $52,336 and $35,177 constitutes forfeitures, respectively.

Note 15: 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 non-employer 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 non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB or (2) the non-employer 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 non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs.

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, 2023 and 2022, the College contributed $165,774 and $160,596, respectively, to CCHISF.

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

At June 30, 2023, 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:

	2023	2022
College's proportionate shares of the net OPEB liability	$ 11,657,741	$ 30,175,704
State proportionate share of the net OPEB liability associated with the College	11,657,741	30,175,704
	$ 23,315,482	$ 60,351,408

The net OPEB liability was measured as of June 30, 2022, 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, 2022, the College's proportion was 1.702953%, which was a decrease of 0.04% from its proportion as of June 30, 2021.

For the years ended June 30, 2023 and 2022, the College recognized OPEB expense of $(4,878,357) and $(128,762), respectively. The College recognized on-behalf revenue for the State share amounting to $165,774 in 2023 and $160,596 in 2022. These amounts are included in the OPEB expense recognized by the College.

At June 30, 2023 and 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 92,094	$ 4,855,811
Changes of assumptions	-	15,714,271
Net difference between projected and actual earnings on OPEB investments	-	603
Changes in proportion and differences between the College's contributions and proportionate share of contributions	67,135	1,959,955
College contributions subsequent to the measurement date	165,774	-
	$ 325,003	$ 22,530,640

	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

The College's contributions of $165,774 in 2023 and $160,596 in 2022, 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.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023, will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2023	$ (4,474,282)
2024	(4,474,282)
2025	(4,474,282)
2026	(4,474,282)
2027	(4,474,283)
	$ (22,371,411)

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 and 2022 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 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50, and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Health care cost trend rates	Trend rates for plan year 2023 are based on actual premium increases. For nonmedicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
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.

OPEB Plan Investment and Returns

During plan year ended June 30, 2022, the trust earned $25,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2022, 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 3.69% at June 30, 2022, 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 3.69% (1.92% 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 2.69%	Current Single Discount Rate Assumption 3.69%	1% Increase 4.69%
$ 12,761,471	$ 11,657,741	$ 10,713,888

The following table shows the College's share in the plan's net OPEB liability as of June 30, 2022, 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 Rate Assumptions	1% Increase (b)
$ 10,417,975	$ 11,657,741	$ 13,172,623

(a) One percent point decrease in current healthcare trend rates – Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2039.

(b) One percent point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate rate of 5.25% in 2039.

Payable to the OPEB Plan

At June 30, 2023 and 2022, the College has no outstanding contributions payable the OPEB Plan.

Note 16: On-Behalf Payments for Fringe Benefits

For the years ending June 30, 2023 and 2022, payments for fringe benefits made by the State of Illinois on behalf of the College to SURS were $16,014,661 and $20,753,645 for pensions and to CIP were $165,774 and $160,596 for other postemployment benefits, respectively.

Note 17: 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 advances operating funds to the Foundation under a non-interest-bearing, working-cash loan agreement. Any receivable balance for this working-cash loan is netted against the cash balance held for the Foundation. At June 30, 2023 and 2022, the net amount owed to the College was $36,014 and $55,324, respectively.
- During the years ended June 30, 2023 and 2022, the College incurred costs for the foundation in the form of donated in-kind services in the amount of $148,377 and $77,016, 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, 2023 and 2022, was $811,464 and $562,319, 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 2023 or 2022.

Note 18: 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, 2023 and 2022, the submitted and estimated accrued claims were $1,000,000 and $850,000, 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, 2023 and 2022 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:

	2023	2022
Accrued Claims, Beginning of Year	$ 850,000	$ 1,350,000
Incurred Claims	6,447,003	5,261,612
Claim Payments	(6,297,003)	(5,761,612)
Accrued Claims, End of Year	$ 1,000,000	$ 850,000

Note 19: 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, 2023.

	Due To	Due From
Education Fund	$ -	$ 1,402,489
Restricted Purpose Fund	1,402,489	-
Total Inter-Sub Fund Balances	$ 1,402,489	$ 1,402,489

	Transfer In	Transfer Out
Education Fund	$ 21,051	$ 1,271,502
Bond and Interest Fund	518,242	-
Operations and Maintenance Fund - Restricted	-	518,242
Working Cash Fund	-	21,051
Auxiliary Athletics Fund	819,000	-
Auxiliary Reprographics	50,000	-
Auxiliary Business Development Center Fund	190,502	-
Auxiliary Prospectus	2,000	
Auxiliary Child Care Services Fund	210,000	-
Total Inter-Sub Fund Balances	$ 1,810,795	$ 1,810,795

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

Note 20: 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 21: 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.

Other Commitments

The College has six uncompleted major construction contracts in progress through the date of the Independent Auditor's Report. The remaining commitment was approximately $13,485,000 at June 30, 2023.

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, 2023, were $1,034,828.

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% each year following. The remaining commitment on these contracts was approximately $336,000 at June 30, 2023.

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.

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, 2023, the Foundation's cash accounts exceeded federally insured limits by approximately $1,297,000.

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 identification 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.

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
Conditional gifts, with or without restriction	
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.e.* the donor imposed barrier is met
Unconditional gifts, with or without restriction	
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
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.

Promises to Give

Promises to give at June 30, 2023 consist of amounts due in:

Less than one year	$ 22,000
One to five years	43,000
More than five years	381,000
Gross promises to give	446,000
Less: discount on long-term promises to give	(173,583)
Total promises to give, net	$ 272,417

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	391,000
Gross promises to give	448,250
Less: discount on long-term promises to give	(170,714)
Total promises to give, net	$ 277,536

Discount rates ranged from 4.75% to 5.06% and from 4.46% to 4.75% for 2023 and 2022, respectively.

Net Assets With Donor Restrictions

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

	2023	2022
Subject to expenditure for specified purpose		
Unallocated cumulative investment income	$ 3,214,940	$ 2,326,375
Institutional programs and support	3,604,924	2,678,147
Scholarship	3,241,506	3,084,471
Other	70,444	81,594
Total	10,131,814	8,170,587
Endowments – restricted by donors		
Scholarship	4,854,812	4,597,162
Institutional programs and support	1,046,028	1,041,028
Other	276,207	277,935
Total	6,177,047	5,916,125
	$ 16,308,861	$ 14,086,712

Net Assets Without Donor Restrictions

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

	2023	2022
Undesignated	$ (439,991)	$ (496,150)
Designated by the Board for endowment	769,600	704,717
Total	$ 329,609	$ 208,567

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.

	2023	2022
Satisfaction of purpose restriction		
Institutional programs and support	$ 331,389	$ 265,610
Scholarship	553,622	501,686
Other	818	-
Total	$ 885,829	$ 767,296

Liquidity and Availability of Financial Assets

	2023	2022
Financial Assets:		
Cash and cash equivalents	$ 1,546,508	$ 816,738
Promises to give, current portion	22,000	12,250
Investments	14,803,140	13,205,910
Cash surrender value of life insurance	56,903	56,903
Total Financial Assets	16,428,551	14,091,801
Unavailable for General Expenditures within One Year:		
Perpetually restricted endowment	(6,177,047)	(5,916,125)
Restricted by donor with time or purpose restriction	(10,138,192)	(8,170,587)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 113,312	$ 5,089

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, 2023.

	Cost	Market	Fair Value Level
Cash and cash equivalents	$ 1,779,191	$ 1,779,191	1
Fixed income funds	5,191,405	4,595,225	1
Stock mutual funds	7,732,439	8,084,284	1
Exchange-traded products	333,460	344,440	1
Total	$ 15,036,495	$ 14,803,140	

The following table sets forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2022:

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

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 2 or 3 securities.

Contributed Nonfinancial Assets

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities included farm equipment of $370,000, vehicles of $62,504, services of $147,907 and other of $8,931. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets. Contributions of services also include services received from personnel of an affiliate.

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.

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% equity and 40% 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, 2023, is summarized as follows:

	Without Donor Restrictions	Purpose Restricted	Total
Board Designated Endowment Funds	$ 769,600	$ —	$ 769,600
Donor-Restricted Endowment Funds:			
Original Donor-restricted Gift Amount and Amount Required to be Retained by Donor	—	5,926,087	5,926,087
Portion Subject to Appropriation under UPMIFA	—	8,107,453	8,107,453
	$ 769,600	$ 14,033,540	$ 14,803,140

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	—	6,837,756	6,837,756
	$ 704,717	$ 12,501,193	$ 13,205,910

During the year ended June 30, 2023, 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%. 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, 2023, the Board elected to charge a 2% management fee, which totaled $269,237. 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, 2023, by type of fund, is as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Purpose Restricted	Perpetually Restricted	Total
Beginning of Year, July 1, 2022	$ 704,717	$ 6,837,756	$ 5,663,437	$ 13,205,910
Contributions	—	88,751	262,650	351,401
Interest and dividend	17,610	305,902	—	323,512
Net realized and unrealized gain	47,996	887,783	—	935,779
Fee	(723)	(12,739)	—	(13,462)
End of Year, June 30, 2023	$ 769,600	$ 8,107,453	$ 5,926,087	$ 14,803,140

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: Purpose Restricted	With Donor Restrictions: Perpetually Restricted	Total
Beginning of Year, July 1, 2021	$ 416,017	$ 7,634,379	$ 5,305,936	$ 13,356,332
Contributions	—	1,787	357,501	359,288
Interest and dividend	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	(588)	(13,190)	—	(13,778)
End of Year, June 30, 2022	$ 704,717	$ 6,837,756	$ 5,663,437	$ 13,205,910

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 $36,014 and $55,324 at June 30, 2023 and 2022, 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, 2023 and 2022, the amount contributed and included as in-kind revenues totaled $148,377: $131,331 in salaries and benefits, $16,606 in facility space and utilities, and $440 in materials, and $77,016: $60,000 in salaries, $16,606 in facility space and utilities, and $410 in materials, respectively.

During the years ended June 30, 2023 and 2022, the Foundation donated certain in-kind items to the College totaling $440,895 and $362,554, 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 $370,569 and $199,765, respectively. These items are classified as Institutional Support in the statement of activities.

Significant Estimates and Concentrations

Approximately 54% and 21% of all contributions were received from two donors and one donor in 2023 and 2022, respectively.

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, 2023

	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
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	202,577,602	219,570,648	243,648,397	236,643,031	252,207,568	262,386,570	265,978,904	247,195,260	236,571,486
Total b) + c)	$ 202,577,602	$ 219,570,648	$ 243,648,397	$ 236,643,031	$ 252,207,568	$ 262,386,570	$ 265,978,904	$ 247,195,260	$ 236,571,486
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	$ 29,939,051
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%	790%
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%	43.65%

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, 2023

	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	Fiscal Year 2023
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	$ 89,523
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	89,523
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	$ 697,763
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%	12.83%

Parkland College District #505

Required Supplementary Information

Notes to Required Supplementary Information – Pension Liability

June 30, 2023

Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2023 and 2022.

Changes of Assumptions

In accordance with Illinois Compiled Statues, 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. These assumptions are listed below and remained the same for the June 30, 2022 actuarial valuation.

- *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% Tier 2 and 25% Retirement Savings Plan for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% Retirement Savings Plan for academic members.

Parkland College District #505

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability – CIP

For the Year Ended June 30, 2023

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
a) Parkland's Proportionate Percentage of the Collective Net OPEB Liability	1.84339%	1.85735%	1.82364%	1.83198%	1.78858%	1.73870%	1.70295%
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	$ 11,657,741
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	11,657,741
Total b) + c)	$ 68,502,013	$ 67,296,508	$ 68,760,554	$ 69,195,358	$ 65,202,921	$ 60,351,408	$ 23,315,482
Parkland's Covered- Employee Payroll	$ 33,413,130	$ 32,227,736	$ 31,850,706	$ 32,889,600	$ 32,898,000	$ 32,322,400	$ 32,119,200
Parkland's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered- Employee Payroll	100%	105%	108%	105%	99%	93%	36%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%	-22.03%

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

For the Year Ended June 30, 2023

Year Ended June 30,	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	$ 165,774	$ 33,154,800	0.50%
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.

Changes of Benefit Terms

There were no benefit changes in the Total OPEB Liability as of June 30, 2022 or 2021.

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, 2022, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but note paid plan costs.
- Asset Valuation Method-Market value
- Investment Rate of Return – 0%, net of OPEB plan investment expense, including inflation, for all plan years
- Inflation – 2.25%
- Salary Increases - Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than one year of service to 3.00% at 24 or more years of service for employees over 50. Salary increase includes a 3.00% 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, 2021, actuarial valuation of SURS.
- Mortality- Retirement and Beneficiary Annuitants: Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
- Healthcare Cost Trend Rates - Trend used for fiscal year 2023 based on premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
- 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, 2023

	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)
ASSETS										
Cash and Cash Equivalents	$ 37,458,852	$ 2,500,161	$ 3,584,867	$ 5,709,538	$ 3,635,709	$ -	$ 40,928	$ -	$ -	$ 52,930,055
Investments	10,415,419	-	-	-	-	7,657,435	-	-	-	18,072,854
Receivables:										
Property Taxes, Net	14,500,322	2,163,906	3,364,804	1,597,264	-	-	-	-	-	21,626,296
Replacement Taxes	1,170,906	-	-	-	-	-	-	-	-	1,170,906
Agency Tuition, Net	473,566	-	-	-	27,866	-	-	-	-	501,432
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of $4,761,746	862,707	-	-	-	148,015	-	-	-	-	1,010,722
Governmental Grants	-	1,678,858	-	-	-	-	-	-	-	1,678,858
Interest	59,065	-	-	-	-	82,853	-	-	-	141,918
Other	62,618	-	-	-	17,922	-	-	-	-	80,540
Due from Parkland Foundation	39,934	11,156	-	260,000	-	4,227,304	-	-	-	4,538,394
Due from Other Funds	1,402,489	-	-	-	-	-	-	-	-	1,402,489
Prepaid Assets	-	26,113	-	-	-	-	-	-	-	26,113
Inventory	-	-	-	-	432,449	-	-	-	-	432,449
Property and Equipment, Net	-	-	-	-	81,673	-	-	88,308,459	-	88,390,132
OTHER DEBITS										
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	4,398,831	4,398,831
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	34,369,963	34,369,963
Total Assets and Other Debits	$ 66,445,878	$ 6,380,194	$ 6,949,671	$ 7,566,802	$ 4,343,634	$ 11,967,592	$ 40,928	$ 88,308,459	$ 38,768,794	$ 230,771,952

Schedule 1
(Continued)

Parkland College District #505

Combined Balance Sheet –
Modified Accrual Basis (Governmental Fund Types and Account Groups)
And GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2023

	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	$ 109,076	$ 37,963	$ -	$ 699,025	$ 52,243	$ 37	$ -	$ -	$ -	$ 898,344
Vacation Payable	1,545,250	151,716	-	-	146,613	-	-	-	-	1,843,579
Retirement Payable	2,307,409	-	-	-	-	-	-	-	3,798,794	6,106,203
Accrued Liabilities	2,689,282	17,664	13,458	15,341	1,508	-	-	-	-	2,737,253
Unearned Revenue	14,151,256	2,198,185	2,537,382	1,249,505	338,009	-	-	-	-	20,474,337
Due to Other Funds	-	1,402,489	-	-	-	3,569,464	-	-	-	4,971,953
Due to Parkland Foundation	4,464,854	27,413	-	-	17,061	-	-	-	-	4,509,328
Due to Student Groups	-	-	-	-	-	662,928	-	-	-	662,928
G. O. Bonds	-	-	-	-	-	-	-	-	34,970,000	34,970,000
Total Liabilities	25,267,127	3,835,430	2,550,840	1,963,871	555,434	4,232,429	-	-	38,768,794	77,173,925
COLLEGE EQUITY										
Investment in General Fixed Assets	-	-	-	-	-	-	-	88,308,459	-	88,308,459
Fund Balance:										
Reserved For:										
Trust and Agency Assets	-	-	-	-	-	7,735,163	-	-	-	7,735,163
Other Governments	-	-	-	-	-	-	40,928	-	-	40,928
Unreserved, Undesignated	41,178,751	2,544,764	4,398,831	5,602,931	-	-	-	-	-	53,725,277
Retained Earnings	-	-	-	-	3,788,200	-	-	-	-	3,788,200
Total College Equity	41,178,751	2,544,764	4,398,831	5,602,931	3,788,200	7,735,163	40,928	88,308,459	-	153,598,027
Total Liabilities and College Equity	$ 66,445,878	$ 6,380,194	$ 6,949,671	$ 7,566,802	$ 4,343,634	$ 11,967,592	$ 40,928	$ 88,308,459	$ 38,768,794	$ 230,771,952

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, 2023

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund- Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	$ 31,186,716	$ 3,634,782	$ 5,521,123	$ 2,486,471	$ 42,829,092
State Sources	5,030,756	5,472,910	-	-	10,503,666
Federal Sources	169,812	13,543,335	-	-	13,713,147
Tuition and Fees	22,128,242	-	-	-	22,128,242
Facilities	238,276	-	-	518,242	756,518
Interest	1,431,022	20,460	-	59,274	1,510,756
Other Revenue	896,593	65,028	-	-	961,621
On- Behalf Payments	-	16,180,435	-	-	16,180,435
Total Revenue	61,081,417	38,916,950	5,521,123	3,063,987	108,583,477
Expenditures					
Instruction	22,792,128	4,374,598	-	-	27,166,726
Academic Support	5,433,304	2,111,237	-	6,195	7,550,736
Student Services	4,775,383	758,258	-	-	5,533,641
Public Service	421,021	682,189	-	-	1,103,210
Auxiliary Services	-	66,888	-	-	66,888
Operation and Maintenance of Plant	5,802,359	1,620,897	-	2,665,902	10,089,158
Scholarships and Grants	-	10,727,417	-	-	10,727,417
Institutional Support	16,627,684	2,100,930	-	-	18,728,614
Principal	-	-	4,330,000	-	4,330,000
Interest	-	-	1,580,410	-	1,580,410
On- Behalf Payments	-	16,180,435	-	-	16,180,435
Total Expenditures	55,851,879	38,622,849	5,910,410	2,672,097	103,057,235
Revenue Over (Under) Expenditures	5,229,538	294,101	(389,287)	391,890	5,526,242
Other Financing Sources (Uses)					
Operating Transfers, Net	(1,250,450)	-	518,242	(518,242)	(1,250,450)
Total Other Financing Sources (Uses)	(1,250,450)	-	518,242	(518,242)	(1,250,450)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	3,979,088	294,101	128,955	(126,352)	4,275,792
Fund Balance, July 1, 2022	37,199,663	2,250,663	4,269,876	5,729,283	49,449,485
Fund Balance, June 30, 2023	$ 41,178,751	$ 2,544,764	$ 4,398,831	$ 5,602,931	$ 53,725,277

Parkland College District #505

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Modified Accrual Basis

All Governmental Fund Types

For the Year Ended June 30, 2023

	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	$ 30,246,183	$ 31,186,716	$ 3,690,110	$ 3,634,782	$ 5,431,299	$ 5,521,123	$ 2,362,561	$ 2,486,471	$ 41,730,153	$ 42,829,092
State Sources	5,045,106	5,030,756	7,247,238	5,472,910	-	-	-	-	12,292,344	10,503,666
Federal Sources	125,000	169,812	18,475,216	13,543,335	-	-	-	-	18,600,216	13,713,147
Tuition and Fees	20,814,546	22,128,242	-	-	-	-	491,917	-	21,306,463	22,128,242
Facilities	241,274	238,276	-	-	-	-	-	518,242	241,274	756,518
Interest	552,000	1,431,022	20,556	20,460	-	-	20,000	59,274	592,556	1,510,756
Other Revenue	962,410	896,593	144,772	65,028	-	-	5,000,000	-	6,107,182	961,621
Total Revenue	57,986,519	61,081,417	29,577,892	22,736,515	5,431,299	5,521,123	7,874,478	3,063,987	100,870,188	92,403,042
Expenditures										
Instruction	23,423,190	22,792,128	7,072,950	4,374,598	-	-	-	-	30,496,140	27,166,726
Academic Support	6,680,001	5,433,304	2,198,264	2,111,237	-	-	-	6,195	8,878,265	7,550,736
Student Services	5,317,761	4,775,383	881,254	758,258	-	-	-	-	6,199,015	5,533,641
Public Service	474,202	421,021	1,011,660	682,189	-	-	-	-	1,485,862	1,103,210
Auxiliary Services	-	-	147,003	66,888	-	-	-	-	147,003	66,888
Operation and Maintenance of Plant	5,873,589	5,802,359	2,090,624	1,620,897	-	-	11,696,097	2,665,902	19,660,310	10,089,158
Scholarships and Grants	-	-	13,808,658	10,727,417	-	-	-	-	13,808,658	10,727,417
Institutional Support	16,330,907	16,627,684	2,227,525	2,100,930	-	-	-	-	18,558,432	18,728,614
Principal	-	-	-	-	4,330,000	4,330,000	-	-	4,330,000	4,330,000
Interest	-	-	-	-	1,580,410	1,580,410	-	-	1,580,410	1,580,410
Total Expenditures	58,099,650	55,851,879	29,437,938	22,442,414	5,910,410	5,910,410	11,696,097	2,672,097	105,144,095	86,876,800
Revenue Over (Under) Expenditures	(113,131)	5,229,538	139,954	294,101	(479,111)	(389,287)	(3,821,619)	391,890	(4,273,907)	5,526,242
Other Financing Sources (Uses)										
Operating Transfers, Net	865,000	(1,250,450)	-	-	(491,917)	518,242	491,917	(518,242)	865,000	(1,250,450)
Total Other Financing Sources (Uses)	865,000	(1,250,450)	-	-	(491,917)	518,242	491,917	(518,242)	865,000	(1,250,450)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 751,869	3,979,088	$ 139,954	294,101	$ (971,028)	128,955	$ (3,329,702)	(126,352)	$ (3,408,907)	4,275,792
Fund Balance, July 1, 2022		37,199,663		2,250,663		4,269,876		5,729,283		49,449,485
Fund Balance, June 30, 2023		$ 41,178,751		$ 2,544,764		$ 4,398,831		$ 5,602,931		$ 53,725,277

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, 2023

	Fiduciary Fund Type Working Cash Fund		Proprietary Fund Type Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	$ -	$ -	$ 3,331,000	$ 3,056,176
Student Tuition and Fees	-	-	3,340,846	3,558,665
Other Revenue	-	-	88,466	77,432
Investment Revenue	10,000	157,428	1,022	3,271
Total Operating Revenue	10,000	157,428	6,761,334	6,695,544
Operating Expenses				
Salaries	-	-	2,674,181	2,759,375
Employee Benefits	-	-	528,662	483,344
Capital Outlay	-	-	41,486	21,460
Contractual Services	-	-	1,890,657	1,884,095
General Materials and Supplies	-	-	2,177,930	2,082,944
Conference and Meeting	-	-	332,997	242,997
Fixed Charges	-	-	570,105	436,374
Utilities	-	-	1,900	1,743
Depreciation	-	-	-	26,803
Other	-	-	152,491	31,306
Total Operating Expenses	-	-	8,370,409	7,970,441
Operating Income (Loss)	10,000	157,428	(1,609,075)	(1,274,897)
Other Financing Sources (Uses)				
Operating Transfers, Net	10,000	(21,051)	873,000	1,271,502
Net Income (Loss)	$ 20,000	136,377	$ (736,075)	(3,395)
College Equity, July 1, 2022		7,599,428		3,791,595
College Equity, June 30, 2023		$ 7,735,805		$ 3,788,200

* Budget Column Represents the Collee's Original Legally Approved Budget.

Schedule 5

Parkland College District #505

Combined Statement of Cash Flows
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2023

	Fiduciary Fund Type	Proprietary Fund Type
	Working Cash Fund	Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	$ -	$ 3,056,176
Student Tuition and Fees	-	3,451,951
Payments to Suppliers	-	(4,696,980)
Payments to Employees and Benefits Paid	-	(3,249,378)
Net Disbursements to Parkland Foundation	-	-
Receipts of Miscellaneous Revenue	-	77,432
Interest on Investments	157,428	3,271
Net Cash Provided by (Used in) Operating Activities	157,428	(1,357,528)
Capital and Related Financing Activities		
Purchase of Equipment	-	(41,806)
Non- Capital Financing Activities		
Operating Transfers In (Out)	(21,051)	1,271,502
Net Increase (Decrease) in Cash and Cash Equivalents	136,377	(127,832)
Cash and Cash Equivalents, July 1, 2022	7,599,428	3,763,541
Cash and Cash Equivalents, June 30, 2023	$ 7,735,805	$ 3,635,709
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 157,428	$ (1,274,897)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	26,803
Changes in Assets and Liabilities:		
Receivables	-	(112,899)
Inventories	-	(41,121)
Accounts Payable	-	45,060
Accrued Liabilities		-
Vacation Payable	-	(6,659)
Unearned Revenue	-	6,185
Due to Parkland Foundation	-	-
Net Cash Provided by (Used in) Operating Activities	$ 157,428	$ (1,357,528)

Parkland College District #505

Combining Balance Sheet – Modified Accrual Basis
General Funds
June 30, 2023

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 25,363,391	$ 12,095,461	$ 37,458,852
Investments	10,415,419	-	10,415,419
Receivables:			
Property Taxes, Net	10,472,461	4,027,861	14,500,322
Replacement Taxes	1,170,906	-	1,170,906
Agency Tuition, Net	473,566	-	473,566
Student Tuition and Fees, Net	862,707	-	862,707
Governmental Grants	-	-	-
Interest	59,065	-	59,065
Other	30,379	32,239	62,618
Due From Parkland Foundation	35,934	4,000	39,934
Due From Other Funds	1,402,489	-	1,402,489
Prepaid Assets	-	-	-
Total Assets	$ 50,286,317	$ 16,159,561	$ 66,445,878
LIABILITIES			
Accounts Payable	$ 15,317	$ 93,759	$ 109,076
Vacation Payable	1,349,350	195,900	1,545,250
Retirement Payable	2,307,409	-	2,307,409
Due to Parkland Foundation	4,464,854	-	4,464,854
Accrued Liabilities	2,658,616	30,666	2,689,282
Due to Other Funds	-	-	-
Unearned Revenue	11,065,191	3,086,065	14,151,256
Total Liabilities	21,860,737	3,406,390	25,267,127
FUND BALANCE			
Unreserved	28,425,580	12,753,171	41,178,751
Total Fund Balance	28,425,580	12,753,171	41,178,751
Total Liabilities and Fund Balance	$ 50,286,317	$ 16,159,561	$ 66,445,878

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, 2023

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	$ 24,586,351	$ 6,600,365	$ 31,186,716
State Sources	5,030,756	-	5,030,756
Federal Sources	169,812	-	169,812
Tuition and Fees	22,128,242	-	22,128,242
Facilities	238,276	-	238,276
Interest	1,400,100	30,922	1,431,022
Other Revenue	264,038	632,555	896,593
Total Revenue	53,817,575	7,263,842	61,081,417
Expenditures			
Instruction	22,792,128	-	22,792,128
Academic Support	5,433,304	-	5,433,304
Student Services	4,775,383	-	4,775,383
Public Service	421,021	-	421,021
Operation and Maintenance of Plant	-	5,802,359	5,802,359
Institutional Support	16,627,684	-	16,627,684
Total Expenditures	50,049,520	5,802,359	55,851,879
Revenue Over Expenditures	3,768,055	1,461,483	5,229,538
Other Financing Uses			
Operating Transfers, Net	(1,250,450)	-	(1,250,450)
Total Other Financing Uses	(1,250,450)	-	(1,250,450)
Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	2,517,605	1,461,483	3,979,088
Fund Balance, July 1, 2022	25,907,975	11,291,688	37,199,663
Fund Balance, June 30, 2023	$ 28,425,580	$ 12,753,171	$ 41,178,751

Schedule 8

Parkland College District #505

Combining Balance Sheet – Modified Accrual Basis
Special Revenue Funds
June 30, 2023

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	$ -	$ 196,593	$ 2,303,568	$ 2,500,161
Receivables:				
Property Taxes, Net	-	57,942	2,105,964	2,163,906
Due from Parkland Foundation	11,156	-	-	11,156
Governmental Grants	1,678,858	-	-	1,678,858
Prepaid Assets	-	-	26,113	26,113
Due from Other Funds	-	-	-	-
Total Assets	$ 1,690,014	$ 254,535	$ 4,435,645	$ 6,380,194
LIABILITIES				
Accounts Payable	$ 13,295	$ 17,000	$ 7,668	$ 37,963
Vacation Payable	46,492	-	105,224	151,716
Accrued Liabilities	-	582	17,082	17,664
Unearned Revenue	568,534	42,645	1,587,006	2,198,185
Due to Other Funds	1,402,489	-	-	1,402,489
Due to Parkland Foundation	-	-	27,413	27,413
Total Liabilities	2,030,810	60,227	1,744,393	3,835,430
FUND BALANCE				
Unreserved, Undesignated	(340,796)	194,308	2,691,252	2,544,764
Total Fund Balance	(340,796)	194,308	2,691,252	2,544,764
Total Liabilities and Fund Balance	$ 1,690,014	$ 254,535	$ 4,435,645	$ 6,380,194

Schedule 9

Parkland College District #505

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Modified Accrual Basis

Special Revenue Funds

For the Year Ended June 30, 2023

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	$ -	$ 92,406	$ 3,542,376	$ 3,634,782
State Sources	5,472,910	-	-	5,472,910
Federal Sources	13,543,335	-	-	13,543,335
Facilities	-	-	-	-
Interest	20,460	-	-	20,460
Other	65,028	-	-	65,028
On- Behalf Payments	16,180,435	-	-	16,180,435
Total Revenue	35,282,168	92,406	3,542,376	38,916,950
Expenditures				
Instruction	4,374,598	-	-	4,374,598
Academic Support	2,111,237	-	-	2,111,237
Student Services	758,258	-	-	758,258
Public Service	682,189	-	-	682,189
Auxiliary Services	66,888	-	-	66,888
Operations and Maintenance of Plant	14,847	-	1,606,050	1,620,897
Institutional Support	360,603	99,091	1,641,236	2,100,930
Scholarships and Grants	10,727,417	-	-	10,727,417
On- Behalf Payments	16,180,435	-	-	16,180,435
Total Expenditures	35,276,472	99,091	3,247,286	38,622,849
Revenue Over Expenditures	5,696	(6,685)	295,090	294,101
Other Financing Sources				
Operating Transfers (Net)	-	-	-	-
Revenue Over Expenditures and Other Financing Sources	5,696	(6,685)	295,090	294,101
Fund Balance, July 1, 2022	(346,492)	200,993	2,396,162	2,250,663
Fund Balance, June 30, 2023	$ (340,796)	$ 194,308	$ 2,691,252	$ 2,544,764

Parkland College District #505

Combining Balance Sheet
Enterprise Funds
June 30, 2023

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
ASSETS									
Cash and Cash Equivalents	$ 132,382	$ 117,255	$ 209,645	$ (41,917)	$ (101,684)	$ 2,577,304	$ (3,142)	$ 745,866	$ 3,635,709
Receivables:									
Student Tuition and Fees, Net	-	-	-	-	148,015	-	-	-	148,015
Other	-	-	-	-	27,866	17,922	-	-	45,788
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Parkland Foundation	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	432,449	-	-	432,449
Property and Equipment, Net of Accumulated Depreciation	16,929	-	7,487	57,257	-	-	-		81,673
Total Assets	$ 149,311	$ 117,255	$ 217,132	$ 15,340	$ 74,197	$ 3,027,675	$ (3,142)	$ 745,866	$ 4,343,634
LIABILITIES									
Accounts Payable	$ -	$ -	$ 52,210	$ -	$ 33	$ -	$ -	$ -	$ 52,243
Vacation Payable	13,136	854	22,256	-	71,208	19,640	-	19,519	146,613
Accrued Liabilities	-	-	1,508	-	-	-	-	-	1,508
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Parkland Foundation	-	-	-	-	-	-	17,061	-	17,061
Unearned Revenue	-	-	46,059	-	-	-	-	291,950	338,009
Total Liabilities	13,136	854	122,033	-	71,241	19,640	17,061	311,469	555,434
RETAINED EARNINGS (ACCUMULATED DEFICIT)	136,175	116,401	95,099	15,340	2,956	3,008,035	(20,203)	434,397	3,788,200
Total Liabilities and Retained Earnings (Accumulated Deficit)	$ 149,311	$ 117,255	$ 217,132	$ 15,340	$ 74,197	$ 3,027,675	$ (3,142)	$ 745,866	$ 4,343,634

Schedule 11

Parkland College District #505

Combining Statement of Revenue, Expenses, and Changes in Retained Earnings (Deficit)

Enterprise Funds

For the Year Ended June 30, 2023

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Operating Revenue									
Student and Community Services	$ 401,223	$ 172,391	$ 34,107	$ -	$ 877,447	$ 1,571,008	$ -	$ -	$ 3,056,176
Student Tuition and Fees	-	-	121,744	60,000	1,310,271	-	-	2,066,650	3,558,665
Other Revenue	-	-	-	-	57,639	-	-	23,064	80,703
Total Operating Revenue	401,223	172,391	155,851	60,000	2,245,357	1,571,008	-	2,089,714	6,695,544
Operating Expenses									
Salaries	435,378	73,636	48,890	431,278	753,798	144,365	2,265	869,765	2,759,375
Employee Benefits	93,601	14,852	19,979	73,754	154,092	21,017	-	106,049	483,344
Contractual Services	196	-	22,874	96,732	1,370,316	23,500	-	370,477	1,884,095
General Materials and Supplies	74,516	48,833	770	74,453	137,890	1,186,025	85	560,372	2,082,944
Conference and Meeting	2,085	-	10,583	208,994	8,919	1,570	-	10,846	242,997
Fixed Charges	-	70,980	-	6,460	-	213,761	-	145,173	436,374
Utilities	-	-	-	-	1,743	-	-	-	1,743
Depreciation Expense	6,658	-	10,794	9,351	-	-	-	-	26,803
Other	20,395	-	23,418	-	8,530	423	-	-	52,766
Total Operating Expenses	632,829	208,301	137,308	901,022	2,435,288	1,590,661	2,350	2,062,682	7,970,441
Operating Income (Loss)	(231,606)	(35,910)	18,543	(841,022)	(189,931)	(19,653)	(2,350)	27,032	(1,274,897)
Other Financing Sources									
Operating Transfers, Net	210,000	50,000	-	819,000	190,502	-	2,000	-	1,271,502
Net Income	(21,606)	14,090	18,543	(22,022)	571	(19,653)	(350)	27,032	(3,395)
Retained Earnings (Deficit) , July 1, 2022	157,781	102,311	76,556	37,362	2,385	3,027,688	(19,853)	407,365	3,791,595
Retained Earnings (Deficit), June 30, 2023	$ 136,175	$ 116,401	$ 95,099	$ 15,340	$ 2,956	$ 3,008,035	$ (20,203)	$ 434,397	$ 3,788,200

Parkland College District #505

Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Aviation	Total
Cash Flows from Operating Activities									
Auxiliary Enterprise Charges	$ 401,223	$ 172,391	$ 34,107	$ -	$ 877,447	$ 1,571,008	$ -	$ -	$ 3,056,176
Student Tuition and Fees	-	-	145,252	60,000	1,210,700	(13,328)	-	2,049,327	3,451,951
Payments to Suppliers	(97,192)	(119,813)	(12,585)	(386,640)	(1,527,398)	(1,466,400)	(84)	(1,086,868)	(4,696,980)
Payments to Employees and Benefits Paid	(540,963)	(100,060)	(64,283)	(505,032)	(904,145)	(161,518)	(2,265)	(971,112)	(3,249,378)
Net Distributions to Parkland Foundation	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	57,639	-	-	23,064	80,703
Net Cash Provided by (Used in)									-
Operating Activities	(236,932)	(47,482)	102,491	(831,672)	(285,757)	(70,238)	(2,349)	14,411	(1,357,528)
Capital and Related Financing Activities									
Purchase of Equipment	(19,975)	-	-	(21,831)	-	-	-	-	(41,806)
Non- Capital Financing Activities									
Operating Transfers In	210,000	50,000	-	819,000	190,502	-	2,000	-	1,271,502
Net Increase (Decrease) in Cash and Cash Equivalents	(46,907)	2,518	102,491	(34,503)	(95,255)	(70,238)	(349)	14,411	(127,832)
Cash and Cash Equivalents, July 1, 2022	179,289	114,737	107,154	(7,414)	(6,429)	2,647,542	(2,793)	731,455	3,763,541
Cash and Cash Equivalents, June 30, 2023	$ 132,382	$ 117,255	$ 209,645	$ (41,917)	$ (101,684)	$ 2,577,304	$ (3,142)	$ 745,866	$ 3,635,709
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities									
Operating Income (Loss)	$ (231,606)	$ (35,910)	$ 18,543	$ (841,022)	$ (189,931)	$ (19,653)	$ (2,350)	$ 27,032	$ (1,274,897)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation Expense	6,658	-	10,794	9,351	-	-	-	-	26,803
Changes in Assets and Liabilities:									
Receivables	-	-	-	-	(99,571)	(13,328)	-	-	(112,899)
Inventories	-	-	-	-	-	(41,121)	-	-	(41,121)
Accounts Payable	-	-	45,060	-	-	-	-	-	45,060
Accrued liabilities	-	-	-	-	-	-	-	-	-
Vacation Payable	(11,984)	(11,572)	4,586	-	3,745	3,864	-	4,702	(6,659)
Unearned Revenue	-	-	23,508	-	-	-	-	(17,323)	6,185
Due to Parkland Foundation	-	-	-	-	-	-	-	-	-
Net Cash Provided By (Used in) Operating Activities	$ (236,932)	$ (47,482)	$ 102,491	$ (831,671)	$ (285,757)	$ (70,238)	$ (2,350)	$ 14,411	$ (1,357,528)

Schedule 13

Parkland College District #505

Combining Balance Sheet
Fiduciary Funds
June 30, 2023

	Non- Expendable Trust Working Cash Fund	Trust and Agency Fund	Custodial Funds	Total
ASSETS				
Cash and Cash Equivalents	$ -	$ -	$ 40,928	$ 40,928
Investments	7,657,435	-	-	7,657,435
Receivables:				
Due from Parkland Foundation	-	4,227,304	-	4,227,304
Other	82,853	-	-	82,853
Total Assets	$ 7,740,288	$ 4,227,304	$ 40,928	$ 12,008,520
LIABILITIES				
Accounts Payable	$ -	$ 37	$ -	$ 37
Due to other funds	4,483	3,564,981	-	3,569,464
Due to Student Groups	-	662,928	-	662,928
Total Liabilities	4,483	4,227,946	-	4,232,429
FUND BALANCE				
Reserved for Trust and Agency Assets	7,735,805	(642)	-	7,735,163
Reserved for Other Governments	-	-	40,928	40,928
Total Fund Balance	7,735,805	(642)	40,928	7,776,091
Total Liabilities and Fund Balance	$ 7,740,288	$ 4,227,304	$ 40,928	$ 12,008,520

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, 2023

		Operations and Maintenance Funds										Account Groups		Totals (Memorandum Only)	
	Education Fund	Operational	Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Custodial Funds	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	General Fixed Assets	General Long-Term Debt	June 30, 2023	June 30, 2022
ASSETS															
Cash and Cash Equivalents	$ 25,363,391	$ 12,095,461	$ 5,709,538	$ 3,635,709	$ -	$ -	$ -	$ 40,928	$ 3,584,867	$ 196,593	$ 2,303,568	$ -	$ -	$ 52,930,055	$ 59,429,845
Investments	10,415,419	-	-	-	-	7,657,435	-	-	-	-	-	-	-	18,072,854	5,478,997
Receivables:															
Property Taxes, Net	10,472,461	4,027,861	1,597,264	-	-	-	-	-	3,364,804	57,942	2,105,964	-	-	21,626,296	19,897,930
Replacement Taxes	1,170,906	-	-	-	-	-	-	-	-	-	-	-	-	1,170,906	1,165,699
Agency Tuition, Net	473,566	-	-	27,866	-	-	-	-	-	-	-	-	-	501,432	430,370
Student Tuition and Fees, Net	862,707	-	-	148,015	-	-	-	-	-	-	-	-	-	1,010,722	933,756
Governmental Grants	-	-	-	-	1,678,858	-	-	-	-	-	-	-	-	1,678,858	1,119,024
Interest	59,065	-	-	-	-	82,853	-	-	-	-	-	-	-	141,918	-
Other	30,379	32,239	-	17,922	-	-	-	-	-	-	-	-	-	80,540	151,095
Due from Parkland Foundation	35,934	4,000	260,000	-	11,156	-	4,227,304	-	-	-	-	-	-	4,538,394	4,052,558
Due from Other Funds	1,402,489	-	-	-	-	-	-	-	-	-	-	-	-	1,402,489	57,283
Prepaid Assets	-	-	-	-	-	-	-	-	-	-	26,113	-	-	26,113	27,016
Inventory	-	-	-	432,449	-	-	-	-	-	-	-	-	-	432,449	391,328
Property and Equipment at Cost, Net	-	-	-	81,673	-	-	-	-	-	-	-	88,308,459	-	88,390,132	89,732,665
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	-	4,398,831	4,398,831	4,269,876
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	-	36,820,267	36,820,267	42,367,248
Total Assets	$ 50,286,317	$ 16,159,561	$ 7,566,802	$ 4,343,634	$ 1,690,014	$ 7,740,288	$ 4,227,304	$ 40,928	$ 6,949,671	$ 254,535	$ 4,435,645	$ 88,308,459	$ 41,219,098	$ 233,222,256	$ 229,504,690
LIABILITIES															
Accounts Payable	$ 15,317	$ 93,759	$ 699,025	$ 52,243	$ 13,295	$ -	$ 37	$ -	$ -	$ 17,000	$ 7,668	$ -	$ -	$ 898,344	$ 1,009,711
Vacation Payable	1,349,350	195,900	-	146,613	46,492	-	-	-	-	-	105,224	-	-	1,843,579	1,865,931
Retirement Payable	2,307,409	-	-	-	-	-	-	-	-	-	-	-	3,798,794	6,106,203	6,794,820
Accrued Liabilities	2,658,616	30,666	15,341	1,508	-	-	-	-	13,458	582	17,082	-	-	2,737,253	2,809,397
Due to Other Funds	-	-	-	-	1,402,489	4,483	3,564,981	-	-	-	-	-	-	4,971,953	57,283
Due to Parkland Foundation	4,464,854	-	-	17,061	-	-	-	-	-	-	27,413	-	-	4,509,328	3,997,234
Unearned Revenue	11,065,191	3,086,065	1,249,505	338,009	568,534	-	-	-	2,537,382	42,645	1,587,006	-	-	20,474,337	19,539,558
Due to Student Groups	-	-	-	-	-	-	662,928	-	-	-	-	-	-	662,928	747,400
Unamortized Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-	2,450,304	2,450,304	2,832,170
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	34,970,000	34,970,000	39,300,000
Total Liabilities	21,860,737	3,406,390	1,963,871	555,434	2,030,810	4,483	4,227,946	-	2,550,840	60,227	1,744,393	-	41,219,098	79,624,229	78,953,504
COLLEGE EQUITY															
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	88,308,459	-	88,308,459	89,665,995
Fund Balance:															
Reserved For:															
Trust and Agency Assets	-	-	-	-	-	7,735,805	(642)	-	-	-	-	-	-	7,735,163	7,598,786
Other Goverments	-	-	-	-	-	-	-	40,928	-	-	-	-	-	40,928	45,325
Unreserved, Undesignated	28,425,580	12,753,171	5,602,931	-	(340,796)	-	-	-	4,398,831	194,308	2,691,252	-	-	53,725,277	49,449,485
Retained Earnings	-	-	-	3,788,200	-	-	-	-	-	-	-	-	-	3,788,200	3,791,595
Total College Equity (Deficit)	28,425,580	12,753,171	5,602,931	3,788,200	(340,796)	7,735,805	(642)	40,928	4,398,831	194,308	2,691,252	88,308,459	-	153,598,027	150,551,186
Total Liabilities and College Equity	$ 50,286,317	$ 16,159,561	$ 7,566,802	$ 4,343,634	$ 1,690,014	$ 7,740,288	$ 4,227,304	$ 40,928	$ 6,949,671	$ 254,535	$ 4,435,645	$ 88,308,459	$ 41,219,098	$ 233,222,256	$ 229,504,690

Schedule 15

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, 2023

	Education Fund	Operations and Maintenance Funds: Operational	Operations and Maintenance Funds: Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Totals (Memorandum Only): 2023	Totals (Memorandum Only): 2022
Revenue											
Local Sources	$ 24,586,351	$ 6,600,365	$ 2,486,471	$ -	$ -	$ -	$ 5,521,123	$ 92,406	$ 3,542,376	$ 42,829,092	$ 40,491,225
State Sources	5,030,756	-	-	-	5,472,910	-	-	-	-	10,503,666	8,540,572
Federal Sources	169,812	-	-	-	13,543,335	-	-	-	-	13,713,147	31,461,582
Tuition and Fees	22,128,242	-	-	3,558,665	-	-	-	-	-	25,686,907	23,767,625
Facilities	238,276	-	518,242	-	-	-	-	-	-	756,518	1,102,558
Other Revenue	1,664,138	663,477	59,274	3,136,957	85,488	157,428	-	-	-	5,766,762	4,126,270
On-Behalf Payments	-	-	-	-	16,180,435	-	-	-	-	16,180,435	20,914,241
Total Revenue	53,817,575	7,263,842	3,063,987	6,695,622	35,282,168	157,428	5,521,123	92,406	3,542,376	115,436,527	130,404,073
Expenditures											
Instruction	22,792,128	-	-	2,060,749	4,374,598	-	-	-	-	29,227,475	26,319,729
Academic Support	5,433,304	-	6,195	208,301	2,111,237	-	-	-	-	7,759,037	6,118,209
Student Services	4,775,383	-	-	-	758,258	-	-	-	-	5,533,641	5,480,170
Public Service	421,021	-	-	2,435,287	682,189	-	-	-	-	3,538,497	2,952,919
Auxiliary Services	-	-	-	3,239,379	66,888	-	-	-	-	3,306,267	3,190,231
Operation and Maintenance of Plant	-	5,802,359	2,665,902	-	14,847	-	-	-	1,606,050	10,089,158	10,268,407
Institutional Support	16,627,684	-	-	-	360,603	-	-	99,091	1,641,236	18,728,614	22,517,418
Scholarships and Grants	-	-	-	-	10,727,417	-	-	-	-	10,727,417	16,564,627
Principal	-	-	-	-	-	-	4,330,000	-	-	4,330,000	3,845,000
Interest	-	-	-	-	-	-	1,580,410	-	-	1,580,410	1,743,910
Depreciation	-	-	-	26,803	-	-	-	-	-	26,803	53,087
On-Behalf Payments	-	-	-	-	16,180,435	-	-	-	-	16,180,435	20,914,241
Total Expenditures	50,049,520	5,802,359	2,672,097	7,970,519	35,276,472	-	5,910,410	99,091	3,247,286	111,027,754	119,967,948
Revenue Over (Under) Expenditures	3,768,055	1,461,483	391,890	(1,274,897)	5,696	157,428	(389,287)	(6,685)	295,090	4,408,773	10,436,125
Other Financing Sources (Uses)											
Operating Transfers, Net	(1,250,450)	-	(518,242)	1,271,502	-	(21,051)	518,242	-	-	-	-
Total Other Financing Sources (Uses)	(1,250,450)	-	(518,242)	1,271,502	-	(21,051)	518,242	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,517,605	1,461,483	(126,352)	(3,395)	5,696	136,377	128,955	(6,685)	295,090	4,408,774	10,436,125
College Equity, Beginning 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
College Equity, End of Year	$ 28,425,580	$ 12,753,171	$ 5,602,931	$ 3,788,200	$ (340,796)	$ 7,735,805	$ 4,398,831	$ 194,308	$ 2,691,252	$ 65,249,282	$ 60,840,508

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, 2023 and 2022

	2023	2022 (Restated)
College Equity	$ 153,598,027	$ 150,551,186
Reconciling Items:		
Recognition of Summer School Revenues	2,040,536	1,636,231
Deferred Revenue for Property Taxes Not Received	16,305,647	15,211,257
Property Taxes Receivable Not Earned and Not Received	(16,305,647)	(15,211,257)
Recognition of Right of Use Assets, net	135,294	27,113
Recognition of Lease Receivable, net	19,698	12,283
Reclassification of Long Term Debt	(38,768,794)	(43,804,955)
Recognition of Bond Premium	(2,450,304)	(2,832,170)
Deferred Retirement Plan Contributions	89,523	67,878
Recognition of Other Postemployment Benefit Liability	(11,657,741)	(30,175,704)
Deferred Other Postemployment Benefit Contributions	325,003	491,863
Deferred Postemployment Benefits	(22,530,640)	(9,767,599)
Fiduciary Activity Fund Balance	(40,928)	(45,325)
Recognition of Accrued interest for leases, net	(2,523)	(2,172)
Recognition of Accrued interest for subscriptions	(13,083)	(20,167)
Recognition of Interest Payable on Long Term Debt	(124,484)	(138,918)
Net Position	$ 80,619,584	$ 65,999,544

Reconciliation of the Statement of Revenues, Expenditures, and Changes in College Equity – Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary Fund Types) To the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund For the Years Ended June 30, 2023 and 2022.

	2023	2022 (Restated)
Change in College Equity	$ 4,408,774	$ 10,436,125
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O& M Fund	(185,659)	(186,325)
Remove Rent Expense from the Bookstore	185,659	186,325
Remove Revenue Paid by the Education Fund to Reprographics	(172,391)	(145,455)
Remove Expenditures from the Education Fund	172,391	145,455
Remove Student Aid and Scholarship Payments from Revenue	(3,152,095)	(8,587,208)
Remove Student Aid and Scholarship Payments from Expense	3,152,095	8,587,208
Remove Grant Revenue Paid by the Restricted Fund to the Education and Auxiliary Funds	-	(6,249,189)
Remove Expenditures from the Restricted Fund	-	6,249,189
Change in Recognition of Summer School Revenues	404,304	151,896
General Obligation Debt Retired	4,330,000	3,845,000
Change in Retirement Obligations	706,161	552,111
Change in Other Postemployment Benefit Expense	5,582,884	700,517
Change in Deferred Other Postemployment Benefit Contributions	5,178	66,739
Remove Capital Expenditures Related to Capitalized Assets	5,335,595	4,911,705
Remove lease and subscription revenue and expense	826,501	686,281
Record Depreciation on the Capital Assets	(6,693,130)	(6,699,493)
Record Amortization Right to Use Assets	(684,013)	(641,032)
Record interest related to leases and subscriptions	(20,159)	(22,744)
Change in Deferred Retirement Plan Contributions	21,645	(11,748)
Change in Investment Income on Bond Premium	381,866	381,866
Change in Accrued Interest on Long Term Debt	14,434	12,816
Change in Net Position	$ 14,620,040	$ 14,370,039

Parkland College District #505

Schedule of Assessed Valuations, Tax Rates, Extensions and Collections

June 30, 2023

	2022 LEVY	2021 LEVY	2020 LEVY	2019 LEVY	2018 LEVY	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY
Assessed Valuations										
County:										
Champaign	$ 4,928,413,270	$ 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
Coles	13,374,842	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
DeWitt	108,623,792	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
Douglas	428,136,328	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
Edgar	6,180,140	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
Ford	326,793,918	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
Iroquois	137,513,625	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
Livingston	100,005,821	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
McLean	230,517,995	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
Moultrie	6,582,313	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
Piatt	505,897,200	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
Vermilion	23,458,669	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
TOTAL	$ 6,815,497,913	$ 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
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	0.0833	0.0841	0.0824	0.0791	0.0771	0.0847	0.0841	0.0824	0.0794	0.0770
Tort and Immunity	0.0292	0.0322	0.0328	0.0336	0.0346	0.0341	0.0355	0.0372	0.0369	0.0375
Audit	0.0014	0.0014	0.0015	0.0015	0.0015	0.0014	0.0014	0.0015	0.0010	0.0010
Worker's Compensation	0.0030	0.0023	0.0025	0.0015	0.0018	0.0021	0.0016	0.0015	0.0014	0.0019
Unemployment Insurance	0.0006	0.0012	0.0017	0.0009	0.0002	0.0003	0.0005	0.0008	0.0010	0.0010
Protection, Health, and Safety	0.0385	0.0366	0.0383	0.0375	0.0373	0.0368	0.0384	0.0400	0.0267	0.0271
Medicare Insurance	0.0089	0.0096	0.0109	0.0111	0.0116	0.0120	0.0125	0.0126	0.0113	0.0115
Property Insurance	0.0104	0.0104	0.0104	0.0103	0.0098	0.0097	0.0096	0.0100	0.0082	0.0083
TOTAL	0.5353	0.5378	0.5405	0.5355	0.5339	0.5411	0.5436	0.5460	0.5259	0.5253

Schedule 17
Continued

Parkland College District #505

Schedule of Assessed Valuations, Tax Rates, Extensions and Collections

June 30, 2023

	2022 LEVY	2021 LEVY	2020 LEVY	2019 LEVY	2018 LEVY	2017 LEVY	2016 LEVY	2015 LEVY	2014 LEVY	2013 LEVY
Tax Extensions										
Education Fund	$ 17,720,294	$ 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
Operations and Maintenance:										
Operational Fund	6,815,498	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
Bond	5,677,310	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
Tort and Immunity	1,990,125	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
Audit	95,417	88,361	90,550	87,923	84,776	76,142	73,091	74,632	48,782	47,972
Worker's Compensation	204,465	145,164	150,917	87,923	101,731	114,212	83,532	74,632	68,295	91,147
Unemployment Insurance	40,893	75,738	102,623	52,754	11,303	16,316	26,104	39,804	48,782	47,972
Protection, Health, and Safety	2,623,967	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
Medicare Insurance	606,579	605,902	657,996	650,628	655,601	652,643	652,597	626,905	551,236	551,677
Property Insurance	708,812	656,394	627,813	603,736	553,870	527,553	501,194	497,544	400,012	398,167
	36,483,360	33,943,154	32,628,163	31,388,413	30,174,480	29,428,743	28,380,134	27,165,900	25,654,412	25,199,663
Tax Collections Prior to Year End	(14,366,933)	(13,555,093)	(14,945,618)	(7,198,829)	(5,926,845)	(12,304,470)	(12,528,359)	(11,824,016)	(11,999,151)	(11,963,533)
	22,116,427	20,388,061	17,682,545	24,189,584	24,247,635	17,124,273	15,851,775	15,341,884	13,655,261	13,236,130
Taxes Not Collectible Due to Taxpayer Exemption	-	-	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes and Potential Refunds	(490,131)	(490,131)	(490,131)	(490,132)	(1,978,547)	(1,978,547)	(1,978,547)	(1,978,547)	(1,503,174)	(1,503,174)
Property Taxes Receivable	$ 21,626,296	$ 19,897,930	$ 17,192,414	$ 23,699,452	$ 22,269,088	$ 15,145,726	$ 13,873,228	$ 13,363,337	$ 12,152,087	$ 11,732,956
Property Taxes Receivable by Fund										
Education Fund	$ 10,472,461	$ 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
Operations and Maintenance:										
Operational Fund	4,027,861	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
Restricted Fund	1,597,264	1,394,111	1,241,802	1,700,549	1,558,640	1,025,649	980,806	984,981	578,447	568,014
Bond Fund	3,364,804	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
Audit Fund	57,942	53,173	46,337	67,856	62,678	38,897	35,416	36,739	21,461	20,692
Liability, Protection, and Settlement Fund	2,105,964	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
TOTAL	$ 21,626,296	$ 19,897,930	$ 17,192,414	$ 23,699,452	$ 22,269,088	$ 15,145,726	$ 13,873,228	$ 13,363,337	$ 12,152,087	$ 11,732,956

Parkland College District #505

Schedule of Legal Debt Margin

June 30, 2023

ASSESSED VALUATIONS - 2022 LEVY	$ 6,815,497,913
Debt Limit, 2.875 Percent of Assessed Valuation	$ 195,945,565
Indebtedness:	
G.O. Bonds	30,935,000
Legal Debt Margin	$ 165,010,565

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, 2023
(Unaudited)

	Student Enrollment	Full- Time Equivalency Semester
School Quarter		
Summer 2022	2,771	1,500
Fall 2022	5,686	3,376
Spring 2023	5,062	3,013
Semester Average (Exclusive of Summer School)	5,374	3,194

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, 2023

	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, 2022	$ 25,907,975	$ 11,291,688	$ 5,729,283	$ 4,269,876	$ 3,791,595	$ (346,492)	$ 7,599,428	$ 200,993	$ 2,396,162	$ 60,840,508
Revenues:										
Local Tax Revenue	17,160,949	6,600,365	2,473,975	5,492,411	-	-	-	91,928	3,523,360	35,342,988
All Other Local Revenue	7,425,402	-	12,496	28,712	-	-	-	478	19,016	7,486,104
ICCB Grants	4,573,456	-	-	-	-	3,966,620	-	-	-	8,540,076
All Other State Revenue	457,300	-	-	-	-	1,506,290	-	-	-	1,963,590
Federal Revenue	169,812	-	-	-	-	13,543,335	-	-	-	13,713,147
Student Tuition and Fees	22,366,518	-	-	-	3,558,665	-	-	-	-	25,925,183
On- Behalf SURS	-	-	-	-	-	16,014,661	-	-	-	16,014,661
On- Behalf CIP	-	-	-	-	-	165,774	-	-	-	165,774
All Other Revenue	1,664,138	663,477	577,516	-	3,136,957	85,488	157,428	-	-	6,285,004
Total Revenue	53,817,575	7,263,842	3,063,987	5,521,123	6,695,622	35,282,168	157,428	92,406	3,542,376	115,436,527
Expenditures:										
Instruction	22,792,128	-	-	-	2,060,749	12,269,380	-	-	-	37,122,257
Academic Support	5,433,304	-	6,195	-	208,301	3,405,628	-	-	-	9,053,428
Student Services	4,775,383	-	-	-	-	2,291,110	-	-	-	7,066,493
Public Service/ Continuing Education	421,021	-	-	-	2,435,287	1,220,168	-	-	-	4,076,476
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	3,266,182	470,725	-	-	-	3,736,907
Operations and Maintenance	-	5,802,359	2,665,902	-	-	1,056,938	-	-	1,606,050	11,131,249
Institutional Support	16,627,684	-	-	5,910,410	-	3,787,568	-	99,091	1,641,236	28,065,989
Scholarships, Student Grants, & Waivers	-	-	-	-	-	10,774,955	-	-	-	10,774,955
Total Expenditures	50,049,520	5,802,359	2,672,097	5,910,410	7,970,519	35,276,472	-	99,091	3,247,286	111,027,754
Net Transfers	(1,250,450)	-	(518,242)	518,242	1,271,502	-	(21,051)	-	-	-
Fund Balance, June 30, 2023	$ 28,425,580	$ 12,753,171	$ 5,602,931	$ 4,398,831	$ 3,788,200	$ (340,796)	$ 7,735,805	$ 194,308	$ 2,691,252	$ 65,249,282

Parkland College District #505

Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2023

	Capital Assets / Long Term Debt			
	July 1, 2022	Additions	Deletions	June 30, 2023
Fixed Assets:				
Land & Land Improvements	$ 57,501,691	$ 2,646,553	$ -	$ 60,148,244
Construction in Progress	2,187,469	2,959,977	(2,646,553)	2,500,893
Buildings, Additions, & Improvements	116,623,250	-	-	116,623,250
Equipment & Fixtures	28,390,573	2,375,619	-	30,766,192
Accumulated Depreciation	(115,036,989)	(6,693,459)	-	(121,730,448)
Net Fixed Assets	$ 89,665,994	$ 1,288,690	$ (2,646,553)	$ 88,308,131
Fixed Debt:				
Bonds	$ 39,300,000	$ -	$ (4,330,000)	$ 34,970,000
Net Other Postemployment Benefit Liability	30,175,704	474,467	(18,992,430)	11,657,741
Early Retirement Benefits	4,504,954	1,510,473	(2,216,633)	3,798,794
Total Fixed Debt	$ 73,980,658	$ 1,984,940	$ (25,539,063)	$ 50,426,535

	Outstanding			
	July 1, 2022	Issued	Redeemed	June 30, 2023
Education Fund:				
Tax Anticipation Warrants	$ -	$ -	$ -	$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	$ -	$ -	$ -	$ -

Parkland College District #505

Operating Funds Revenues and Expenditures – Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
Local Government			
Local Taxes	$ 17,160,949	$ 6,600,365	$ 23,761,314
Chargeback Revenue	-	-	-
CPPRT	7,425,402	-	7,425,402
Total Local Government	24,586,351	6,600,365	31,186,716
State Government			
ICCB Base Operating Grant	4,567,806	-	4,567,806
ICCB Equalization Grant	5,650	-	5,650
Other State	457,300	-	457,300
Total State Government	5,030,756	-	5,030,756
Federal Government			
Department of Education	169,812	-	169,812
Total Federal Government	169,812	-	169,812
Student Tuition and Fees			
Tuition	19,269,784	-	19,269,784
Fees	2,858,458	-	2,858,458
Total Student Tuition and Fees	22,128,242	-	22,128,242
Other Sources			
Sales and Service Fees	238,276	-	238,276
Facilities Revenue	-	632,555	632,555
Investment Revenue	1,400,100	30,922	1,431,022
Other	264,038	-	264,038
Total Other Sources	1,902,414	663,477	2,565,891
Total Operating Revenues	53,817,575	7,263,842	61,081,417
Less: Non- Operating Items			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	$ 53,817,575	$ 7,263,842	$ 61,081,417

Schedule 22

Parkland College District #505

Operating Funds Revenues and Expenditures – Modified Accrual Basis

Uniform Financial Statement No. 3

For the Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	$ 22,792,128	$ -	$ 22,792,128
Academic Support	5,433,304	-	5,433,304
Student Services	4,775,383	-	4,775,383
Public Service/ Continuing Education	421,021	-	421,021
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,802,359	5,802,359
Institutional Support	16,627,684	-	16,627,684
Scholarships, Grants, Waivers	-	-	-
Transfers	1,250,450	-	1,250,450
Total Operating Expenditures by Program	51,299,970	5,802,359	57,102,329
Less: Non- Operating Items			
Transfers	(1,250,450)	-	(1,250,450)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	$ 50,049,520	$ 5,802,359	$ 55,851,879
Operating Expenditures by Object:			
Salaries	$ 34,761,600	$ 1,675,838	$ 36,437,438
Employee Benefits	6,201,671	747,361	6,949,032
Contractual Services	2,783,154	1,026,663	3,809,817
General Materials and Supplies	1,871,574	385,020	2,256,594
Library Materials *	*114,976*	-	*114,976*
Conference and Meeting Expenses	437,539	4,769	442,308
Fixed Charges	40,110	61,173	101,283
Utilities	-	1,664,375	1,664,375
Capital Outlay	1,884,504	237,160	2,121,664
Other	2,069,368	-	2,069,368
Transfers	1,250,450	-	1,250,450
Total Operating Expenditures by Object	51,299,970	5,802,359	57,102,329
Less: Non- Operating Items			
Transfers	(1,250,450)	-	(1,250,450)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	$ 50,049,520	$ 5,802,359	$ 55,851,879

*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, 2023

	Restricted Purposes Fund
Revenue by Source:	
State Government	
ICCB - SWFT: Workforce Equity Initiative	$ 1,730,346
ICCB - Adult Education	265,702
ICCB - ESLTP	34,426
ICCB - Transitional Instruction	22,537
Illinois State Board of Education	1,310,973
On-Behalf SURS	16,014,661
On-Behalf CIP	165,774
Other	2,322,934
Total State Government	21,867,353
Federal Government	
Department of Education	11,828,117
Department of Labor	142,324
Department of Transportation	342,283
Department of Agriculture	8,768
Department of Health and Human Services	557,788
National Science Foundation	450,047
Total Federal Government	13,329,327
Other Sources	
Other	85,488
Total Other Sources	85,488
Total Restricted Purposes Fund Revenues	$ 35,282,168

Parkland College District #505

Restricted Purpose Funds Revenues and Expenditures – Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2023

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	$ 12,269,380
Academic Support	3,405,628
Student Services	2,291,110
Public Service/ Continuing Education	1,220,168
Auxiliary Services	470,725
Operations and Maintenance	1,056,938
Institutional Support	3,787,568
Scholarships, Student Grants, and Waivers	10,774,955
Total Restricted Purposes Fund Expenditures by Program	$ 35,276,472
Expenditures by Object:	
Salaries	$ 2,267,716
Employee Benefits (Including SURS On- Behalf)	16,561,277
Contractual Services	1,407,260
General Materials and Supplies	674,544
Travel & Conference/ Meeting Expenses	431,360
Fixed Charges	86,442
Utilities	6,962
Capital Outlay	625,317
Other	13,215,593
*Scholarships, Grants, Waivers **	*10,774,955*
Total Restricted Purposes Fund Expenditures by Object	$ 35,276,472

*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, 2023

Instruction:	
Instructional Programs	$ 37,122,257
Academic Support:	
Library Center	802,327
Academic Computing Support	2,628,741
Other	5,616,165
Total Academic Support	9,047,233
Student Services Support:	
Admissions and Records	732,180
Counseling and Career Services	1,482,880
Financial Aid Administration	751,777
Other	4,099,656
Total Student Services Support	7,066,493
Public Service/ Continuing Education:	
Community Education	803
Customized Training (Instructional)	2,585,393
Community Services	431,256
Other	1,059,024
Total Public Service/ Continuing Education	4,076,476
Auxiliary Services	3,736,907
Operations and Maintenance of Plant:	
Maintenance	1,384,616
Custodial Services	1,786,080
Grounds	554,132
Campus Security	1,376,258
Transportation	44,670
Utilities	1,664,376
Administration	368,486
Other	1,286,729
Total Operations and Maintenance of Plant	8,465,347

Parkland College District #505

Current Funds* Expenditures by Activity – Modified Accrual Basis
Uniform Financial Statement No. 5 (Continued)
For the Year Ended June 30, 2023

Institutional Support:	
Executive Management	$ 598,860
Fiscal Operations	950,952
Community Relations	112,660
Board of Trustees	58,181
General Institutional	4,536,244
Institutional Research	310,920
Administrative Data Processing	3,364,099
Other	12,223,663
Total Institutional Support	22,155,579
Scholarships, Student Grants, and Waivers	10,774,955
Total Current Funds Expenditures	$ 102,445,247

* 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 2023 Certification of Chargeback Reimbursement

For the Year Ended June 30, 2023

All Fiscal Year 2023 noncapital audited operating expenditures from the following funds:	
Education Fund	$ 48,165,016
Operations and Maintenance Fund	5,565,199
Restricted Purpose Fund	34,651,155
Audit Fund	99,091
Liability, Protection, and Settlement Fund	3,189,018
Auxiliary Enterprise Fund (subsidy only)	1,271,502
Total noncapital expenditures	92,940,981
Depreciation on capital outlay expenses paid from sources other than state and federal funds	3,218,992
Total costs included	$ 96,159,973
Total certified semester credit hours	98,133
Per capita cost per semester credit hour	$ 979.89
All fiscal year 2023 state and federal operation grants for noncapital expenses, except ICCB grants	$ 17,590,346
Fiscal year 2023 state and federal grants per semester credit hour	179.25
District's average ICCB grant rate for fiscal year 2024	48.57
District's student tuition and fees per semester credit hour for fiscal year 2023	171.00
Chargeback reimbursement per semester credit hour	$ 581.06

Approved: Christopher Russell 10-16-2023
Chief Fiscal Officer Date

Approved: Pamela Lau 10-16-2023
Chief Executive Officer Date

Credit Hour Data

FORVIS

225 N. Water Street, Suite 400 / Decatur, IL 62523
P 217.429.2411 / **F** 217.429.6109
forvis.com

Independent Accountant's Report on Schedule of Credit Hour Data and Other Bases 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 Bases Upon Which Claims Were Filed (Schedule) of Parkland College District #505 for the year ended June 30, 2023. 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 Bases 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, 2023.

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 13, 2023

Parkland College

Schedule of Enrollment Hour Data and Other Bases
Upon Which Claims Were Filed
Year Ended June 30, 2023

Total Reimbursable Semester Credit Hours by Term

Categories	Summer Term Unrestricted	Summer Term Restricted	Fall Term Unrestricted	Fall Term Restricted	Spring Term Unrestricted	Spring Term Restricted	Total Unrestricted	Total Restricted
Baccalaureate	8,260.0	49	28,856.0	20	26,577.0	12	63,693.0	81.0
Business occupational	156.0	-	1,289.0	-	1,305.0	-	2,750.0	-
Technical occupational	651.0	441	4,525.5	660	4,463.0	674	9,639.5	1,775.0
Health occupational	851.0	-	4,962.0	-	4,923.5	-	10,736.5	-
Remedial/developmental	454.0	-	3,249.0	-	1,940.0	-	5,643.0	-
Adult education	84.0	-	310.0	1,456.0	323.0	1,642.0	717.0	3,098.0
Total	10,456.0	490.0	43,191.5	2,136.0	39,531.5	2,328.0	93,179.0	4,954.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	74,817.50	-	74,817.50

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	6,405.00	434.00

District 2022 Equalized Assessed Valuation $ 6,815,497,913

Total Reimbursable Correctional Semester Credit Hours by Term

Categories	Summer Term	Fall Term	Spring Term	Total
Business occupational	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial/developmental	-	-	-	-
Adult education	-	-	-	-
Total	-	-	-	-

Signatures: Pamela Lau 10-16-2023 Christopher Randall 10-16-2023

College President

Parkland College District #505

Reconciliation of Total Semester Credit Hours

Year Ended June 30, 2023

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to ICCB	Difference
Baccalaureate	63,693.0	63,693.0	-	81.0	81.0	-
Business occupational	2,750.0	2,750.0	-	-	-	-
Technical occupational	9,639.5	9,639.5	-	1,775.0	1,775.0	-
Health occupational	10,736.5	10,736.5	-	-	-	-
Remedial/developmental	5,643.0	5,643.0	-	-	-	-
Adult education	717.0	717.0	-	3,098.0	3,098.0	-
Total Credit Hours Certified	93,179.0	93,179.0	-	4,954.0	4,954.0	-

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

	Total Attending	Total Attending as Certified to ICCB	Difference
In-District Residents	74,817.5	74,817.5	-
Out-of-District on Chargeback	-	-	-
or Contractual Agreement	-	-	-
Total	74,817.5	74,817.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	6,405	6,405	-
Dual enrollment	434	434	-
Total	6,839	6,839	-

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	-	-	-

Parkland College District #505
Documentation of Residency Verification Steps
For the Year Ended June 30, 2023

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, 2023

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, 2023

Findings – ICCB Grant Compliance

No matters are reportable.

Parkland College District #505

Summary Schedule of Prior Audit Findings – ICCB Grant Compliance

For the Year Ended June 30, 2023

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, 2023

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
586-18-0409	Child and Adult Care Food Program	$ -	$ 36,089	$ -	$ 36,089
586-18-0875	Agricultural Education	1,310,973	-	-	1,310,973
586-44-2307	Title I Migrant Education	-	327,885	-	327,885
601-00-0748	Illinois Cooperative Work Study Program	18,301	-	-	18,301
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	575,004	-	575,004
684-00-2549	Postsecondary Perkins Title I Leadership Grant - Federal CTE	-	172,682	-	172,682
684-00-0822	Early School Leaver Transition Program - State CTE	34,426	-	-	34,426
684-00-2334	Customized Apprenticeship Programming in Information Technology	-	12,503	-	12,503
684-00-2727	Governor's Emergency Education Relief Fund II Federal	-	93,546	-	93,546
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	265,702	193,867	-	459,569
684-01-1670	Innovative Bridge and Transition Grant - State	252,449	-	-	252,449
684-01-2213	Workforce Equity Initiative	1,750,836	-	-	1,750,836
684-01-2879	Integrated English Language and Civics Education (IELCE)	-	8,138	-	8,138
684-05-2866	Childhood Access Consortium for Equity	-	540,922	-	540,922
684-05-2840	College Bridge Programs	-	214,008	-	214,008
	Other Grant Programs and Activities	-	12,150,084	-	12,150,084
	All Other Costs Not Allocated	-	-	80,081,219	80,081,219
	Total	$ 3,632,687	$ 14,324,728	$ 80,081,219	$ 98,038,634

Federal Compliance Section

Parkland College District #505

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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 Illinois State Board of Education (ISBE)				
Child & Adult Care Food Program	10.558	4226	$ 36,089	$ -
Passed through the University of Illinois				
Research & Development Cluster				
Agriculture and Food Research Initiative	10.310		8,768	-
National Science Foundation				
Direct				
Research and Development Cluster				
Research Pheno Plasticity	47.074		27,609	-
Precision Ag Curriculum Enhancement	47.076		422,439	-
Total National Science Foundation			450,048	-
Total Research & Development Cluster			458,816	-
Department of Labor				
Passed through the Champaign County Regional Planning Commission				
WIOA Cluster				
WIOA Youth Activities	17.259		26,800	-
Strengthening Community Colleges	17.261		103,021	-
H-1B Job Training Grants	17.268		12,503	-
Total Department of Labor			142,324	-
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		342,283	-
Department of Education				
Direct				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		170,778	-
Federal Work Study (FWS)	84.033		133,342	-
Pell Grant Program	84.063		6,586,605	-
Federal Direct Loans	84.268		1,987,620	-
Direct Plus: Department of Education	84.268		502,701	-
Unsubsidized Direct Loan Even: Department of Education	84.268		1,076,448	-
Total Student Financial Assistance Cluster			10,457,494	-
Other Direct Programs				
Trio Cluster				
Trio Student Support Services	84.042a		387,365	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		66,888	-
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		284,487	-
COVID-19 Governor's Emergency Education Relief Fund	84.425C		93,546	-
Total Education Stabilization Fund			378,033	-
Total Other Direct Programs			832,286	-
Passed through the Illinois Community College Board (ICCB)				
Adult Education - EL/CIVICS	84.002a	AE-50501-23	8,138	-
Adult Education - Basic	84.002a	AE-50501-23	193,867	-
Total Adult Education			202,005	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CBE2202	172,682	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CTE50523	575,004	-
Total Career and Technical Education - Basic Grants to States (Perkins V)			747,686	-
Passed through the Illinois State Board of Education (ISBE)				
Title I - Migrant Education	84.011A	4340	327,885	-
Passed through University of Illinois - Center for Global Studies				
Title VI National Resources Grant	84.015A		4,776	-
Open Textbooks Pilot Program	84.116T		18,154	-
Total Department of Education			12,590,286	-
Department of Health and Human Services				
Passed through the Illinois Community College Board (ICCB)				
477 Cluster				
Child Care and Development Block Grant	93.575		540,922	-
Department of Treasury				
Direct				
College Bridge BEST Grant	21.027		214,008	-
Total Expenditures of Federal Awards			$ 14,324,728	$ -

Parkland College District #505

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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, 2023. 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% de minimis indirect cost rate allowed under the Uniform Guidance.

FORVIS

225 N. Water Street, Suite 400 / Decatur, IL 62523
P 217.429.2411 / **F** 217.429.6109
forvis.com

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, 2023, 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 13, 2023, 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 13, 2023

FORVIS

225 N. Water Street, Suite 400 / Decatur, IL 62523
P 217.429.2411 / **F** 217.429.6109
forvis.com

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 the College's major federal programs for the year ended June 30, 2023. 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, 2023.

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 2023-001. 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 a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 2023-001, 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 13, 2023

Parkland College District #505
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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 Assistance Cluster	84.007, 84.033, 84.063, 84.268
Higher Education Emergency Relief Fund Education Stabilization Fund	84.425C, 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, 2023

Section II – Financial Statement Findings

Reference Number	Finding

No matters are reportable

Parkland College District #505

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	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
2023-001	Criteria of specific requirement – Special Tests and Provisions – Enrollment Reporting

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.

Questioned costs – None.

Context – Out of a population of 1,103 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, 11 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.

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.

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.

Identification as a repeat finding – Repeat Finding 2022-001

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.

Views of responsible officials and planned corrective actions – See attachment.

PARKLAND COLLEGE

Parkland College
2400 West Bradley Avenue
Champaign, IL 61821
217/351-2200 | www.parkland.edu

Action Plan for Enrollment Reporting Audit Finding 2023-001

Issue – It was discovered that there was a Colleague system update that occurred that caused the Standard Reporting Flag to change from Yes to No, which resulted in inaccurate reporting to NSC. For all terms that a student can attend, the flag must be set to Yes for the reporting to be accurate.

The following action plans will be put into place, to ensure that reporting is accurate:

Action Plan 1-A self-audit will be completed monthly when National Student Clearinghouse enrollment reporting is completed. This self-audit is to verify the students' enrollment status is accurate. To verify the accuracy, a sample of students will be pulled from the self-audit who have withdrawn, graduated, or had enrollment changes.

Action Plan 2: Admissions and Records and Financial Aid will work closely with the IT department any time there is a Colleague system update to fully comprehend the implications of the system update and how that could impact reporting and documented procedures.

Contact: Dawn Kamphaus: Director of Financial Aid and Veteran Services, dkamphaus@parkland.edu
Anticipated completion date: 10/21/2023

Parkland College District #505

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2023

Reference Number	Summary of Finding	Status
2022-001	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 manner.	Repeated as 2023-001