

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Champaign, Illinois

Comprehensive Annual Financial Report

For the Years Ended

June 30, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Parkland Community College
Community College District #505
Champaign, Illinois

We have audited the accompanying basic financial statements of Parkland Community College, Community College District #505 and its discretely presented component unit (Parkland College Foundation) as of and for the years ended June 30, 2009 and 2008 as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Parkland College Foundation were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Parkland Community College, Community College District #505 and of its discretely presented component unit as of June 30, 2009 and 2008 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

In accordance with *Government Auditing Standards*, we have also issued a report dated October 06, 2009, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2009. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Parkland Community College, Community College District #505 and its discreetly presented component unit as of and for the years ended June 30, 2009 and 2008. The combining financial statements and other data in Schedules 1 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements in Schedules 20 through 24 and the certificate of chargeback reimbursement (Schedule 25) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedules 40 through 42, including the Schedule of Expenditures of Federal Awards, are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements. As described in Note 22, Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities. Information on Schedules 1 through 25 and 40 through 42, except for the schedule on page 66, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.



Champaign, Illinois
October 06, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Parkland Community College's (the "College" or "Parkland") Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activities, and its component unit, the Foundation, for the fiscal years ended June 30, 2007, 2008 and 2009. 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 2007, 2008 and 2009 only.

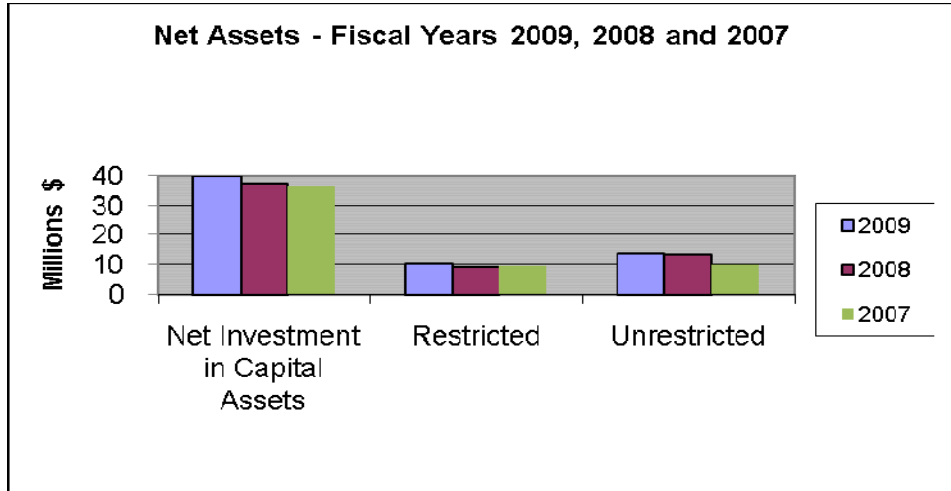
Using This Annual Report

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 Assets is designed to be similar to bottom line results for the College. The Statements of Revenues, Expenses, and Changes in Net Assets 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 Parkland College Foundation (the Foundation), which is defined as a component unit.

The Management Discussion and Analysis contains financial activity of Parkland College. 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, 2009. Copies of the Foundation's annual audit can be obtained from the Foundation office at 1806 Round Barn Road, Champaign, IL 61821.

Primary Institution Financial Highlights

Comparative Net Assets Chart



The Statement of Net Assets

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

Financial Analysis of the College as a Whole

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

	<u>2009</u>	<u>2008</u> <u>Restated</u>	<u>2007</u> <u>Restated</u>
Current Assets	\$ 59.2	\$ 34.6	\$ 28.9
Non-Current Assets:			
Capital Assets, Net of Depreciation	48.3	43.1	37.0
Total Assets	<u>107.5</u>	<u>77.7</u>	<u>65.9</u>
Current Liabilities	7.4	6.8	6.5
Non-Current Liabilities	35.5	10.4	3.0
Total Liabilities	<u>42.9</u>	<u>17.2</u>	<u>9.5</u>
Net Assets:			
Investment in Capital Assets	40.0	37.4	36.6
Restricted	10.6	9.5	9.6
Unrestricted	14.0	13.6	10.2
Total Net Assets	<u>\$ 64.6</u>	<u>\$ 60.5</u>	<u>\$ 56.4</u>

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

Fiscal Year 2009 Compared to 2008

Net assets increased \$4.1 million during fiscal year 2009. The majority of this increase was capital assets with a total increase of \$2.6 million. Restricted net assets increased \$1.1 million and unrestricted net assets increased \$.4 million.

Total liabilities increased by \$25.7 million to \$42.9 million. Current liabilities increased by \$.6 million while non-current liabilities increased by \$25.1 million. The increase in the non-current liabilities was the result of the college's issuance of general obligation bonds to refund debt certificates and to fund future construction projects.

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

Fiscal Year 2008 Compared to 2007

Net assets increased \$4.1 million during fiscal year 2008. The majority of this increase was in the unrestricted net assets with a total increase of \$3.4 million. An increase of \$.8 million was in the investment in capital and restricted for expendable categories.

Total liabilities increased by \$7.7 million to \$17.2 million. Current liabilities increased by \$.3 million while non-current liabilities increased by \$7.4 million.

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

The Statement of Revenues, Expenses, and Changes in Net Assets 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 Generally Accepted Accounting Principles (GAAP). The Supplemental Information following the Financial Statements illustrates actual performance relative to the College's initial budget.

Operating Results For Year Ended June 30 (in millions)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Revenue:			
Tuition and Fees	\$ 16.0	\$ 15.5	\$ 14.8
Auxiliary Enterprises	5.5	5.5	5.3
Other	0.7	0.6	0.5
Total	<u>22.2</u>	<u>21.6</u>	<u>20.6</u>
Less: Operating Expenses	<u>73.5</u>	<u>70.3</u>	<u>64.5</u>
Operating Loss	<u>(51.3)</u>	<u>(48.7)</u>	<u>(43.9)</u>
Non-Operating Revenue (Expenses):			
State Grants and Contracts	12.1	13.5	13.4
Local Property Taxes	22.5	19.7	18.9
Federal Grants and Contracts	17.2	16.2	13.3
On-Behalf Payments	3.7	2.9	2.1
Interest Expense	(0.4)	(0.3)	-
Investment Income	0.3	0.8	1.0
Total	<u>55.4</u>	<u>52.8</u>	<u>48.7</u>
Income Before Capital Contributions	4.1	4.1	4.8
Capital Contributions	-	-	0.7
Increase in Net Assets	4.1	4.1	5.5
Net Assets, Beginning of Year	60.5	56.4	50.9
Net Assets, End of Year	<u>\$ 64.6</u>	<u>\$ 60.5</u>	<u>\$ 56.4</u>

Fiscal Year 2009 Compared to 2008

Operating revenues increased \$.6 million from last year. Operating revenue increased by \$.5 million in the tuition & fees category. The increase in tuition and fees reflects stable enrollment, an increase in tuition rates from the prior year, and a favorable residency mix.

In total operating expenses increased by \$3.2 million. Increases in total operating expenses are generally anticipated to accommodate raises for personnel as well as the rising costs associated with providing a quality education product to our student body.

The non-operating revenues increased \$2.6 million. State support in total decreased by \$1.4 million. This reduction was made up of decreases in ICCB funding and Corporate Personal Property Replacement Tax (CPPRT). Local property tax revenues were up \$2.8 million mainly due to increased Equalized Assessed Evaluation (EAV) for the college district. Property taxes also increased due to a new assessment to retire bonds. Federal grants and contracts which includes financial aid increased \$1.0 million.

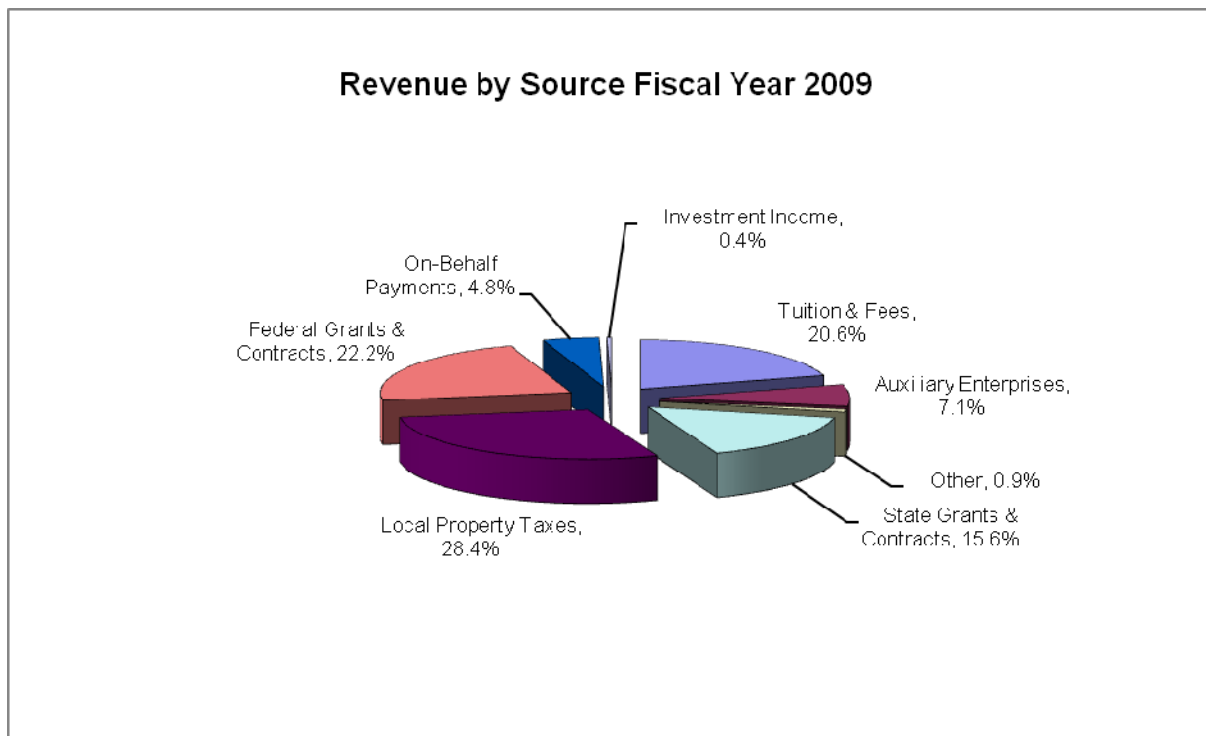
There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net assets) or results of operation (revenue, expenses, and changes in net assets).

Fiscal Year 2008 Compared to 2007

Operating revenues increased \$1.0 million from last year. Operating revenue increased by \$.7 million in the tuition and fees category. The increase in tuition and fees reflects stable enrollment, an increase in tuition rates from the prior year, and a favorable residency mix. The remaining \$.3 million increase was due to an increase in auxiliary revenue and other operating revenue.

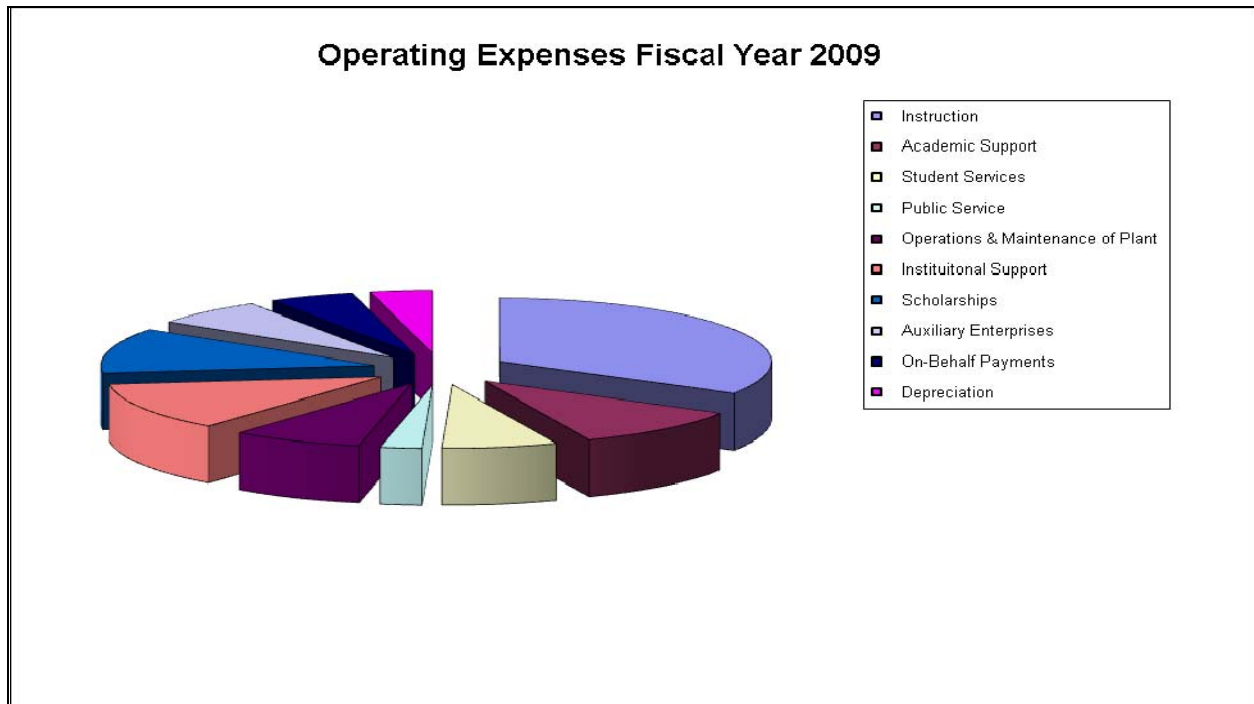
In total operating expenses increased by \$5.8 million. The vast majority of the increase are caused by a \$1.7 million increase in instructional expense, \$1.0 million increase in institutional support, \$1.6 million in scholarships and \$.75 million increase in on-behalf payments. On-behalf payments are made by the State and are beyond the control of the College. Expenses related to operation and maintenance of plant increased \$.5 million over the previous year. Nearly \$.3 million of that increase is related to increase in utility expense. Institutional support increased nearly \$1.0 million. This increase included expenses related to a variety of expenses including items like tuition waivers and property taxes. Total operating expenses are generally anticipated to accommodate raises for personnel as well as the rising costs associated with providing a quality education product to our student body.

The non-operating revenues increased \$4.1 million. State support remained nearly level and any decrease in Illinois Community College Board (ICCB) funding was offset by increased Corporate Personal Property Replacement Tax (CPPRT). Local property tax revenues were up \$.8 million mainly due to increased Equalized Assessed Evaluation (EAV) for Champaign County of over 8%. Federal grants and contracts were up \$2.9 million due to more grant opportunities and an increase in student financial aid during the fiscal year. On-behalf payments increased \$.75 million just like expense increased above. This is determined by the State's funding of SURS. Despite having a larger than average bank balance Parkland saw a decrease in investment income earned due to lower interest rates.



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

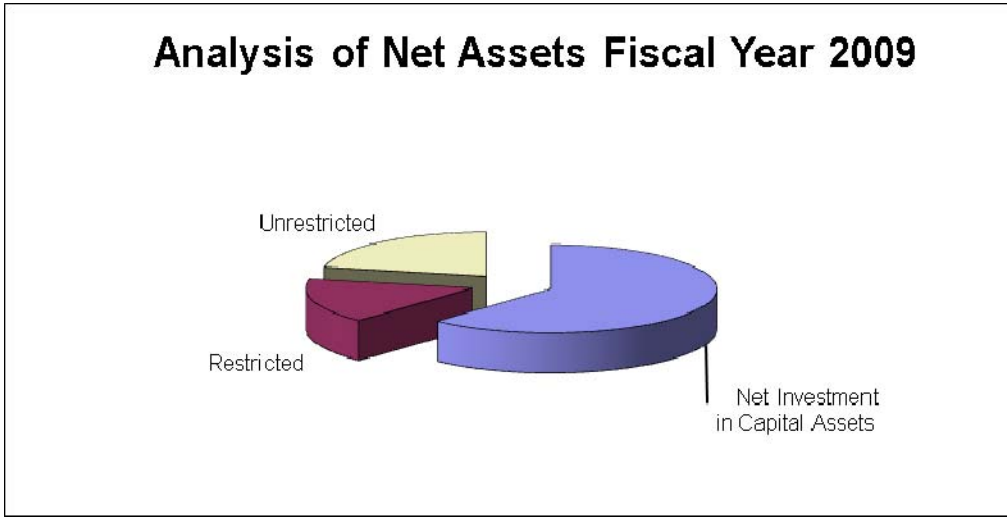
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Expenses:			
Instruction	\$ 24.6	\$ 23.1	\$ 21.4
Academic Support	7.6	7.3	7.4
Student Services	5.1	4.5	4.3
Public Service	1.8	1.8	2.2
Operations and Maintenance of Plant	5.8	6.7	6.1
Institutional Support	8.9	9.2	8.2
Scholarships	8.4	7.9	6.2
Auxiliary Enterprises	4.9	4.6	4.3
On-Behalf Payments	3.7	2.9	2.1
Depreciation	2.7	2.3	2.3
Total	<u>\$ 73.5</u>	<u>\$ 70.3</u>	<u>\$ 64.5</u>



Analysis of Net Assets

June 30
(in millions)

	2009	2008	2007
Net Assets:			
Net Investment in Capital Assets	\$ 40.0	\$ 37.4	\$ 36.6
Restricted	10.6	9.5	9.6
Unrestricted	14.0	13.6	10.2
Total	\$ 64.6	\$ 60.5	\$ 56.4



Fiscal Year 2009 Compared to 2008

Total net assets increased by \$4.1 million from fiscal year 2009 to fiscal year 2008. Increases were realized in all three net asset categories: investment in capital assets, restricted for expendable assets, and unrestricted assets. The largest increase of \$2.6 million came in the net investments in capital assets. This is due primarily to construction and remodeling of new facilities. Unrestricted net assets increased by \$.4 million or 3.4% over the previous year. The restricted net assets also increased by \$1.1 million during fiscal year 2009. This increase is due to timing in the collection of property taxes to be used for repayment of bonds issued in fiscal year 2009.

Fiscal Year 2008 Compared to 2007

Total net assets increased by \$4.1 million from fiscal year 2007 to fiscal year 2008. The majority of this increase was due to unrestricted net assets surplus of \$3.4 million. This surplus is due primarily to significant surpluses in the operating and auxiliary funds. These surpluses were due to a combination of factors such as revenues in the operating funds exceeded budget in several categories including State (CPPRT), tuition (residency mix) and other sources.

Similar to recent years past, the growth in CPPRT revenues exceeded expectations. The College had budgeted for increased tuition revenues based on the Board approved tuition increase; however, actual revenue still exceeded budget primarily due to the favorable residency mix in enrollment.

Expenses in the operating fund were close to budget overall however some savings were realized. While the savings were not significant in any one category, they were in total from categories such as fixed costs, utilities, and contingency.

The auxiliary fund also had a net surplus for the year. The majority of the surplus was found in the Bookstore, Business Development Center and Child Development Center. This in addition to the combination of factors mentioned above were the main contributing factors to the increase in unrestricted net assets.

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 2009, the College had \$48.3 million invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and depreciation) of \$5.2 million.

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land	\$ 1.4	\$ 1.4	\$ 0.7
Construction in Progress	2.0	2.7	0.7
Buildings	28.6	29.7	27.7
Land Improvements	12.1	7.9	7.0
Equipment	4.2	1.5	0.9
Total	<u>\$ 48.3</u>	<u>\$ 43.2</u>	<u>\$ 37.0</u>

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

K's Building and Land	\$ 2.5
Phase 8 and 9 Drainage	1.5
College Center	0.7
Depreciable Equipment	1.2
Administrative Software	0.5
Gym Remodel	0.4
Total	<u>\$ 6.8</u>

The College's fiscal year 2010 operating capital budget is \$10.9 million. This capital budget will be used to begin the campus construction projects outlined in the facility master plan. The entire master plan calls for both upgrades and new buildings of about \$90 million over the next several years.

Long-Term Debt Activity

The College's long-term debt increased during 2009 from \$10.4 million to \$35.5 million. The College issued the additional debt for construction of the projects outlined in the master plan. The retirement obligation decreased \$.6 million during the year. This is due to retirement payments exceeding additions of new participants.

The college's master plan includes additional facilities such as a student services building, automotive instructional facility and various deferred maintenance projects. Potential additional long-term debt related to projects in this plan are dependent upon several factors including State funding.

Economic Factors That Will Affect the Future

For fiscal year 2010, the Parkland College Board of Trustees has authorized a fee increase of \$5 - \$20 per credit hour depending on a student's residency status. This equates to a reasonable increase in tuition and fee revenues assuming the residency mix stays constant for the upcoming fiscal year. The College also expects a moderate increase in local property tax revenue due to anticipated EAV growth. The College hopes that the ICCB State funding as well as Corporate Personal Property Replacement Tax revenues remain stable.

Parkland College continues to face the financial consequences of inflation. This includes the rising cost of quality personnel and health care costs. The College will continue to be proactive in monitoring these areas which make up the bulk of its operating budget. The College hopes to continue the trend of keeping health care costs under control via a closely monitored self insured plan. This plan qualifies for discounts from many of its highly used local service providers. Other potential volatile expense areas such as utilities will also be watched closely. Parkland currently realizes savings on gas and electric use through guaranteed contracts with suppliers. The College's Administration and its Board continue to monitor other major factors related to its financial state including student enrollment and State funding.

The College continues its major administrative computing upgrade, which began in fiscal year 2008. The finance module went live July 1, 2008. The payroll/human resource went live January 1, 2009. Finally, the student systems will begin operations in the Spring of 2010.

Parkland will continue capital improvements in its grounds and facilities. This includes ongoing annual work to modernize and upgrade parking, washrooms, and the interior/exterior of buildings.

The College's approved operating budget for fiscal year 2010 is \$52.0 million. The total College budget is \$98.4 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.

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Net Assets

June 30, 2009 and 2008

	2009	2008 Restated
ASSETS		
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 13,283,557	\$ 15,497,047
Investments	23,580,718	-
Property Taxes Receivable	1,969,158	2,075,784
Accounts Receivable, Net	6,873,310	3,241,926
Inventories	686,474	633,692
Other	33,316	33,316
Restricted:		
Cash and Cash Equivalents	11,185,564	11,801,927
Property Taxes Receivable, Net	511,943	627,413
Accounts Receivable, Net	944,501	547,339
Other	91,829	87,228
Total Current Assets	<u>59,160,370</u>	<u>34,545,672</u>
Property and Equipment, Net	<u>48,300,483</u>	<u>43,153,767</u>
Total Assets	<u>\$ 107,460,853</u>	<u>\$ 77,699,439</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 216,743	\$ 863,269
Accrued Liabilities	2,408,607	1,694,017
Due to Student Groups	888,446	837,286
Due to Parkland Foundation	337,597	66,261
Deferred Revenue	2,643,221	2,110,920
Retirement Obligation	706,070	819,541
Capital Lease Obligations	199,194	204,462
Debt Certificates	-	195,000
Total Current Liabilities	<u>7,399,878</u>	<u>6,790,756</u>
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	778,346	1,265,162
Capital Lease Obligations, Net of Current Portion	19,768	218,962
Accrued Compensated Absences	1,418,844	1,306,952
Debt Certificates, Net of Current Portion	-	7,605,000
G.O. Bonds Payable, Net of Issue Costs and Refunding Expense	33,261,395	-
Total Long-Term Liabilities	<u>35,478,353</u>	<u>10,396,076</u>
Total Liabilities	<u>42,878,231</u>	<u>17,186,832</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	39,955,126	37,371,820
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Capital Projects	211,431	350,217
Grants and Scholarships	-	122,615
Debt Service	1,106,973	-
Purposes Allowed by Property Tax Levies	1,691,991	1,507,652
Unrestricted	14,017,743	13,560,945
Total Net Assets	<u>64,582,622</u>	<u>60,512,607</u>
Total Liabilities and Net Assets	<u>\$ 107,460,853</u>	<u>\$ 77,699,439</u>

The notes following Exhibit E are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Financial Position - Component Unit

June 30, 2009 and 2008

ASSETS

	2009	2008
Current Assets		
Due from Parkland College	\$ 337,597	\$ 66,261
Pledges Receivable, Net of Allowance of \$15,800 and \$62,000	285,692	133,214
Total Current Assets	623,289	199,475
Property & Equipment, Net	400,000	401,114
Other Assets		
Investments	4,626,069	4,852,901
Pledges Receivable, Net of Current Portion, Discount of \$36,641 and \$24,702, and Allowance of \$17,500 and \$0, Respectively	88,441	125,922
Other Assets	17,500	17,500
Total Other Assets	4,732,010	4,996,323
Total Assets	\$ 5,755,299	\$ 5,596,912

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Vacation Payable	\$ 29,245	\$ 23,742
Accrued Interest	13,049	-
Split-Interest Agreement Liability	3,178	3,178
Notes Payable	395,271	395,271
Total Current Liabilities	440,743	422,191
Long-Term Liabilities		
Scholarship Liability	-	167,890
Split-Interest Agreement Liability, Net of Current Portion	-	3,707
Total Long-Term Liabilities	-	171,597
Total Liabilities	440,743	593,788
Net Assets		
Undesignated	(714,809)	(393,138)
Board Designated	154,667	154,065
Total Unrestricted	(560,142)	(239,073)
Temporarily Restricted	2,167,551	1,699,126
Permanently Restricted	3,707,147	3,543,071
Total Net Assets	5,314,556	5,003,124
Total Liabilities and Net Assets	\$ 5,755,299	\$ 5,596,912

The notes following Exhibit E are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Revenues, Expenses, and Changes in Net Assets

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Student Tuition and Fees, Net of Scholarship		
Allowance of \$7,582,807 and \$6,894,323	\$ 15,975,226	\$ 15,582,048
Auxiliary Enterprises Revenue	5,456,498	5,466,224
Other Operating Revenues	694,230	572,460
Total Operating Revenues	<u>22,125,954</u>	<u>21,620,732</u>
Operating Expenses		
Instruction	24,564,282	23,150,401
Academic Support	7,628,075	7,263,595
Student Services	5,062,848	4,468,891
Public Service	1,762,313	1,850,311
Operation and Maintenance of Plant	5,756,177	6,681,961
Institutional Support	8,935,473	9,151,044
Scholarships	8,463,929	7,895,522
Auxiliary Expenses	4,908,193	4,571,529
On-Behalf Payments	3,683,181	2,893,895
Depreciation	2,694,498	2,340,220
Total Operating Expenses	<u>73,458,969</u>	<u>70,267,369</u>
Operating Loss	<u>(51,333,015)</u>	<u>(48,646,637)</u>
Non-Operating Revenues (Expenses)		
State Grants and Contracts	12,094,716	13,461,193
Local Property Tax Revenues	22,458,646	19,722,365
Federal Grants and Contracts	17,275,712	16,159,924
On-Behalf Payments	3,683,181	2,893,895
Investment Income Earned	284,240	860,155
Interest Expense	(393,465)	(313,701)
Total Non-Operating Revenues (Expenses)	<u>55,403,030</u>	<u>52,783,831</u>
Change in Net Assets	4,070,015	4,137,194
Net Assets, Beginning of Year	<u>60,512,607</u>	<u>56,375,413</u>
Net Assets, End of Year	<u>\$ 64,582,622</u>	<u>\$ 60,512,607</u>

The notes following Exhibit E are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Activities - Component Unit

For the Years Ended June 30, 2009 and 2008

	2009	2008
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	\$ 39,694	\$ 44,434
Corrections of Classifications	84,909	-
Interest and Dividends	-	13,508
Net Assets Released from Restrictions	632,544	582,552
Total Support and Revenue	757,147	640,494
Expenses:		
<i>Program Services</i>		
Scholarships	194,140	150,033
Institutional Support	81,040	138,252
Total Program Services	275,180	288,285
<i>Supporting Services</i>		
Management and General	313,474	239,844
Fund Raising	489,093	422,461
Total Supporting Services	802,567	662,305
<i>Change in Split-Interest Agreement Value</i>	469	768
Total Expenses	1,078,216	951,358
Decrease in Unrestricted Net Assets	(321,069)	(310,864)
Change in Temporarily Restricted Net Assets		
Contributions	987,193	227,118
Corrections of Classifications	(41,036)	-
Donor Restrictions Added on Prior Year Gifts	-	(115,000)
In-Kind Contributions	387,175	309,237
Special Events	108,920	68,435
Interest and Dividends	105,550	146,572
Net Realized and Unrealized Gain (Loss) on Investments	(446,833)	(189,118)
Net Assets Released from Restrictions	(632,544)	(582,552)
Decrease in Temporarily Restricted Assets	468,425	(135,308)
Change in Permanently Restricted Net Assets		
Contributions	207,949	246,342
Corrections of Classifications	(43,873)	-
Donor Restrictions Added on Prior Year Gifts	-	115,000
Increase in Permanently Restricted Net Assets	164,076	361,342
Change in Net Assets	311,432	(84,830)
Net Assets, Beginning of Year, As Previously Stated	5,003,124	5,678,999
Prior Period Adjustments	-	(591,045)
Net Assets, Beginning of Year, As Restated	5,003,124	5,087,954
Net Assets, End of Year	\$ 5,314,556	\$ 5,003,124

The notes following Exhibit E are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Cash Flows

For the Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Student Tuition and Fees	\$ 16,702,543	\$ 14,149,499
Payments to Suppliers	(16,452,762)	(16,392,793)
Payments to Employees and Benefits Paid	(42,846,603)	(40,896,198)
Payments for Financial Aid and Scholarships	(8,463,929)	(7,895,522)
Auxiliary Enterprise Charges	5,456,498	5,466,224
Other Receipts	694,230	572,460
	<u>(44,910,023)</u>	<u>(44,996,330)</u>
Net Cash Used in Operating Activities		
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	22,680,742	19,853,365
State Grants and Contracts	8,281,899	13,867,267
Federal Grants and Contracts	16,931,422	16,250,430
	<u>47,894,063</u>	<u>49,971,062</u>
Net Cash Provided by Non-Capital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(7,167,196)	(2,830,671)
Increase in Long-Term Debt through Issuance of G.O. Bonds	26,900,000	-
Bond Issue Costs	(405,271)	-
Expense of Refunding (Excess of Amount Placed in Escrow Over Carrying Amount of Refunded Debt)	(936,120)	-
Principal Paid on Debt Certificates	(195,000)	-
Interest Paid on Debt Certificates	(860,624)	-
Principal Paid on Capital Lease Obligations	(204,462)	(240,165)
Interest Paid on Capital Lease Obligations	(18,654)	(28,701)
Proceeds from the Issuance of Debt Certificates	-	2,441,477
Net Receipts from (Disbursements to) Parkland Foundation	271,336	(273,946)
	<u>17,384,009</u>	<u>(932,006)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Purchase of Investments	(23,580,718)	-
Interest on Investments	382,816	860,155
	<u>(23,197,902)</u>	<u>860,155</u>
Net Cash Provided by (Used in) Investing Activities		
Net Increase (Decrease) in Cash	(2,829,853)	4,902,881
Cash and Cash Equivalents, Beginning of Year	<u>27,298,974</u>	<u>22,396,093</u>
Cash and Cash Equivalents, End of Year	<u>\$ 24,469,121</u>	<u>\$ 27,298,974</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Cash Flows

For the Years Ended June 30, 2009 and 2008

	2009	2008
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (51,333,015)	\$ (48,646,637)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	2,694,498	2,340,220
On-Behalf Payments	3,683,181	2,893,895
Loss on Disposal of Property and Equipment	-	4,354
Changes in Assets and Liabilities:		
Accounts Receivable, Net	195,016	(1,296,738)
Inventories	(52,782)	(97,200)
Other Assets	(4,601)	40,714
Accounts Payable	(361,526)	126,071
Accrued Liabilities	174,140	28,556
Due to Student Groups	51,160	60,898
Deferred Revenue	532,301	(135,811)
Retirement Obligations	(600,287)	(401,874)
Accrued Compensated Absences	111,892	87,222
	<u>\$ (44,910,023)</u>	<u>\$ (44,996,330)</u>
 Supplemental Disclosure of Non-Cash Capital and Related Financing Activities		
Property and Equipment Purchased with Capital Leases	\$ -	\$ 334,830
Property and Equipment Purchased with Proceeds from Debt	\$ -	\$ 5,358,523
Principal Balance of Debt Certificates Issued in Fiscal Year 2009 and Currently Refunded with Proceeds from the Issuance of G.O. Bonds	\$ 25,135,000	\$ -
Principal balance of Debt Certificates Advance Refunded with Proceeds from the Issuance of G.O. Bonds	\$ 7,605,000	\$ -

The notes following this Exhibit are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to Basic Financial Statements

June 30, 2009 and 2008

Parkland Community College, Community College District #505 (the College) is a governmental unit that provides post-secondary school education and vocational training for the people of East Central Illinois. The summary of accounting policies is presented to assist you in understanding the College's financial statements.

1. Reporting Entity

The College is a community college governed by an elected eight-member Board of Trustees. The College's district includes the counties of Champaign, Coles, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, McLean, Moultrie, Piatt and Vermilion. The College's mission is to provide affordable vocational, technical, and academic education. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial reporting entity of the College, which consists of the College (the primary government of the reporting entity) and Parkland College Foundation (the Foundation), a discretely presented component unit of the College. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the College, the College has the ability to access those resources through common Board members, and those resources are significant to the College.

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

2. Basis of Accounting and Significant Accounting Policies

- a. The financial statements of the College are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*. The College also applies pronouncements issued on or before November 30, 1989 by the Financial Accounting Standards Board and the Accounting Principles Board, unless those pronouncements conflict with or contradict GASB pronouncements.

- b. For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.
- c. Certain assets are classified as restricted on the statement of net assets because their use is limited by tax levies, grant agreements, or other contractual agreements.
- d. For purposes of preparing the statements of cash flows, restricted and unrestricted currency, demand deposits, money market accounts, and highly-liquid investments with a maturity of three months or less at issuance are considered cash and cash equivalents.
- e. Investments consist of certificates of deposit carried at cost and securities of U.S. Government Sponsored Enterprises that are carried at fair market value.
- f. Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of classes. Accounts receivable are stated at the invoice amount.

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

The carrying amount of accounts receivable for student tuition is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2009 and 2008 was \$1,711,442 and \$1,405,502, 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.

- g. 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 2008 tax levy was passed by the Board of Trustees on December 17, 2008. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The College receives significant distributions of tax receipts approximately one month after these due dates. Revenue from property taxes is recognized in the period for which they are intended to finance. The Board of Trustees resolved that the 2008 tax levy be allocated and recognized 55 percent in fiscal year 2009 and 45 percent in fiscal year 2010. Property tax revenue for the years ended June 30, 2009 and 2008 were from the 2008 and 2007 levies and the 2007 and 2006 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, 2009, the College has recorded an allowance of \$613,073 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.

- h. Operating revenues include all activities that have the characteristics of exchange transactions, such as student tuition and fees, and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. All other revenues are considered non-operating or other revenues.
- i. Non-operating revenues include non-exchange transactions, in which the College receives value without directly giving equal value in return; this includes property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, the revenues from property taxes are recognized in the period for which they are intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, or expenditure requirements, in which the resources are provided to the College on a reimbursement basis.
- j. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis.
- k. Capital assets consist of property and equipment, which are recorded at cost. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. The College's capitalization threshold for property and equipment is \$2,500 per unit. Maintenance, repairs, and minor additions and expenditures are expensed when incurred. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

- l. Deferred revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of property taxes, unexpended grant funds, and tuition and fee charges for a portion of the Summer 2009 semester and all of the Fall 2009 semester. The tuition and fee charges are prorated according to the timing of the semester.
- m. Accrued compensated absences consist of accumulated unused vacation days up to a maximum of fifty-six 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 on the statement of net assets date.
- n. The College's net assets are classified as follows:
 1. Invested in Capital Assets – This represents the College's total investment in capital assets net of accumulated depreciation and related debt.
 2. Restricted Net Assets – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first then unrestricted resources when they are needed.
 3. Unrestricted Net Assets – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.
- o. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Prior Period Adjustment

Property tax receivable and deferred revenue at June 30, 2008 on the statement of net assets have each been decreased by \$9,181,490 to correct the recording of property taxes on the accrual basis. This correction had no impact on the change in net assets for the fiscal years ended June 30, 2008 or June 30, 2009.

4. Overexpenditure of Legal Budgets

The College overexpended its legally adopted budget for the Education Fund in fiscal year 2009.

The Education Fund budget was overexpended by \$2,656,888. The overexpenditure was due to payments made to SURS by the State of Illinois on Parkland's behalf. The College does not budget for these payments and only records the amount as a year-end adjustment as the amount is not related to funds appropriated by the College.

5. Cash and 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.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's deposit policy requires that funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2009, \$12,906,201 of the College's \$13,150,474 bank balance was exposed to custodial credit risk. The assets exposed to custodial credit risk were fully collateralized by securities pledged by the depository banks, but such securities are not held in the name of the College.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2009, the College held \$10,256,646 in the Illinois Funds Money Market Fund. The fair value of the College's position in this fund is equal to the value of the College's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has a AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund that are not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

At June 30, 2009, the College held a total of \$1,610,153 in the Illinois School District Liquid Asset Fund Plus. The fair value of the College’s position in this fund is equal to the value of the College’s fund shares. The Illinois School District Liquid Asset Fund Plus is regulated by private rating agencies. The portfolio has a AAAM rating from Standard and Poor’s. The assets of the fund are mainly invested in money market instruments having maximum remaining maturities of one year or less, except investments in U.S. Government securities, which may have up to two years remaining to maturity. The time to maturity of the investments in this external investment pool averages less than one year.

Credit Risk and Interest Rate Risk – Investments

At June 30, 2009, the College held the following investments:

	<u>Carrying Value</u>	<u>Credit Rate</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Government Sponsored Enterprises			
Federal Home Loan Mortgage Corp Note	\$ 1,597,067	Aaa	2.0
Federal Home Loan Bank Notes	892,763	Aaa	1.4
Certificates of Deposit	<u>21,090,888</u>		1.4
 Total Investments	 <u><u>\$ 23,580,718</u></u>		

U.S. Government sponsored enterprises are corporations created by the U.S. Congress but these enterprises are not secured by an explicit guarantee of the U.S. Government.

The credit risk of investments is addressed by the College’s investment policy by limiting investments to instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes as noted above.

Interest rate risk is not directly addressed by the College’s investment policy other than the policy’s general guidelines to “provide sufficient liquidity” and “attain a market-average rate of return”.

Custodial Credit Risk – Investments

At June 30, 2009, \$17,561,488 of the College’s \$21,090,888 certificates of deposit balance was exposed to custodial credit risk. \$10,746,288 of the exposed amount was fully collateralized by securities pledged by the depository banks, but such securities are not held in the name of the College. \$6,815,200 of the exposed amount was collateralized by an irrevocable letter of credit for which the College is the beneficiary. The College’s debt securities investments are not exposed to custodial credit risk as these instruments are registered in the name of the College.

Concentration of Credit Risk – Investments

At June 30, 2009, the College held more than five percent of its investment total of \$23,580,718 (held through an account with PMA Financial Network, Inc.) in the following instruments:

<u>Certificates of Deposit at:</u>	<u>Percent of Investments</u>
Citibank	29.96%
Keybank	44.37%

The College’s investment policy addresses the concentration of credit risk by requiring diversification in maturities, issuer, and class of investment security. However, the policy does not provide specific percentage limits by maturities, issuers, or class of investment.

6. Accounts Receivable, Net

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

	<u>2009</u>	<u>2008</u>
Tuition Receivables from Students, Net	\$ 1,050,723	\$ 1,069,281
State Replacement Tax	400,312	587,663
Tuition Receivables from Agencies	800,058	526,344
Grants from Federal and State Sources	1,039,323	679,478
Unrestricted State Funding	3,452,972	-
Other Receivables	<u>1,074,423</u>	<u>926,499</u>
 Total Accounts Receivable, Net	 <u>\$ 7,817,811</u>	 <u>\$ 3,789,265</u>
 Unrestricted	 \$ 6,873,310	 \$ 3,241,926
Restricted	<u>944,501</u>	<u>547,339</u>
 Total Accounts Receivable, Net	 <u>\$ 7,817,811</u>	 <u>\$ 3,789,265</u>

7. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2009:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2009</u>
Assets Not Being Depreciated:				
Land	\$ 1,441,745	\$ -	\$ -	\$ 1,441,745
Construction in Progress	2,698,630	6,626,073	7,328,268	1,996,435
Assets Being Depreciated:				
Buildings	54,061,531	-	-	54,061,531
Land Improvements	10,526,991	5,261,693	-	15,788,684
Equipment	4,178,740	3,281,716	-	7,460,456
Total Property and Equipment	<u>72,907,637</u>	<u>15,169,482</u>	<u>7,328,268</u>	<u>80,748,851</u>
Less: Accumulated Depreciation				
Buildings	(24,397,039)	(1,079,231)	-	(25,476,270)
Land Improvements	(2,630,595)	(1,052,699)	-	(3,683,294)
Equipment	(2,726,236)	(562,568)	-	(3,288,804)
Total Accumulated Depreciation	<u>(29,753,870)</u>	<u>(2,694,498)</u>	<u>-</u>	<u>(32,448,368)</u>
Property and Equipment, Net	<u>\$ 43,153,767</u>	<u>\$ 12,474,984</u>	<u>\$ 7,328,268</u>	<u>\$ 48,300,483</u>

The following is a summary of changes in property and equipment for the year ended June 30, 2008:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2008</u>
Assets Not Being Depreciated:				
Land	\$ 721,745	\$ 720,000	\$ -	\$ 1,441,745
Construction in Progress	665,085	3,791,034	1,757,489	2,698,630
Assets Being Depreciated:				
Buildings	51,088,089	2,973,442	-	54,061,531
Land Improvements	8,769,502	1,757,489	-	10,526,991
Equipment	3,891,435	1,039,548	752,243	4,178,740
Total Property and Equipment	<u>65,135,856</u>	<u>10,281,513</u>	<u>2,509,732</u>	<u>72,907,637</u>
Less: Accumulated Depreciation				
Buildings	(23,373,540)	(1,023,499)	-	(24,397,039)
Land Improvements	(1,753,645)	(876,950)	-	(2,630,595)
Equipment	(3,034,355)	(439,771)	(747,890)	(2,726,236)
Total Accumulated Depreciation	<u>(28,161,540)</u>	<u>(2,340,220)</u>	<u>(747,890)</u>	<u>(29,753,870)</u>
Property and Equipment, Net	<u>\$ 36,974,316</u>	<u>\$ 7,941,293</u>	<u>\$ 1,761,842</u>	<u>\$ 43,153,767</u>

8. Deferred Revenue

Deferred revenue consists of the following at June 30:

	2009	2008 Restated
Deferred Student Tuition	\$ 1,853,158	\$ 1,508,226
Deferred Student Fees	690,071	560,718
Other Deferred Revenue	99,992	41,976
Total Deferred Revenue	<u>\$ 2,643,221</u>	<u>\$ 2,110,920</u>

9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2009:

	June 30, 2008	Additions	Retired	June 30, 2009	Due Within One Year
Compensated Absences	\$ 1,306,952	\$ 1,400,000	\$ 1,288,108	\$ 1,418,844	\$ -
Capital Lease Obligations	423,424	-	204,462	218,962	199,194
General Obligation					
Debt Certificates	7,800,000	25,135,000	32,935,000	-	-
General Obligation					
Bonds	-	34,505,000	-	34,505,000	-
Retirement Obligation	2,084,703	-	600,287	1,484,416	706,070
Total Long-Term Debt	<u>\$ 11,615,079</u>	<u>\$ 61,040,000</u>	<u>\$ 35,027,857</u>	<u>\$ 37,627,222</u>	<u>\$ 905,264</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

	June 30, 2007	Additions	Retired	June 30, 2008
Compensated Absences	\$ 1,219,730	\$ 1,360,000	\$ 1,272,778	\$ 1,306,952
Capital Lease Obligations	328,758	334,830	240,164	423,424
General Obligation				
Debt Certificate	-	7,800,000	-	7,800,000
Retirement Obligation	2,486,577	172,923	574,797	2,084,703
Total Long-Term Debt	<u>\$ 4,035,065</u>	<u>\$ 9,667,753</u>	<u>\$ 2,087,739</u>	<u>\$ 11,615,079</u>

The College issued \$25,135,000 in general obligation debt certificates in December 2008 to finance construction of a new building wing. The debt certificates were refunded with the proceeds from the general obligation community college bonds described below.

The College issued general obligation community college bonds in March 2009 to refund the College's three outstanding debt certificates. The bonds mature annually on December 1 and June 1 beginning December 1, 2010 and run through December 1, 2028. Interest rates on the bonds range from 1.75 percent to 5 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2009.

Maturities of the general obligation bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2010	\$ -	\$ 2,026,688	\$ 2,026,688
2011	45,000	1,620,956	1,665,956
2012	180,000	1,618,988	1,798,988
2013	295,000	1,611,144	1,906,144
2014	425,000	1,597,438	2,022,438
2015-2019	4,455,000	7,622,463	12,077,463
2020-2024	10,090,000	6,074,431	16,164,431
2025-2029	19,015,000	2,590,917	21,605,917
	<u>\$ 34,505,000</u>	<u>\$ 24,763,025</u>	<u>\$ 59,268,025</u>

The bonds are subject to early redemption at the College's option beginning December 1, 2019. The redemption price equals par value plus accrued interest.

The bonds are carried on the statement of net assets net of the amortized balance of bond issue costs and the expense of advance refunded debt certificates (see Note 10) that were extinguished as described in the following note. The bond issue costs and refunding expense will be amortized as follows:

Fiscal Year Ending June 30	Bond Issue Costs	Refunding Expense	Total
2010	\$ 20,520	\$ 77,074	\$ 97,594
2011	20,520	77,170	97,690
2012	20,520	77,170	97,690
2013	20,520	77,170	97,690
2014	20,520	77,170	97,690
2015-2019	102,600	385,852	488,452
2020-2024	102,600	87,248	189,848
2025-2029	76,951	-	76,951
	<u>\$ 384,751</u>	<u>\$ 858,854</u>	<u>\$ 1,243,605</u>

Total amortization for the year ended June 30, 2009 was \$97,786. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2009 was \$1,232,514, including the amortization of bond issue costs and the refunding expense. Of this amount, \$839,049 was capitalized as part of the cost of three capital projects that were in progress during the fiscal year. The remaining \$393,465 of interest has been expensed on the statement of revenues, expenses, and changes in net assets.

Total interest incurred and expensed for all long term debt for the year ended June 30, 2008 was \$313,701.

10. Extinguished Debt Certificates

On March 5, 2009, the College issued \$34,505,000 of general obligation bonds. \$25,135,000 of the net proceeds were used to currently refund an equivalent amount of debt certificates issued in December 2008. \$8,626,105 of the net proceeds were used to advance refund debt certificates issued in 2007, including \$84,985 of interest accrued through the date of the extinguishment.

The \$8,626,105 was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the advance refunded debt certificates. As a result, the debt certificates are considered to be defeased, and the related liability for the debt certificates has been removed from the College's liabilities.

The advance refunding transaction resulted in a financial statement expense of \$936,120 equal to the amount placed in escrow less the carrying amount of the defeased debt including accrued interest to the date of redemption. This expense has been capitalized as explained in Note 9.

The difference in the cash flow requirements between the new debt incurred to advance refund the debt certificates and the debt certificate cash flow requirements is an increase of \$3,110,461 in cash flow requirements.

The economic expense of the defeasance, which is not an amount reflected on the financial statements of the College, was \$1,212,293.

At June 30, 2009, principal of \$7,605,000 remains outstanding on these defeased debt certificates.

11. Lease Revenue

The College is the lessor of office and rooftop space under five operating leases. One lease expires on June 30, 2012, two on July 31, 2013, one on June 30, 2014, and one on August 31, 2014. Each lease has an early termination clause at the option of the lessee. The cost of the office facility leased was \$3,600,000 at June 30, 2009 and 2008. The carrying value was \$3,542,400 and \$3,600,000 at June 30, 2009 and 2008, respectively.

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

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 355,859
2011	357,859
2012	357,859
2013	307,984
2014	42,826
Thereafter	2,000
Total	<u>\$ 1,424,387</u>

12. Lease Commitments

Operating Leases

The College is obligated under two non-cancellable operating leases for facilities located in Champaign, Illinois with terms running through May 2010 (under a verbal extension) and June 2012. The lease ending in 2012 provides for renewal at the option of the College. An operating lease does not give rise to property rights or purchase obligations and, therefore, this lease agreement is not reflected in the College's capital assets. Future minimum lease payments under these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 112,368
2011	59,430
2012	59,430
Total	<u>\$ 231,228</u>

Total rental expense for leased facilities for years ending June 30, 2009 and June 30, 2008 was \$57,750 and \$57,750, respectively.

Capital Lease Obligations

The College also leases a computer mainframe and copiers under capital leases expiring in April 2010 and September 2010, respectively. Interest rates on these capital leases range from 3.13 percent to 8 percent.

Future minimum lease payments under these capital leases are as follows:

<u>Fiscal Year Ending June 30,</u>	
2010	\$ 205,806
2011	19,875
Present Value of Minimum Lease Payments	<u>225,681</u>
Less: Amount Representing Interest	(6,719)
Total	<u><u>\$ 218,962</u></u>

The capitalized cost of equipment under capital leases included in the property and equipment on the schedule of net assets is \$612,873. Accumulated depreciation on these assets as of June 30, 2009 was \$315,410.

13. 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 Parkland on a full-time basis for at least 15 years and be at least 55 years old at retirement. For the health safety and security officers and the professional academic staff, upon reaching eligibility, the bargaining unit member has five years following the date in which he/she achieved eligibility to retire under the plan and must declare by November 15 at least two full contract years preceding the retirement date. For professional support staff, the employee must declare by December 31 for a July 1 retirement or by July 1 for a December 31 retirement. When an employee declares retirement as specified above, he/she will receive a one-time stipend of 10 percent of their final base salary, which is paid on the retirement date. An amount equal to the final base salary will be paid in equal monthly payments over the four-year period beginning the month following the retirement date. The employee will also receive a stipend at retirement equal to four annual installments of the College Insurance Plan indemnity plan annual rate divided by sixty-nine percent, readjusted annually according to the new yearly rate. The rate was \$3,843 for each of the years ended June 30, 2009 and 2008. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date.

At June 30, 2009 and 2008, the early retirement plan had 77 and 96 active participants, respectively. Early retirement plan expense was \$236,747 and \$655,322 for fiscal years 2009 and 2008, respectively. At June 30, 2009 and 2008, the College had accrued a liability of \$1,484,416 and \$2,084,703, respectively, for future required payments for the College's declared retirees under the Plan described above and earlier plans (for which enrollment is now closed). The liability was calculated based on the present value of future payments discounted at the Wall Street Journal Prime Rate, which was 3.25 percent and 5.0 percent at June 30, 2009 and 2008, respectively. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

14. Pension Plan

Plan Description

The College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org or calling 1-800-275-7877.

Funding Policy

Plan members are required to contribute 8.0 percent of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for fiscal year 2010) is 18.61 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ending June 30, 2009, and 2008, and 2007 were \$3,591,398, \$2,780,400, and \$2,072,392, respectively, equal to the required contributions for each year.

For the years June 30, 2009 and 2008, the College recorded on-behalf revenue and on-behalf expense in the amount of \$3,683,181 and \$2,893,895, respectively, for the contributions made by the State of Illinois on behalf of the College to SURS. This includes on-behalf revenue and on-behalf expense of \$132,797 in fiscal year 2009 for contributions made by the State of Illinois to the Community College Health Insurance Program for the College.

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

15. Related Party Transactions

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

- The College holds the Foundation's cash in a College bank account and records a liability equal to the cash balance held. In addition, the College advances operating funds to the Foundation under a non-interest bearing working-cash loan agreement. Any receivable balance for this working-cash loan is netted against the cash balance held for the Foundation. At June 30, 2009 and 2008, the net amount owed to the Foundation was \$337,597 and \$66,261, respectively.
- During the years ended June 30, 2009 and 2008, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of \$220,021 and \$186,853, respectively.
- The Foundation donates certain in-kind items to the College to support the programs of the College. The total fair value of these items, as calculated by the Foundation, for the years ended June 30, 2009 and 2008 was \$81,040 and \$138,252, respectively. The College has not recorded revenue or expense for these in-kind items as they were not related to assets that would be capitalized under the College's policy described at Note 2 k.
- Subsequent to June 30, 2009, the College sold the building formerly occupied by the Foundation (Bauman Center) to an unrelated party. The building's carrying value at June 30, 2009 was \$264,000. Also, subsequent to June 30, 2009, the College paid off the mortgage on a property owned by the Foundation (Carlson property) for approximately \$400,000. The College is in the process of transferring ownership of that property to the College and management expects to complete this transfer in fiscal year 2010.

16. Self Insurance

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

Claim liabilities are based on the requirements of Governmental Accounting Standards Board 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, 2009 and 2008, the accrued claims were \$497,021 and are included in the accrued liabilities on the Statement of Net Assets.

However, 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 years was as follows:

	<u>2009</u>	<u>2008</u>
Accrued Claims, Beginning of Year	\$ 497,021	\$ 382,422
Incurred Claims	5,827,238	5,164,351
Claim Payments	<u>(5,827,238)</u>	<u>(5,049,752)</u>
Accrued Claims, End of Year	<u>\$ 497,021</u>	<u>\$ 497,021</u>

17. Other Risk Management Issues

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

18. Inter-Sub-Fund Balances and Transfers

The College maintains various sub-funds to track the activity of the primary government. Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2009.

	<u>Due to</u>	<u>Due from</u>
Education Fund	\$ 2,043,072	\$ -
Restricted Purposes Fund	-	939,871
Auxiliary Student Government Fund	-	27,453
Auxiliary Athletics Fund	-	164,250
Auxiliary Reprographics Fund	-	25,819
Auxiliary Business Development Center Fund	-	885,679
Total Inter-Sub-Fund Balances	<u>\$ 2,043,072</u>	<u>\$ 2,043,072</u>

	<u>Transfer in</u>	<u>Transfer out</u>
Education Fund	\$ 89,922	\$ 850,000
Operations and Maintenance Fund - Operational	1,118,999	-
Operations and Maintenance Fund - Restricted	-	1,118,999
Working Cash Fund	-	89,922
Auxiliary Athletics Fund	450,000	-
Auxiliary Reprographics Fund	200,000	-
Auxiliary Child Care Services Fund	200,000	-
Total Transfers	<u>\$ 2,058,921</u>	<u>\$ 2,058,921</u>

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

19. Commitments

At June 30, 2009, the College had seven uncompleted major construction contracts in progress. The remaining commitment on the construction contracts was approximately \$975,000.

The College has a contract for the purchase of electricity through June 2010. The contract contains set rates for summer, non-summer, peak, and off peak kilowatt hours. The approximate per fiscal year cost related to this contract is \$600,000. The contract allows for the use of rates outside the set rates in cases of material changes in capacity or usage by the College. The rates used in those circumstances may be the then applicable market rate or an alternative rate agreed upon between the College and the provider.

20. Subsequent Events

Subsequent to June 30, 2009, the College entered in a contract to upgrade campus passenger elevators in the amount of \$783,615 and a contract to replace roofing for several campus wings and a separate facility in the amount of \$1,543,000.

21. Discretely Presented Component Unit

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

A. Nature of Organization

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

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

B. Summary of Significant Accounting Policies

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

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

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

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

- b. Investments are carried at fair market value based on quoted market prices. The carrying amounts of the investment in farmland are reduced by a valuation allowance based on management's estimate of the value of its remainder life interest.
- c. Pledges receivable consists of unconditional promises to give the Foundation for operating and restricted activities. Certain long-term contributions are discounted to present value based on expected payment schedules and interest rates. The effective interest rate used to discount pledges receivable at June 30, 2009 was 3.25 percent.

The carrying amount of pledges receivable may be reduced by a valuation allowance based on management's assessment of the collectability of specific contribution balances.

- d. Property and equipment expenditures in excess of \$500 are capitalized and recorded at cost or, if donated, at fair market value at the time of donation. Donated property and equipment are capitalized at estimated cost or, if donated, fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful life of assets.
- e. 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 as special events revenue.
- f. Contributions of facilities and services are recognized if the benefit received (a) creates or enhances non-financial assets or (b) requires specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.
- g. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- h. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- i. The Foundation has evaluated subsequent events through October 8, 2009, the date which the financial statements were available to be issued.
- j. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Foundation has calculated and determined the value of certain investment assets and related investment earnings based on appraisal results related to valuation of farmland and related cash rents, as well as estimated life expectancy of the holder of a life interest in the farmland. Due to uncertainties inherent in the estimation process and uncertainties related to the factors affecting valuation of farmland and life expectancy, it is at least reasonably possible that the estimated investment values and related investment earnings will be revised.

The Foundation has calculated the allowance for doubtful accounts based on management's evaluation of collectability. Due to uncertainties inherent in the estimation process and uncertainties related to the factors affecting the collectability of receivables, it is at least reasonably possible that actual collections may be different than estimated.

- k. Election to Defer the Adoption of FASB Interpretation Number 48 (FIN 48) - The Foundation has elected to defer the adoption of FIN 48, Accounting for Uncertainty in Income Taxes— an Interpretation of FASB Statement No. 109, as allowed by FASB Staff Position FIN 48-c (FSP FIN 48-c). FSP FIN 48-c allows nonpublic entities to defer the adoption of FIN 48 to fiscal years beginning after December 15, 2008. The Foundation currently does not evaluate tax positions. However, the Foundation does not expect that the adoption of FIN 48 will have a material impact on its financial statements.

C. Pledges Receivable

Pledges receivable at June 30, 2009 consists of amounts due in:

Less than One Year	\$ 285,692
One to Five Years	52,934
More than Five Years	35,507
Total	<u><u>\$ 374,133</u></u>

D. Investments

Fair Value Measurements

Effective July 1, 2008, the Foundation adopted Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (SFAS 157), which establishes a framework for measuring fair value under generally accepted accounting principles. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. A description of the valuation techniques used for assets measured at fair value is included in Note 2. There have been no changes in the methodologies used at June 30, 2009.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth by level within the fair value hierarchy, the Foundation's assets at fair value as of:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	\$ 2,461,673	\$ 2,461,673	1
Mutual Funds	766,907	730,342	1
Common Stock	689,710	605,234	1
Farmland	513,609	539,478	2
Unit Investment Trust	103,121	110,002	1
Municipal Bonds	106,285	107,483	1
Life Insurance	68,169	68,169	2
Corporate Bonds	24,998	3,688	1
Total	<u>\$ 4,734,472</u>	<u>\$ 4,626,069</u>	

Endowments

The Foundation's endowments includes donor restricted funds and funds designated by the Board of Directors. Net assets associated with endowment funds, including funds designated by the Board of Directors as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. In the absence of donor restrictions, the net appreciation on endowment funds is spendable and as such classified as unrestricted.

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 50 percent equity and 50 percent fixed income securities that is intended to result in a consistent inflation-protected rate of return. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to expose the fund to acceptable levels of risk.

The Foundation has a policy of appropriating for distribution interest and dividends received on its endowments. In addition, the current scholarship agreement allows the Foundation to charge certain fees including investment manger fees as well as an amount equal to a percent per annum of the fair market value of the endowment. This amount will be determined by the Board of Directors annually and will not exceed 10 percent. This policy may be changed from time to time provided that any changes are applied uniformly to all funds administered by the Foundation. For the year ended June 30, 2009, the Board elected not to charge such a fee.

Endowment net asset composition and changes in net assets as of and for the year ended June 30, 2009, by type of fund, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning of Year, July 1, 2008	\$ (137,496)	\$ 1,529,289	\$ 3,461,108	\$ 4,852,901
Contributions	-	141,686	-	141,686
Net Transfers	27,235	382,852	(410,087)	-
Interest and Dividends	-	105,550	-	105,550
Net Realized and Unrealized Loss	-	(446,833)	-	(446,833)
Fees	(27,235)	-	-	(27,235)
End of Year, June 30, 2009	<u>\$ (137,496)</u>	<u>\$ 1,712,544</u>	<u>\$ 3,051,021</u>	<u>\$ 4,626,069</u>

E. Property and Equipment

Property and equipment consist of the following as of June 30, 2009:

Property Not Placed in Service	\$ 400,000
Equipment	32,431
Less: Accumulated Depreciation	(32,431)
Property and Equipment, Net	<u>\$ 400,000</u>

F. Notes Payable

During the year, the Foundation entered into an extension agreement for its note payable. The total note was \$400,000 and requires monthly interest payments at a variable rate, which was 3.25 percent and one principal payment upon the loan's maturity on July 30, 2009. The loan is collateralized by the Foundation's investments held at a local financial institution. Interest expense for this note for the year ended June 30, 2009 was \$25,699.

G. Split-Interest Agreement Liability

During the year ended June 30, 2000, the Foundation entered into a charitable gift annuity split-interest agreement with a donor. The Foundation received \$49,132 and recorded contribution revenue of \$20,238 and a liability of \$28,894 for the present value of future annuity payments to the donor. The quarterly annuity payments of \$1,044, determined by an actuary, were calculated using a discount rate of 8.5 percent and an annuity period of ten years and three months. The Foundation's obligation to make the annuity payments under this agreement will continue until the death of the donor. The remaining balance due at fiscal year ended June 30, 2009 is \$3,178.

H. Board Designated Net Assets

Board designated net assets at June 30, 2009 are available for the following purposes:

Community Scholarships	\$ 101,706
Automotive Lab	52,961
Total	<u>\$ 154,667</u>

I. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2009 are available for the following purposes:

Scholarships	\$ 1,088,582
Farmland Investment	539,478
Planetarium	275,735
Agricultural Technology Center	132,161
Equine Program	65,007
Other	66,588
Total	<u>\$ 2,167,551</u>

J. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2009 are restricted to:

Scholarships	\$ 2,852,899
Agricultural Technology Center	473,513
Planetarium	122,187
Equine Program	21,225
Other	237,323
Total	<u>\$ 3,707,147</u>

K. Related Party Transactions

The Foundation's cash balance is automatically swept to a cash account owned by Parkland College (the College). In addition, the Foundation has an operating agreement with the College that provides that the College will provide a non-interest bearing loan to the Foundation for the purpose of replenishing restricted funds for operating expenditures. The balances in these accounts have been classified as "Due from Related Party" in the statement of financial position.

In addition, the College provided donated facilities and services to the Foundation. Donated services consist of salaries, benefits, utilities and maintenance, and materials.

For the year ended June 30, 2009, the amount contributed and included as in-kind revenues totaled \$220,021: \$52,000 in facilities, \$116,561 in salaries, \$19,505 in benefits, \$28,614 in utilities and maintenance, and \$3,341 in materials. These expenses are included in the statement of activities and are allocated half to "Management and General" and half to "Fundraising".

During the year, the Foundation donates certain in-kind items to the College. The cost of these items is classified as Institutional Support in the Statement of Changes in Net Assets.

L. Concentration of Revenue

The Foundation received 41 percent of its support and revenue from a single donor for the year ended June 30, 2009.

M. Subsequent Events

Subsequent to the end of the fiscal year the note payable referred to in Note F was paid in full by Parkland College, a related party. As a result, the Foundation is in the process of transferring title and ownership of the related property to the College. This property is classified as "Property Not Placed in Service" per Note E.

Also, subsequent to the end of the fiscal year, the Foundation entered into a lease agreement for office space which expires August 2012. Future minimum lease payments under this non-cancellable operating lease are as follows:

Year Ending	
2010	\$ 14,400
2011	17,280
2012	17,280
2013	2,880
Total	<u>\$ 51,840</u>

N. Negative Unrestricted Net Assets

For the years ended June 30, 2009 and 2008, the Foundation had expenses in excess of unrestricted support and revenue of \$321,069 and \$310,864, respectively. At June 30, 2009, the balance of Unrestricted Net Assets (unrestricted equity) was negative \$560,142. This means the Foundation has received \$560,142 of donor restricted contributions but spent the money for unrestricted purposes.

The Foundation maintains a line of credit with Parkland College to fund shortfalls in cash flow. Borrowing money from the College could provide for any temporary cash flow problems but does not solve the issue of not having sufficient assets to meet its legal obligations created by accepting restricted donations. This deficit could have a detrimental effect on the image of the Foundation and therefore future fundraising.

The Foundation Board of Directors and the College Administration are aware of the Foundation's Unrestricted Net Asset deficit. The Foundation's Unrestricted fund is responsible for salaries, benefits, and other expenses associated with the Foundation's operation. The Foundation's focus is to raise funds for scholarships and projects deemed a priority by the College. This combined with the reality that most donors prefer to donate to a specific purpose limits the ability to raise unrestricted dollars.

The College does have an ongoing line of credit with the Foundation to address cash flow problems. Additionally, the College recognizes there may be a need in the future to support more of the Foundation's unrestricted operations. This is not an uncommon practice amongst Illinois community college foundations.

The Foundation has received substantial unrestricted donations over the last several years. These large unrestricted donations are used to offset deficits from years that unrestricted giving was low.

Both the Foundation Board and College Administration will continue to monitor this situation closely and work together to maintain the Foundation's financial viability.

22. Supplementary Information

Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) for a special-purpose government engaged only in business-type activities.

In the schedules noted, the modified accrual basis of accounting differs from (GAAP) for a special-purpose government engaged only in business-type activities because:

- Capital assets are not depreciated and depreciation expense is not presented in the schedules.
- Payments of principal on long-term debt is reported as expenditures in the schedules.
- In the schedules, the full amount of summer school revenue is recognized in the fiscal year in which the related term is completed.
- Expenditures in the schedules include the cost of capital asset acquisitions.
- Debt service expenditures in the schedules, as well as expenditures related to compensated absences, are recorded only when payment is due.
- Other financing sources in the schedule include the proceeds for long-term debt issuances.
- The schedules exclude accrued interest on long term debt.
- Expenditures in the schedules include the issuance costs of long-term debt.
- Other financing uses in the schedules include the payments made to the escrow agent to advance refund principal of long-term debt.
- Property taxes receivable and deferred revenue in the schedules include property taxes not yet earned and not yet received as of June 30.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Fund Types and Account Groups

June 30, 2009

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects Fund - Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
ASSETS									
Cash and Cash Equivalents	\$ 11,195,408	\$ 1,474,211	\$ 855,352	\$ 22,533,008	\$ 1,232,797	\$ 8,269,233	\$ -	\$ -	\$ 45,560,009
Investments	-	-	-	2,489,830	-	-	-	-	2,489,830
Receivables:									
Property Taxes	9,233,061	1,476,159	1,168,107	1,282,096	-	-	-	-	13,159,423
Replacement Taxes	343,021	-	-	-	-	-	-	-	343,021
Agency Tuition	732,749	-	-	-	-	-	-	-	732,749
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of \$1,711,442	744,872	-	-	-	216,038	89,813	-	-	1,050,723
Governmental Grants	913,056	-	-	-	-	-	-	-	913,056
Business and Industry Training	-	-	-	-	102,397	-	-	-	102,397
Student Loans	-	149,659	-	-	-	-	-	-	149,659
Other	3,742,639	638,572	-	66,457	78,538	-	-	-	4,526,206
Due from Parkland Foundation	-	40,995	-	-	8,646	137,589	-	-	187,230
Due from Other Funds	2,043,072	-	-	-	-	-	-	-	2,043,072
Prepaid Assets	33,316	91,829	-	-	-	-	-	-	125,145
Inventory	-	-	-	-	686,474	-	-	-	686,474
Property and Equipment, Net	-	-	-	-	210,074	-	48,090,409	-	48,300,483
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	1,106,973	1,106,973
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	34,311,789	34,311,789
Total Assets and Other Debits	\$ 28,981,194	\$ 3,871,425	\$ 2,023,459	\$ 26,371,391	\$ 2,534,964	\$ 8,496,635	\$ 48,090,409	\$ 35,418,762	\$ 155,788,239

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Fund Types and Account Groups

June 30, 2009

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects Fund-Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
Accounts Payable	\$ 145,521	\$ 71,450	\$ -	\$ -	\$ (228)	\$ -	\$ -	\$ -	\$ 216,743
Vacation Payable	1,216,747	108,220	-	-	93,877	-	-	-	1,418,844
Retirement Obligations	706,070	-	-	-	-	-	-	778,346	1,484,416
Accrued Liabilities	1,876,683	-	-	(18,865)	1,508	-	-	-	1,859,326
Deferred Revenue	11,788,769	1,303,102	916,486	1,043,825	107,142	-	-	-	15,159,324
Due to Other Funds	-	939,871	-	-	1,103,201	-	-	-	2,043,072
Due to Parkland Foundation	524,827	-	-	-	-	-	-	-	524,827
Due to Student Groups	-	-	-	-	-	888,446	-	-	888,446
Capital Lease Obligations	-	-	-	-	83,546	-	-	135,416	218,962
Unapplied Financial Aid	-	-	-	-	-	8,831	-	-	8,831
G. O. Bonds	-	-	-	-	-	-	-	34,505,000	34,505,000
Total Liabilities	16,258,617	2,422,643	916,486	1,024,960	1,389,046	897,277	-	35,418,762	58,327,791
Investment in General Fixed Assets	-	-	-	-	-	-	48,090,409	-	48,090,409
Fund Balance:									
Reserved For:									
Prepaid Assets	33,316	91,829	-	-	-	-	-	-	125,145
Student Loans	-	149,659	-	-	-	-	-	-	149,659
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	7,599,358
Unreserved, Undesignated	12,689,261	1,207,294	1,106,973	25,346,431	-	-	-	-	40,349,959
Retained Earnings	-	-	-	-	1,145,918	-	-	-	1,145,918
Total College Equity	12,722,577	1,448,782	1,106,973	25,346,431	1,145,918	7,599,358	48,090,409	-	97,460,448
Total Liabilities and College Equity	\$ 28,981,194	\$ 3,871,425	\$ 2,023,459	\$ 26,371,391	\$ 2,534,964	\$ 8,496,635	\$ 48,090,409	\$ 35,418,762	\$ 155,788,239

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis

All Governmental Fund Types

For the Year Ended June 30, 2009

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue					
Local Sources	\$ 16,497,864	\$ 2,609,884	\$ 1,106,973	\$ 2,243,925	\$ 22,458,646
State Sources	9,269,954	2,769,086	-	-	12,039,040
Federal Sources	105,137	17,170,575	-	-	17,275,712
Tuition and Fees	22,932,550	-	-	-	22,932,550
Facilities	1,004,158	-	-	-	1,004,158
Interest	214,008	2,502	-	142,839	359,349
Other Revenue	408,702	230,848	-	-	639,550
On-Behalf Payments	3,683,181	-	-	-	3,683,181
Total Revenue	<u>54,115,554</u>	<u>22,782,895</u>	<u>1,106,973</u>	<u>2,386,764</u>	<u>80,392,186</u>
Expenditures					
Instruction	24,459,332	591,766	-	-	25,051,098
Academic Support	4,672,338	2,616,701	-	-	7,289,039
Student Services	4,126,434	936,414	-	-	5,062,848
Public Service	771,824	341,229	-	-	1,113,053
Auxiliary Services	-	3,695	-	-	3,695
Operation and Maintenance of Plant	8,584,667	1,389,210	-	2,460,195	12,434,072
Scholarships and Grants	-	16,046,736	-	405,271	16,452,007
Institutional Support	8,954,635	1,038,629	-	-	9,993,264
Interest	522,000	-	-	338,624	860,624
On-Behalf Payments	3,683,181	-	-	-	3,683,181
Total Expenditures	<u>55,774,411</u>	<u>22,964,380</u>	<u>-</u>	<u>3,204,090</u>	<u>81,942,881</u>
Revenue Over (Under) Expenditures	<u>(1,658,857)</u>	<u>(181,485)</u>	<u>1,106,973</u>	<u>(817,326)</u>	<u>(1,550,695)</u>
Other Financing Sources (Uses)					
Issuance of G. O. Bonds (Refunding Bonds)	8,626,105	-	-	25,878,895	34,505,000
Issuance of Debt Certificate	-	-	-	25,135,000	25,135,000
Current Refunded Debt Certificates - Principal	-	-	-	(25,135,000)	(25,135,000)
Advanced Refunded Debt Certificates - Payment to Escrow Agent	(8,541,120)	-	-	-	(8,541,120)
Operating Transfers, Net	358,921	-	-	(1,118,999)	(760,078)
Total Other Financing Sources (Uses)	<u>443,906</u>	<u>-</u>	<u>-</u>	<u>24,759,896</u>	<u>25,203,802</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,214,951)</u>	<u>(181,485)</u>	<u>1,106,973</u>	<u>23,942,570</u>	<u>23,653,107</u>
Fund Balance, July 1, 2008	<u>13,937,528</u>	<u>1,630,267</u>	<u>-</u>	<u>1,403,861</u>	<u>16,971,656</u>
Fund Balance, June 30, 2009	<u>\$ 12,722,577</u>	<u>\$ 1,448,782</u>	<u>\$ 1,106,973</u>	<u>\$ 25,346,431</u>	<u>\$ 40,624,763</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combined Statement of Revenue, Expenditures,
and Changes in Fund Balances - Budget and Actual - Modified Accrual Basis

All Budgeted Governmental Fund Types

For the Year Ended June 30, 2009

	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	\$ 16,478,891	\$ 16,497,864	\$ 2,664,550	\$ 2,609,884	\$ 2,026,688	\$ 1,106,973	\$ 27,384,000	\$ 2,243,925	\$ 48,554,129	\$ 22,458,646
State Sources	9,153,602	9,269,954	3,561,621	2,769,086	-	-	-	-	12,715,223	12,039,040
Federal Sources	110,000	105,137	17,662,834	17,170,575	-	-	-	-	17,772,834	17,275,712
Tuition and Fees	22,855,000	22,932,550	-	-	-	-	-	-	22,855,000	22,932,550
Facilities	1,039,000	1,004,158	-	-	-	-	-	-	1,039,000	1,004,158
Interest	236,000	214,008	5,250	2,502	-	-	100,000	142,839	341,250	359,349
Other Revenue	384,985	408,702	391,385	230,848	-	-	-	-	776,370	639,550
On-Behalf Payments	-	3,683,181	-	-	-	-	-	-	-	3,683,181
Total Revenue	<u>50,257,478</u>	<u>54,115,554</u>	<u>24,285,640</u>	<u>22,782,895</u>	<u>2,026,688</u>	<u>1,106,973</u>	<u>27,484,000</u>	<u>2,386,764</u>	<u>104,053,806</u>	<u>80,392,186</u>
Expenditures										
Instruction	23,460,944	24,459,332	622,197	591,766	-	-	-	-	24,083,141	25,051,098
Academic Support	4,867,572	4,672,338	2,897,811	2,616,701	-	-	-	-	7,765,383	7,289,039
Student Services	4,081,337	4,126,434	1,134,905	936,414	-	-	-	-	5,216,242	5,062,848
Public Service	846,894	771,824	1,980,684	341,229	-	-	-	-	2,827,578	1,113,053
Auxiliary Services	-	-	3,694	3,695	-	-	-	-	3,694	3,695
Operation and Maintenance of Plant	8,907,975	8,584,667	1,426,101	1,389,210	-	-	4,780,000	2,460,195	15,114,076	12,434,072
Grants and Scholarships	-	-	14,976,548	16,046,736	-	-	-	405,271	14,976,548	16,452,007
Institutional Support	11,427,093	8,954,635	1,209,223	1,038,629	-	-	-	-	12,636,316	9,993,264
Interest	-	522,000	-	-	-	-	-	338,624	-	860,624
On-Behalf Payments	-	3,683,181	-	-	-	-	-	-	-	3,683,181
Total Expenditures	<u>53,591,815</u>	<u>55,774,411</u>	<u>24,251,163</u>	<u>22,964,380</u>	<u>-</u>	<u>-</u>	<u>4,780,000</u>	<u>3,204,090</u>	<u>82,622,978</u>	<u>81,942,881</u>
Revenue Over (Under) Expenditures	<u>(3,334,337)</u>	<u>(1,658,857)</u>	<u>34,477</u>	<u>(181,485)</u>	<u>2,026,688</u>	<u>1,106,973</u>	<u>22,704,000</u>	<u>(817,326)</u>	<u>21,430,828</u>	<u>(1,550,695)</u>
Other Financing Sources (Uses)										
Issuance of G. O. Bonds (Refunding Bonds)	-	8,626,105	-	-	-	-	-	25,878,895	-	34,505,000
Issuance of Debt Certificate	-	-	-	-	-	-	-	25,135,000	-	25,135,000
Current Refunded Debt Certificates - Principal	-	-	-	-	(2,026,688)	-	-	(25,135,000)	(2,026,688)	(25,135,000)
Advanced Refunded Debt Certificates - Payment to Escrow Agent	-	(8,541,120)	-	-	-	-	-	-	-	(8,541,120)
Operating Transfers, Net	543,999	358,921	-	-	-	-	(1,118,990)	(1,118,999)	(574,991)	(760,078)
Total Other Financing Sources (Uses)	<u>543,999</u>	<u>443,906</u>	<u>-</u>	<u>-</u>	<u>(2,026,688)</u>	<u>-</u>	<u>(1,118,990)</u>	<u>24,759,896</u>	<u>(2,601,679)</u>	<u>25,203,802</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,790,338)</u>	<u>(1,214,951)</u>	<u>\$ 34,477</u>	<u>(181,485)</u>	<u>\$ -</u>	<u>1,106,973</u>	<u>\$ 21,585,010</u>	<u>23,942,570</u>	<u>\$ 18,829,149</u>	<u>23,653,107</u>
Fund Balance, June 30, 2008		<u>13,937,528</u>		<u>1,630,267</u>		<u>-</u>		<u>1,403,861</u>		<u>16,971,656</u>
Fund Balance, June 30, 2009		<u>\$ 12,722,577</u>		<u>\$ 1,448,782</u>		<u>\$ 1,106,973</u>		<u>\$ 25,346,431</u>		<u>\$ 40,624,763</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combined Statement of Revenue, Expenses,
and Changes in College Equity - Budget and Actual

Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 2009

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	\$ -	\$ -	\$ 5,069,000	\$ 5,049,628
Student Tuition and Fees	-	-	846,600	545,986
State Sources	-	-	75,000	55,676
Other Revenue	-	-	564,000	432,883
Investment Revenue	275,000	89,922	-	-
Total Operating Revenue	<u>275,000</u>	<u>89,922</u>	<u>6,554,600</u>	<u>6,084,173</u>
Operating Expenses				
Salaries	-	-	1,460,871	1,384,960
Employee Benefits	-	-	300,644	312,404
Contractual Services	-	-	525,750	294,771
General Materials and Supplies	-	-	3,421,946	3,370,297
Conference and Meeting	-	-	316,760	308,877
Fixed Charges	-	-	855,686	763,606
Utilities	-	-	12,300	-
Capital Outlay	-	-	74,000	19,788
Interest	-	-	-	10,135
Depreciation	-	-	-	158,666
Other	-	-	61,900	35,379
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>7,029,857</u>	<u>6,658,883</u>
Operating Income (Loss)	275,000	89,922	(475,257)	(574,710)
Other Financing Sources (Uses)				
Operating Transfers, Net	<u>(275,000)</u>	<u>(89,922)</u>	<u>850,000</u>	<u>850,000</u>
Net Income	<u>\$ -</u>	<u>-</u>	<u>\$ 374,743</u>	<u>275,290</u>
College Equity, July 1, 2008		<u>7,600,000</u>		<u>870,628</u>
College Equity, June 30, 2009		<u>\$ 7,600,000</u>		<u>\$ 1,145,918</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combined Statement of Cash Flows

Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 2009

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 4,990,973
Student Tuition and Fees	-	451,622
Payments to Suppliers	-	(4,855,638)
Payments to Employees and Benefits Paid	-	(1,701,070)
Other Receipts	89,922	488,559
Net Cash Provided by (Used In) Operating Activities	89,922	(625,554)
Capital and Related Financing Activities		
Principal Paid on Capital Lease Obligations	-	(93,727)
Purchase of Equipment	-	(123,966)
Net Cash Used In Capital and Related Financing Activities	-	(217,693)
Non-Capital Financing Activities		
Change in Due To (From) Other Funds	-	(2,313)
Operating Transfers In (Out)	(89,922)	850,000
Net Cash Provided by (Used in) Non-Capital Financing Activities	(89,922)	847,687
Net Increase (Decrease) in Cash and Cash Equivalents	-	4,440
Cash and Cash Equivalents, July 1, 2008	7,600,000	1,228,357
Cash and Cash Equivalents, June 30, 2009	\$ 7,600,000	\$ 1,232,797
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 89,922	\$ (574,710)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	-	158,666
Changes in Assets and Liabilities:		
Receivables	-	(163,886)
Inventories	-	(52,782)
Vacation Payable	-	(3,709)
Deferred Revenue	-	10,867
Net Cash Provided by (Used In) Operating Activities	\$ 89,922	\$ (625,554)

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet - Modified Accrual Basis

General Funds

June 30, 2009

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,725,785	\$ 469,623	\$ 11,195,408
Receivables:			
Property Taxes, Net	6,668,314	2,564,747	9,233,061
Replacement Taxes, Net	200,771	142,250	343,021
Agency Tuition, Net	732,749	-	732,749
Student Tuition and Fees, Net	744,872	-	744,872
Governmental Grants	913,056	-	913,056
Other	3,685,348	57,291	3,742,639
Due From Other Funds	2,043,072	-	2,043,072
Prepaid Assets	33,316	-	33,316
	<u>\$ 25,747,283</u>	<u>\$ 3,233,911</u>	<u>\$ 28,981,194</u>
LIABILITIES			
Accounts Payable	\$ 145,918	\$ (397)	\$ 145,521
Vacation Payable	1,113,465	103,282	1,216,747
Retirement Payable	706,070	-	706,070
Due to Other Funds	-	-	-
Due to Parkland Foundation	524,827	-	524,827
Accrued Liabilities	1,876,683	-	1,876,683
Deferred Revenue	9,701,119	2,087,650	11,788,769
Total Liabilities	<u>14,068,082</u>	<u>2,190,535</u>	<u>16,258,617</u>
FUND BALANCE			
Reserved for Prepaid Assets	33,316	-	33,316
Unreserved	11,645,885	1,043,376	12,689,261
Total Fund Balance	<u>11,679,201</u>	<u>1,043,376</u>	<u>12,722,577</u>
	<u>\$ 25,747,283</u>	<u>\$ 3,233,911</u>	<u>\$ 28,981,194</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

General Funds

For the Year Ended June 30, 2009

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	\$ 12,009,075	\$ 4,488,789	\$ 16,497,864
State Sources	8,441,329	828,625	9,269,954
Federal Sources	105,137	-	105,137
Tuition and Fees	22,932,550	-	22,932,550
Facilities	-	1,004,158	1,004,158
Interest	187,442	26,566	214,008
Other Revenue	408,530	172	408,702
On-Behalf Payments	3,683,181	-	3,683,181
Total Revenue	<u>47,767,244</u>	<u>6,348,310</u>	<u>54,115,554</u>
Expenditures			
Instruction	24,459,330	2	24,459,332
Academic Support	4,672,338	-	4,672,338
Student Services	4,126,434	-	4,126,434
Public Service	771,824	-	771,824
Operation and Maintenance of Plant	-	8,584,667	8,584,667
Institutional Support	8,834,135	120,500	8,954,635
On-Behalf Payments	3,683,181	-	3,683,181
Interest	182,000	340,000	522,000
Total Expenditures	<u>46,729,242</u>	<u>9,045,169</u>	<u>55,774,411</u>
Revenue Over (Under) Expenditures	<u>1,038,002</u>	<u>(2,696,859)</u>	<u>(1,658,857)</u>
Other Financing Sources (Uses)			
Issuance of G. O. Bonds (Refunding Bonds)	3,331,286	5,294,819	8,626,105
Advanced Refunded Debt Certificates - Payment to Escrow Agent	(3,299,448)	(5,241,672)	(8,541,120)
Operating Transfers, Net	(760,078)	1,118,999	358,921
Total Other Financing Sources (Uses)	<u>(728,240)</u>	<u>1,172,146</u>	<u>443,906</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	309,762	(1,524,713)	(1,214,951)
Fund Balance, July 1, 2008	<u>11,369,439</u>	<u>2,568,089</u>	<u>13,937,528</u>
Fund Balance, June 30, 2009	<u>\$ 11,679,201</u>	<u>\$ 1,043,376</u>	<u>\$ 12,722,577</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet - Modified Accrual Basis

Special Revenue Funds

June 30, 2009

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 96,602	\$ 1,377,609	\$ 1,474,211
Receivables:				
Property Taxes, Net	-	48,804	1,427,355	1,476,159
Student Loans	149,659	-	-	149,659
Due from Related Party	12,054	-	28,941	40,995
Other Receivable	630,751	-	7,821	638,572
Prepaid Assets	91,829	-	-	91,829
	<u>\$ 884,293</u>	<u>\$ 145,406</u>	<u>\$ 2,841,726</u>	<u>\$ 3,871,425</u>
LIABILITIES				
Accounts Payable	\$ 59,597	\$ 10,500	\$ 1,353	\$ 71,450
Vacation Payable	27,419	-	80,801	108,220
Deferred Revenue	100,615	39,670	1,162,817	1,303,102
Due to Other Funds	939,871	-	-	939,871
Total Liabilities	<u>1,127,502</u>	<u>50,170</u>	<u>1,244,971</u>	<u>2,422,643</u>
FUND BALANCE				
Reserved For:				
Prepaid Assets	91,829	-	-	91,829
Student Loans	149,659	-	-	149,659
Unreserved, Undesignated	(484,697)	95,236	1,596,755	1,207,294
Total Fund Balance	<u>(243,209)</u>	<u>95,236</u>	<u>1,596,755</u>	<u>1,448,782</u>
	<u>\$ 884,293</u>	<u>\$ 145,406</u>	<u>\$ 2,841,726</u>	<u>\$ 3,871,425</u>
Total Liabilities and Fund Balance	<u>\$ 884,293</u>	<u>\$ 145,406</u>	<u>\$ 2,841,726</u>	<u>\$ 3,871,425</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY 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, 2009

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	\$ -	\$ 85,730	\$ 2,524,154	\$ 2,609,884
State Sources	2,769,086	-	-	2,769,086
Federal Sources	17,170,575	-	-	17,170,575
Facilities	-	-	-	-
Interest	208	75	2,219	2,502
Other	230,848	-	-	230,848
Total Revenue	<u>20,170,717</u>	<u>85,805</u>	<u>2,526,373</u>	<u>22,782,895</u>
Expenditures				
Instruction	591,766	-	-	591,766
Academic Support	2,616,701	-	-	2,616,701
Student Services	936,414	-	-	936,414
Public Service	341,229	-	-	341,229
Auxiliary Services	3,695	-	-	3,695
Operations and Maintenance of Plant	-	-	1,389,210	1,389,210
Scholarships and Grants	16,046,736	-	-	16,046,736
Institutional Support	-	82,929	955,700	1,038,629
Total Expenditures	<u>20,536,541</u>	<u>82,929</u>	<u>2,344,910</u>	<u>22,964,380</u>
Revenue Over (Under) Expenditures	(365,824)	2,876	181,463	(181,485)
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	(365,824)	2,876	181,463	(181,485)
Fund Balance, July 1, 2008	<u>122,615</u>	<u>92,360</u>	<u>1,415,292</u>	<u>1,630,267</u>
Fund Balance, June 30, 2009	<u>\$ (243,209)</u>	<u>\$ 95,236</u>	<u>\$ 1,596,755</u>	<u>\$ 1,448,782</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet

Enterprise Funds

June 30, 2009

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
ASSETS								
Cash and Cash Equivalents	\$ 79,552	\$ -	\$ -	\$ -	\$ -	\$ 1,101,846	\$ 51,399	\$ 1,232,797
Receivables:								
Student Tuition and Fees, Net	15,882	-	83,096	-	7,743	109,317	-	216,038
Business and Industry Training	-	-	-	-	102,397	-	-	102,397
Other	338	-	87	-	35	78,078	-	78,538
Due from Parkland Foundation	-	-	-	-	-	-	8,646	8,646
Inventory	-	-	-	-	-	686,474	-	686,474
Property and Equipment, Net of Accumulated Depreciation	-	111,673	55,230	2,328	6,754	34,089	-	210,074
Total Assets	\$ 95,772	\$ 111,673	\$ 138,413	\$ 2,328	\$ 116,929	\$ 2,009,804	\$ 60,045	\$ 2,534,964
LIABILITIES								
Account Payable	\$ (261)	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ (228)
Vacation Payable	31,933	10,658	17,378	-	9,288	24,620	-	93,877
Accrued Liabilities	-	-	1,508	-	-	-	-	1,508
Due to Other Funds	-	25,819	27,453	164,250	885,679	-	-	1,103,201
Deferred Revenue	-	-	107,765	-	-	(623)	-	107,142
Capital Lease Obligations	-	83,546	-	-	-	-	-	83,546
Total Liabilities	31,672	120,023	154,104	164,250	895,000	23,997	-	1,389,046
RETAINED EARNINGS (ACCUMULATED DEFICIT)	64,100	(8,350)	(15,691)	(161,922)	(778,071)	1,985,807	60,045	1,145,918
Total Liabilities and Retained Earnings (Accumulated Deficit)	\$ 95,772	\$ 111,673	\$ 138,413	\$ 2,328	\$ 116,929	\$ 2,009,804	\$ 60,045	\$ 2,534,964

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Enterprise Funds

For the Year Ended June 30, 2009

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Operating Revenue								
Student and Community Services	\$ 430,486	\$ -	\$ -	\$ -	\$ 451,367	\$ 4,167,775	\$ -	\$ 5,049,628
Student Tuition and Fees	-	-	247,882	72,000	204,604	-	21,500	545,986
State Sources	-	-	-	-	55,676	-	-	55,676
Other Revenue	-	378,203	24,629	-	415	-	29,636	432,883
Total Operating Revenue	<u>430,486</u>	<u>378,203</u>	<u>272,511</u>	<u>72,000</u>	<u>712,062</u>	<u>4,167,775</u>	<u>51,136</u>	<u>6,084,173</u>
Operating Expenses								
Salaries	353,231	108,006	54,904	250,335	300,848	296,144	21,492	1,384,960
Employee Benefits	159,215	15,284	5,296	18,641	42,980	69,293	1,695	312,404
Contractual Services	1,020	-	33,310	75,121	182,352	542	2,426	294,771
General Materials and Supplies	39,687	82,805	9,018	47,090	106,634	3,058,063	27,000	3,370,297
Conference and Meeting	67	847	153,106	141,110	5,482	4,201	4,064	308,877
Fixed Charges	-	122,296	-	-	-	641,310	-	763,606
Capital Outlay	-	9,798	-	3,500	-	6,490	-	19,788
Interest	-	10,135	-	-	-	-	-	10,135
Depreciation	-	121,674	19,342	1,164	6,754	9,732	-	158,666
Other	-	-	1,534	22,881	10,964	-	-	35,379
Total Operating Expenses	<u>553,220</u>	<u>470,845</u>	<u>276,510</u>	<u>559,842</u>	<u>656,014</u>	<u>4,085,775</u>	<u>56,677</u>	<u>6,658,883</u>
Operating Income (Loss)	(122,734)	(92,642)	(3,999)	(487,842)	56,048	82,000	(5,541)	(574,710)
Other Financing Sources								
Operating Transfers, Net	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
Net Income (Loss)	77,266	107,358	(3,999)	(37,842)	56,048	82,000	(5,541)	275,290
Retained Earnings (Deficit), July 1, 2008	<u>(13,166)</u>	<u>(115,708)</u>	<u>(11,692)</u>	<u>(124,080)</u>	<u>(834,119)</u>	<u>1,903,807</u>	<u>65,586</u>	<u>870,628</u>
Retained Earnings (Deficit), June 30, 2009	<u>\$ 64,100</u>	<u>\$ (8,350)</u>	<u>\$ (15,691)</u>	<u>\$ (161,922)</u>	<u>\$ (778,071)</u>	<u>\$ 1,985,807</u>	<u>\$ 60,045</u>	<u>\$ 1,145,918</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2009

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Cash Flows from Operating Activities								
Auxiliary Enterprise Charges	\$ 429,046	\$ -	\$ -	\$ -	\$ 451,367	\$ 4,110,560	\$ -	\$ 4,990,973
Student Tuition and Fees	-	-	250,417	72,000	107,705	-	21,500	451,622
Payments to Suppliers	(40,775)	(225,881)	(196,968)	(289,702)	(305,432)	(3,763,390)	(33,490)	(4,855,638)
Payments to Employees and Benefits Paid	(508,764)	(124,138)	(61,956)	(268,976)	(350,543)	(363,506)	(23,187)	(1,701,070)
Other Receipts	-	378,203	24,629	-	56,091	-	29,636	488,559
Net Cash Provided by (Used In) Operating Activities	(120,493)	28,184	16,122	(486,678)	(40,812)	(16,336)	(5,541)	(625,554)
Capital and Related Financing Activities								
Principal Paid on Capital Lease Obligations	-	(93,727)	-	-	-	-	-	(93,727)
Purchase of Equipment	-	(79,577)	-	(3,492)	-	(40,897)	-	(123,966)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(173,304)	-	(3,492)	-	(40,897)	-	(217,693)
Non-Capital Financing Activities								
Change in Due To (From) Other Funds	-	(54,880)	(19,769)	40,170	40,812	-	(8,646)	(2,313)
Operating Transfers In	200,000	200,000	-	450,000	-	-	-	850,000
Net Cash Provided by (Used In) Non- Capital Financing Activities	200,000	145,120	(19,769)	490,170	40,812	-	(8,646)	847,687
Net Increase (Decrease) in Cash and Cash Equivalents	79,507	-	(3,647)	-	-	(57,233)	(14,187)	4,440
Cash and Cash Equivalents, July 1, 2008	45	-	3,647	-	-	1,159,079	65,586	1,228,357
Cash and Cash Equivalents, June 30, 2009	\$ 79,552	\$ -	\$ -	\$ -	\$ -	\$ 1,101,846	\$ 51,399	\$ 1,232,797
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ (122,734)	\$ (92,642)	\$ (3,999)	\$ (487,842)	\$ 56,048	\$ 82,000	\$ (5,541)	\$ (574,710)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation Expense	-	121,674	19,342	1,164	6,754	9,732	-	158,666
Changes in Assets and Liabilities:								
Receivables	(1,440)	-	(9,005)	-	(96,899)	(56,542)	-	(163,886)
Inventories	-	-	-	-	-	(52,782)	-	(52,782)
Vacation Payable	3,681	(848)	(1,756)	-	(6,715)	1,929	-	(3,709)
Deferred Revenue	-	-	11,540	-	-	(673)	-	10,867
Net Cash Provided By (Used in) Operating Activities	\$ (120,493)	\$ 28,184	\$ 16,122	\$ (486,678)	\$ (40,812)	\$ (16,336)	\$ (5,541)	\$ (625,554)

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet

Fiduciary Funds

June 30, 2009

	Non-Expendable Trust		
	Working Cash Fund	Trust and Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,600,000	\$ 669,233	\$ 8,269,233
Receivables:			
Student Tuition and Fees	-	89,813	89,813
Due from Related Party	-	137,589	137,589
Total Assets	\$ 7,600,000	\$ 896,635	\$ 8,496,635
LIABILITIES			
Unapplied Financial Aid	\$ -	\$ 8,831	\$ 8,831
Due to Student Groups	-	888,446	888,446
Total Liabilities	-	897,277	897,277
FUND BALANCE			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	\$ 7,600,000	\$ 896,635	\$ 8,496,635

PARKLAND COMMUNITY COLLEGE
COMMUNITY 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, 2009
(With Comparative Totals as of June 30, 2008)

	Operations and Maintenance Funds									Account Groups		Totals (Memorandum Only)		
	Education Fund	Operational	Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	General Fixed Assets	General Long-Term Debt	June 30, 2009	June 30, 2008
ASSETS														
Cash and Cash Equivalents	\$ 10,725,785	\$ 469,623	22,533,008	\$ 1,232,797	\$ -	\$ 7,600,000	\$ 669,233	\$ 855,352	\$ 96,602	\$ 1,377,609	\$ -	\$ -	\$ 45,560,009	\$ 27,298,974
Investments	-	-	2,489,830	-	-	-	-	-	-	-	-	-	2,489,830	-
Receivables:														
Property Taxes	6,668,314	2,564,747	1,282,096	-	-	-	-	1,168,107	48,804	1,427,355	-	-	13,159,423	11,884,687
Replacement Taxes	200,771	142,250	-	-	-	-	-	-	-	-	-	-	343,021	587,663
Agency Tuition, Net	732,749	-	-	-	-	-	-	-	-	-	-	-	732,749	526,344
Student Tuition and Fees, Net	744,872	-	-	216,038	-	-	89,813	-	-	-	-	-	1,050,723	1,069,281
Governmental Grants	913,056	-	-	-	-	-	-	-	-	-	-	-	913,056	679,478
Business and Industry Training	-	-	-	102,397	-	-	-	-	-	-	-	-	102,397	5,917
Student Loans	-	-	-	-	149,659	-	-	-	-	-	-	-	149,659	189,169
Other	3,685,348	57,291	66,457	78,538	630,751	-	-	-	-	7,821	-	-	4,526,206	731,413
Due from Parkland Foundation	-	-	-	8,646	12,054	-	137,589	-	-	28,941	-	-	187,230	-
Due from Other Funds	2,043,072	-	-	-	-	-	-	-	-	-	-	-	2,043,072	2,266,868
Prepaid Assets	33,316	-	-	-	91,829	-	-	-	-	-	-	-	125,145	120,544
Inventory	-	-	-	686,474	-	-	-	-	-	-	-	-	686,474	633,692
Property and Equipment at Cost, Net	-	-	-	210,074	-	-	-	-	-	-	48,090,409	-	48,300,483	43,153,767
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	1,106,973	1,106,973	-
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	34,311,789	34,311,789	9,311,313
Total Assets	\$ 25,747,283	\$ 3,233,911	\$ 26,371,391	\$ 2,534,964	\$ 884,293	\$ 7,600,000	\$ 896,635	\$ 2,023,459	\$ 145,406	\$ 2,841,726	\$ 48,090,409	\$ 35,418,762	\$ 155,788,239	\$ 98,459,110
LIABILITIES														
Accounts Payable	\$ 145,918	\$ (397)	\$ -	\$ (228)	\$ 59,597	\$ -	\$ -	\$ -	\$ 10,500	\$ 1,353	\$ -	\$ -	\$ 216,743	\$ 578,266
Vacation Payable	1,113,465	103,282	-	93,877	27,419	-	-	-	-	80,801	-	-	1,418,844	1,306,952
Retirement Obligations	706,070	-	-	-	-	-	-	-	-	-	778,346	-	1,484,416	2,084,703
Accrued Liabilities	1,876,683	-	(18,865)	1,508	-	-	-	-	-	-	-	-	1,859,326	1,693,697
Due to Other Funds	-	-	-	1,103,201	939,871	-	-	-	-	-	-	-	2,043,072	2,266,868
Due to Parkland Foundation	524,827	-	-	-	-	-	-	-	-	-	-	-	524,827	66,261
Deferred Revenue	9,701,119	2,087,650	1,043,825	107,142	100,615	-	-	916,486	39,670	1,162,817	-	-	15,159,324	13,050,697
Capital Lease Obligations	-	-	-	83,546	-	-	-	-	-	-	-	135,416	218,962	423,424
Due to Student Groups	-	-	-	-	-	-	888,446	-	-	-	-	-	888,446	837,286
Unapplied Financial Aid	-	-	-	-	-	-	8,831	-	-	-	-	-	8,831	320
G.O. Bonds (2009)/ Debt Certificates (2008)	-	-	-	-	-	-	-	-	-	-	-	34,505,000	34,505,000	7,800,000
Total Liabilities	14,068,082	2,190,535	1,024,960	1,389,046	1,127,502	-	897,277	916,486	50,170	1,244,971	-	35,418,762	58,327,791	30,108,474
COLLEGE EQUITY														
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	48,090,409	-	48,090,409	42,908,994
Fund Balance:														
Reserved For:														
Prepaid Assets	33,316	-	-	-	91,829	-	-	-	-	-	-	-	125,145	120,544
Student Loans	-	-	-	-	149,659	-	-	-	-	-	-	-	149,659	189,169
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	-	7,599,358	7,599,358
Unreserved, Undesignated	11,645,885	1,043,376	25,346,431	-	(484,697)	-	-	-	95,236	1,596,755	-	-	39,242,986	16,661,943
Retained Earnings (Accumulated Deficit)	-	-	-	1,145,918	-	-	-	1,106,973	-	-	-	-	2,252,891	870,628
Total College Equity (Deficit)	11,679,201	1,043,376	25,346,431	1,145,918	(243,209)	7,600,000	(642)	1,106,973	95,236	1,596,755	48,090,409	-	97,460,448	68,350,636
Total Liabilities and College Equity	\$ 25,747,283	\$ 3,233,911	\$ 26,371,391	\$ 2,534,964	\$ 884,293	\$ 7,600,000	\$ 896,635	\$ 2,023,459	\$ 145,406	\$ 2,841,726	\$ 48,090,409	\$ 35,418,762	\$ 155,788,239	\$ 98,459,110

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statement of Revenue, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types)
and GAAP Basis (Proprietary and Fiduciary Fund Types)

All Funds

For the Year Ended June 30, 2009
(With Comparative Totals for the Year Ended June 30, 2008)

	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Totals (Memorandum Only)	
		Operational	Restricted							2009	2008
Revenue											
Local Sources	\$ 12,009,075	\$ 4,488,789	\$ 2,243,925	\$ -	\$ -	\$ -	\$ 1,106,973	\$ 85,730	\$ 2,524,154	\$ 22,458,646	\$ 19,722,365
State Sources	8,441,329	828,625	-	55,676	2,769,086	-	-	-	-	12,094,716	13,461,193
Federal Sources	105,137	-	-	-	17,170,575	-	-	-	-	17,275,712	16,159,924
Tuition and Fees	22,932,550	-	-	545,986	-	-	-	-	-	23,478,536	21,931,276
Facilities	-	1,004,158	-	-	-	-	-	-	-	1,004,158	1,089,272
Other Revenue	595,972	26,738	142,839	5,482,511	231,056	89,922	-	75	2,219	6,571,332	6,756,341
On-Behalf Payments	3,683,181	-	-	-	-	-	-	-	-	3,683,181	2,893,895
Total Revenue	47,767,244	6,348,310	2,386,764	6,084,173	20,170,717	89,922	1,106,973	85,805	2,526,373	86,566,281	82,014,266
Expenditures											
Instruction	24,459,330	2	-	-	591,766	-	-	-	-	25,051,098	23,520,983
Academic Support	4,672,338	-	-	339,036	2,616,701	-	-	-	-	7,628,075	8,000,642
Student Services	4,126,434	-	-	-	936,414	-	-	-	-	5,062,848	4,468,891
Public Service	771,824	-	-	649,260	341,229	-	-	-	-	1,762,313	1,850,311
Auxiliary Services	-	-	-	5,501,786	3,695	-	-	-	-	5,505,481	5,155,078
Operation and Maintenance of Plant	-	8,584,667	2,460,195	-	-	-	-	-	1,389,210	12,434,072	12,433,400
Institutional Support	8,834,135	120,500	405,271	-	-	-	-	82,929	955,700	10,398,535	11,225,814
Scholarships and Grants	-	-	-	-	16,046,736	-	-	-	-	16,046,736	14,789,845
Interest	182,000	340,000	338,624	10,135	-	-	-	-	-	870,759	17,225
Depreciation	-	-	-	158,666	-	-	-	-	-	158,666	204,836
On-Behalf Payments	3,683,181	-	-	-	-	-	-	-	-	3,683,181	2,893,895
Total Expenditures	46,729,242	9,045,169	3,204,090	6,658,883	20,536,541	-	-	82,929	2,344,910	88,601,764	84,560,920
Revenue Over (Under) Expenditures	1,038,002	(2,696,859)	(817,326)	(574,710)	(365,824)	89,922	1,106,973	2,876	181,463	(2,035,483)	(2,546,654)
Other Financing Sources (Uses)											
Issuance of G. O. Bonds (Refunding Bonds)	3,331,286	5,294,819	25,878,895	-	-	-	-	-	-	34,505,000	-
Issuance of Debt Certificate	-	-	25,135,000	-	-	-	-	-	-	25,135,000	7,800,000
Current Refunded Debt Certificates - Principal	-	-	(25,135,000)	-	-	-	-	-	-	(25,135,000)	-
Advanced Refunded Debt Certificates - Payment to Escrow Agent	(3,299,448)	(5,241,672)	-	-	-	-	-	-	-	(8,541,120)	-
Operating Transfers, Net	(760,078)	1,118,999	(1,118,999)	850,000	-	(89,922)	-	-	-	-	-
Total Other Financing Sources (Uses)	(728,240)	1,172,146	24,759,896	850,000	-	(89,922)	-	-	-	25,963,880	7,800,000
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	309,762	(1,524,713)	23,942,570	275,290	(365,824)	-	1,106,973	2,876	181,463	23,928,397	5,253,346
College Equity, Beginning of Year	11,369,439	2,568,089	1,403,861	870,628	122,615	7,600,000	-	92,360	1,415,292	25,442,284	20,188,938
College Equity, End of Year	\$ 11,679,201	\$ 1,043,376	\$ 25,346,431	\$ 1,145,918	\$ (243,209)	\$ 7,600,000	\$ 1,106,973	\$ 95,236	\$ 1,596,755	\$ 49,370,681	\$ 25,442,284

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Reconciliation of the Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types) to the Statement of Net Assets

June 30, 2009 and 2008

	2009	2008 Restated
College Equity	\$ 97,460,448	\$ 68,350,636
Reconciling Items:		
Recognition of Summer School Revenues	1,837,781	1,758,284
Property Taxes Receivable Not Earned and Not Received	10,678,322	9,181,490
Deferred Revenue for Property Taxes Not Received	(10,678,322)	(9,181,490)
Reclassification of Long Term Debt	(35,418,762)	(9,311,313)
Deferred Debt Issue Costs and Deferred Refunding Expense	1,243,605	-
Recognition of Interest Payable on Long Term Debt	(540,450)	(285,000)
	<u>\$ 64,582,622</u>	<u>\$ 60,512,607</u>
Net Assets		

Reconciliation of the Statement of Revenues, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary and Fiduciary Fund Types)
to the Statement of Revenues, Expenses and Changes in Net Assets

For the Years Ended June 30, 2009 and 2008

	2009	2008
Change in College Equity	\$ 23,928,397	\$ 5,253,346
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(597,288)	(583,549)
Remove Rent Expense from the Bookstore	597,288	583,549
Remove Revenue Paid by the Education Fund to Reprographics	(378,208)	(363,225)
Remove Expenditures from the Education Fund	378,208	363,225
Remove Student Aid and Scholarship Payments from Revenue	(7,582,807)	(6,894,323)
Remove Student Aid and Scholarship Payments from Expense	7,582,807	6,894,323
Capital Lease Obligations Retired	110,735	106,571
Retirement Obligations Retired	486,816	370,582
Remove Capital Expenditures and Interest Expenditures Related to Capitalized Assets	7,717,247	8,081,984
Record Depreciation on the Capital Assets	(2,535,832)	(2,135,384)
Debt Certificate Proceeds Removed from Other Financing Sources	(25,135,000)	(7,800,000)
Debt Certificates Payments Removed from Other Financing Uses	195,000	-
Debt Certificates Refunding Removed from Other Financing Uses	32,740,000	-
G. O. Bond Proceeds Removed from Other Financing Sources	(34,505,000)	-
Change in Deferred Debt Issue Costs and Deferred Refunding Expense	1,243,605	-
Change in Accrued Interest on Long Term Debt	(255,450)	(285,000)
Change in Recognition of Summer School Revenues	79,497	545,095
	<u>\$ 4,070,015</u>	<u>\$ 4,137,194</u>
Change in Net Assets		

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

June 30, 2009

	2008 Levy	2007 Levy	2006 Levy	2005 Levy	2004 Levy	2003 Levy	2002 Levy	2001 Levy	2000 Levy
Assessed Valuations									
County:									
Champaign	\$ 3,525,443,054	\$ 3,326,466,857	\$ 3,072,418,417	\$ 2,827,890,748	\$ 2,610,703,920	\$ 2,485,411,067	\$ 2,356,567,402	\$ 2,249,225,082	\$ 2,146,637,370
Coles	5,758,277	5,306,338	5,573,540	5,963,210	6,416,722	6,225,361	6,757,851	7,900,000	7,963,010
DeWitt	62,936,083	60,557,367	56,796,370	57,235,909	58,542,203	61,241,631	62,963,494	63,263,081	64,509,268
Douglas	229,699,701	218,607,217	208,085,929	208,085,929	205,222,157	211,719,753	212,081,194	213,873,061	214,230,703
Edgar	2,543,065	2,434,071	2,250,000	2,359,397	2,550,230	2,750,598	2,975,138	3,229,642	3,506,564
Ford	183,254,673	177,019,659	171,232,142	166,210,215	163,136,913	169,817,255	170,518,292	170,049,562	169,740,151
Iroquois	84,852,171	74,346,304	74,346,304	70,565,997	70,068,302	68,855,261	70,121,443	69,704,262	68,916,644
Livingston	55,516,475	52,968,851	51,744,154	50,467,263	48,636,918	49,889,515	51,161,150	52,434,825	54,830,620
McLean	156,650,468	124,928,450	112,103,188	111,280,992	112,013,505	111,964,618	112,238,854	110,717,051	112,612,138
Moultrie	2,711,561	2,544,048	2,828,750	2,828,750	3,058,323	3,302,506	3,570,168	3,821,243	4,120,557
Piatt	317,723,113	295,752,213	276,109,518	260,426,679	252,425,217	258,267,102	247,128,738	243,761,308	241,106,057
Vermilion	12,118,874	11,310,925	10,303,236	9,376,245	9,759,669	10,463,662	10,628,076	11,153,861	11,755,423
TOTAL	\$ 4,639,207,515	\$ 4,352,242,300	\$ 4,043,791,548	\$ 3,772,691,334	\$ 3,542,534,079	\$ 3,439,908,329	\$ 3,306,711,800	\$ 3,199,132,978	\$ 3,099,928,505
Tax Rates									
(Per \$100 Assessed Valuations)									
Education Fund	0.2600	0.2600	0.2600	0.2592	0.2600	0.2600	0.2600	0.2600	0.2617
Operations and Maintenance:									
Operational Fund	0.1000	0.1000	0.1000	0.0994	0.1000	0.1000	0.1000	0.1000	0.1007
Bond	0.0439	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tort and Immunity	0.0376	0.0341	0.0352	0.0406	0.0450	0.0436	0.0287	0.0250	0.0219
Audit	0.0019	0.0019	0.0020	0.0019	0.0022	0.0021	0.0014	0.0012	0.0008
Worker's Compensation	0.0010	0.0056	0.0061	0.0062	0.0069	0.0056	0.0030	0.0022	0.0008
Unemployment Insurance	0.0004	0.0004	0.0005	0.0002	0.0006	0.0022	0.0009	0.0009	0.0008
Protection, Health, and Safety	0.0500	0.0500	0.0500	0.0496	0.0500	0.0500	0.0500	0.0500	0.0469
Medicare Insurance	0.0097	0.0093	0.0101	0.0099	0.0119	0.0116	0.0121	0.0101	0.0086
Property Insurance	0.0070	0.0075	0.0081	0.0083	0.0085	0.0087	0.0091	0.0062	0.0047
TOTAL	0.5115	0.4688	0.4720	0.4753	0.4851	0.4838	0.4652	0.4556	0.4469

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

June 30, 2009

	<u>2008 Levy</u>	<u>2007 Levy</u>	<u>2006 Levy</u>	<u>2005 Levy</u>	<u>2004 Levy</u>	<u>2003 Levy</u>	<u>2002 Levy</u>	<u>2001 Levy</u>	<u>2000 Levy</u>
Tax Extensions									
Education Fund	\$ 12,062,000	\$ 11,315,677	\$ 10,501,816	\$ 9,775,029	\$ 9,210,343	\$ 8,943,762	\$ 8,597,451	\$ 8,317,746	\$ 8,022,554
Operations and Maintenance:									
Operational Fund	4,639,208	4,352,026	4,040,187	3,753,251	3,542,308	3,439,908	3,306,712	3,199,133	3,086,022
Bond	2,036,612	-	-	-	-	-	-	-	-
Tort and Immunity	1,744,342	1,484,651	1,422,819	1,531,713	1,583,798	1,499,800	949,026	799,783	1,165,187
Audit	88,145	83,654	80,079	75,678	73,834	72,238	46,294	38,390	24,821
Worker's Compensation	46,392	243,726	246,568	233,907	244,435	192,635	99,201	70,381	-
Unemployment Insurance	18,557	17,409	20,210	7,545	21,255	75,678	29,760	28,792	-
Protection, Health, and Safety	2,319,604	2,174,993	2,019,140	1,879,328	1,772,012	1,719,954	1,653,356	1,599,566	1,490,612
Medicare Insurance	450,003	404,759	408,251	373,496	421,562	399,029	400,112	323,112	-
Property Insurance	324,745	326,418	327,410	313,133	301,115	299,272	300,911	198,346	-
	<u>23,729,606</u>	<u>20,403,312</u>	<u>19,066,480</u>	<u>17,943,080</u>	<u>17,170,662</u>	<u>16,642,276</u>	<u>15,382,822</u>	<u>14,575,249</u>	<u>13,789,196</u>
Tax Collections Prior to Year End	(9,957,110)	(8,069,866)	(7,652,368)	(7,174,956)	(7,189,045)	(6,328,182)	(6,281,676)	(5,799,158)	(4,794,172)
	<u>13,772,496</u>	<u>12,333,446</u>	<u>11,414,112</u>	<u>10,768,124</u>	<u>9,981,617</u>	<u>10,314,094</u>	<u>9,101,146</u>	<u>8,776,091</u>	<u>8,995,024</u>
Allowance for Uncollectible Taxes and Potential Refunds	(613,073)	(448,759)	-	-	-	-	-	-	(27,812)
Property Taxes Receivable	<u>\$ 13,159,423</u>	<u>\$ 11,884,687</u>	<u>\$ 11,414,112</u>	<u>\$ 10,768,124</u>	<u>\$ 9,981,617</u>	<u>\$ 10,314,094</u>	<u>\$ 9,101,146</u>	<u>\$ 8,776,091</u>	<u>\$ 8,967,212</u>
Property Taxes Receivable by Fund									
Education Fund	\$ 6,668,314	6,591,248	6,286,892	\$ 5,841,707	\$ 5,354,140	\$ 5,542,794	\$ 5,086,631	\$ 5,008,516	\$ 5,217,124
Operations and Maintenance:									
Operational Fund	2,564,747	2,535,003	2,418,650	2,243,001	2,059,208	2,131,924	1,956,746	1,926,352	2,006,863
Restricted Fund	1,282,096	1,266,907	1,208,755	1,123,115	1,030,102	1,066,477	978,373	963,614	969,355
Bond Fund	1,168,107	-	-	-	-	-	-	-	-
Audit Fund	48,804	48,728	47,940	45,226	42,921	44,351	27,304	22,818	16,140
Liability, Protection, and Settlement Fund	1,427,355	1,442,801	1,451,875	1,515,075	1,495,246	1,528,548	1,052,092	854,791	757,730
Total	<u>\$ 13,159,423</u>	<u>\$ 11,884,687</u>	<u>\$ 11,414,112</u>	<u>\$ 10,768,124</u>	<u>\$ 9,981,617</u>	<u>\$ 10,314,094</u>	<u>\$ 9,101,146</u>	<u>\$ 8,776,091</u>	<u>\$ 8,967,212</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Student Enrollment and Full-Time Equivalency
At Tenth Day

Year Ended June 30, 2009
(Unaudited)

School Quarter	<u>Student Enrollment</u>	<u>Full-Time Equivalency</u> <u>Semester</u>
Summer 2008	5,484	1,797
Fall 2008	9,290	5,814
Spring 2009	<u>8,861</u>	<u>5,657</u>
Semester Average (Exclusive of Summer School)	<u><u>9,076</u></u>	<u><u>5,736</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
Fiscal Year Ended June 30, 2009

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund	Total
Fund Balance, July 1, 2008	\$ 11,369,439	\$ 2,568,089	\$ 1,403,861	\$ -	\$ 870,628	\$ 122,615	\$ 7,600,000	\$ 92,360	\$ 1,415,292	\$ 25,442,284
Revenues:										
Local Tax Revenue	12,009,075	4,488,789	2,243,925	1,106,973	-	-	-	85,730	2,524,154	22,458,646
All Other Local Revenue	3,668,009	5,294,819	51,013,895	-	-	-	-	-	-	59,976,723
ICCB Grants	7,034,907	-	-	-	55,676	791,971	-	-	-	7,882,554
All Other State Revenue	1,406,422	828,625	-	-	-	2,373,785	-	-	-	4,608,832
Federal Revenue	105,137	-	-	-	-	16,773,905	-	-	-	16,879,042
Student Tuition and Fees	22,932,550	-	-	-	545,986	-	-	-	-	23,478,536
All Other Revenue	595,972	1,030,896	142,839	-	5,482,511	231,056	89,922	75	2,219	7,575,490
Total Revenue	<u>47,752,072</u>	<u>11,643,129</u>	<u>53,400,659</u>	<u>1,106,973</u>	<u>6,084,173</u>	<u>20,170,717</u>	<u>89,922</u>	<u>85,805</u>	<u>2,526,373</u>	<u>142,859,823</u>
Expenditures:										
Instruction	24,459,330	2	-	-	-	591,766	-	-	-	25,051,098
Academic Support	4,672,338	-	-	-	339,036	2,616,701	-	-	-	7,628,075
Student Services	4,126,434	-	-	-	-	936,414	-	-	-	5,062,848
Public Service/Continuing Education	771,824	-	-	-	649,260	341,229	-	-	-	1,762,313
Auxiliary Services	-	-	-	-	5,670,587	3,695	-	-	-	5,674,282
Operations and Maintenance	-	8,584,667	2,460,195	-	-	-	-	-	1,389,210	12,434,072
Institutional Support	12,315,583	5,702,172	25,878,895	-	-	-	-	82,929	955,700	44,935,279
Scholarships, Student Grants, & Waivers	-	-	-	-	-	16,046,736	-	-	-	16,046,736
Total Expenditures	<u>46,345,509</u>	<u>14,286,841</u>	<u>28,339,090</u>	<u>-</u>	<u>6,658,883</u>	<u>20,536,541</u>	<u>-</u>	<u>82,929</u>	<u>2,344,910</u>	<u>118,594,703</u>
Net Transfers	<u>(760,078)</u>	<u>1,118,999</u>	<u>(1,118,999)</u>	<u>-</u>	<u>850,000</u>	<u>-</u>	<u>(89,922)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2009	<u>\$ 12,015,924</u>	<u>\$ 1,043,376</u>	<u>\$ 25,346,431</u>	<u>\$ 1,106,973</u>	<u>\$ 1,145,918</u>	<u>\$ (243,209)</u>	<u>\$ 7,600,000</u>	<u>\$ 95,236</u>	<u>\$ 1,596,755</u>	<u>\$ 49,707,404</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
Fiscal Year Ended June 30, 2009

	Fixed Asset/Debt Account Groups			
	July 1, 2008	Additions	Deletions	June 30, 2009
Fixed Assets:				
Land	\$ 1,441,745	\$ -	\$ -	\$ 1,441,745
Land Improvements	10,526,991	5,261,692	-	15,788,683
Buildings, Additions, and Improvements	54,061,531	-	-	54,061,531
Equipment	2,341,804	3,157,750	-	5,499,554
Other Fixed Assets	2,698,630	6,626,073	(7,328,268)	1,996,435
Accumulated Depreciation	(28,161,707)	(2,535,832)	-	(30,697,539)
Net Fixed Assets	<u>\$ 42,908,994</u>	<u>\$ 12,509,683</u>	<u>\$ (7,328,268)</u>	<u>\$ 48,090,409</u>
Fixed Debt:				
Debt Certificates	\$ 7,800,000	\$ 25,135,000	\$ (32,935,000)	\$ -
G. O. Bonds	-	34,505,000	-	34,505,000
Early Retirement Benefits	1,265,162	-	(486,816)	778,346
Capital Lease Obligation	246,151	-	(110,735)	135,416
Total Fixed Liabilities	<u>\$ 9,311,313</u>	<u>\$ 59,640,000</u>	<u>\$ (33,532,551)</u>	<u>\$ 35,418,762</u>
	Outstanding			
	July 1, 2008	Issued	Redeemed	June 30, 2009
Education Fund:				
Tax Anticipation Warrants	\$ -	\$ -	\$ -	\$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2009

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 12,009,075	\$ 4,488,789	\$ 16,497,864
Chargeback Revenue	336,723	-	336,723
G.O. Bond Revenue	3,331,286	5,294,819	8,626,105
Total Local Government	<u>15,677,084</u>	<u>9,783,608</u>	<u>25,460,692</u>
<i>State Government</i>			
ICCB Base Operating Grant	5,003,951	-	5,003,951
ICCB Equalization Grant	2,030,956	-	2,030,956
CPPRT	1,162,194	828,625	1,990,819
Department of Corrections	244,228	-	244,228
Total State Government	<u>8,441,329</u>	<u>828,625</u>	<u>9,269,954</u>
<i>Federal Government</i>			
Other	105,137	-	105,137
Total Federal Government	<u>105,137</u>	<u>-</u>	<u>105,137</u>
<i>Student Tuition and Fees</i>			
Tuition	21,472,468	-	21,472,468
Fees	1,460,082	-	1,460,082
Total Tuition and Fees	<u>22,932,550</u>	<u>-</u>	<u>22,932,550</u>
<i>Other Sources</i>			
Sales and Service Fees	334,488	-	334,488
Facilities Revenue	-	1,004,158	1,004,158
Investment Revenue	187,442	26,566	214,008
Other	74,042	172	74,214
Total Other Sources	<u>595,972</u>	<u>1,030,896</u>	<u>1,626,868</u>
Total Operating Revenues	47,752,072	11,643,129	59,395,201
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	(336,723)	-	(336,723)
Adjusted Operating Revenue	<u>\$ 47,415,349</u>	<u>\$ 11,643,129</u>	<u>\$ 59,058,478</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2009

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 24,459,330	\$ 2	\$ 24,459,332
Academic Support	4,672,338	-	4,672,338
Student Services	4,126,434	-	4,126,434
Public Service/Continuing Education	771,824	-	771,824
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	8,584,667	8,584,667
Institutional Support	12,315,583	5,702,172	18,017,755
Scholarships, Grants, Waivers	-	-	-
Total Operating Expenditures by Program	46,345,509	14,286,841	60,632,350
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	\$ 46,345,509	\$ 14,286,841	\$ 60,632,350
Operating Expenditures by Object:			
Salaries	\$ 30,173,140	\$ 1,648,053	\$ 31,821,193
Employee Benefits	5,747,748	553,991	6,301,739
Contractual Services	1,403,995	527,075	1,931,070
General Materials and Supplies	2,387,701	425,912	2,813,613
Conference and Meeting Expenses	596,359	2,513	598,872
Fixed Charges	3,706,021	5,780,709	9,486,730
Utilities	11,580	2,069,129	2,080,709
Capital Outlay	719,190	3,279,458	3,998,648
Other	1,599,775	1	1,599,776
Total Operating Expenditures by Object	46,345,509	14,286,841	60,632,350
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	\$ 46,345,509	\$ 14,286,841	\$ 60,632,350

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4

Fiscal Year Ended June 30, 2009

	Restricted Purposes Fund
Revenue by Source:	
<i>State Government</i>	
ICCB - Workforce Development-Business/Industry Grants	\$ 89,523
ICCB - Program Improvement Grants	32,239
ICCB - Adult Education	221,619
ICCB - Career and Technical Education	34,058
ICCB - Perkins	414,532
Illinois State Board of Education	2,158,248
Illinois Student Assistance Commission	98,500
Other	117,037
Total State Government	3,165,756
 <i>Federal Government</i>	
Department of Education	16,171,971
Department of Health & Human Services	1,548
Other	600,386
Total Federal Government	16,773,905
 <i>Other Sources</i>	
Other	231,056
Total Other Sources	231,056
 Total Restricted Purposes Fund Revenues	 \$ 20,170,717

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4

Fiscal Year Ended June 30, 2009

	<u>Restricted Purposes Fund</u>
Expenditures by Program:	
Instruction	\$ 591,766
Academic Support	2,616,701
Student Services	936,414
Public Service/Continuing Education	341,229
Auxiliary Services	3,695
Scholarships, Student Grants, and Waivers	16,046,736
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 20,536,541</u>
Expenditures by Object:	
Salaries	\$ 1,101,189
Employee Benefits	167,728
Contractual Services	1,840,600
General Materials and Supplies	469,386
Travel & Conference/Meeting Expenses	227,134
Fixed Charges	188,474
Utilities	17,263
Capital Outlay	168,385
Scholarships, Grants, Waivers	16,046,736
Other	309,646
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 20,536,541</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2009

Instruction:	
Instructional Programs	<u>\$ 25,051,098</u>
Academic Support:	
Library Center	1,125,793
Academic Computing Support	1,226,946
Academic Administration and Planning	114,739
Other	<u>5,160,597</u>
Total Academic Support	<u>7,628,075</u>
Student Services Support:	
Admissions and Records	942,585
Counseling and Career Services	1,096,047
Financial Aid Administration	611,140
Other	<u>2,413,076</u>
Total Student Services Support	<u>5,062,848</u>
Public Service/Continuing Education:	
Community Education	89,523
Community Services	<u>1,672,790</u>
Total Public Service/Continuing Education	<u>1,762,313</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2009

Auxiliary Services	<u>5,674,282</u>
Operations and Maintenance of Plant:	
Maintenance	912,378
Custodial Services	1,581,073
Grounds	498,445
Campus Security	1,290,216
Transportation	19,808
Utilities	2,072,865
Administration	3,500,098
Other	98,994
Total Operations and Maintenance of Plant	<u>9,973,877</u>
Institutional Support:	
Executive Management	373,769
Fiscal Operations	1,217,888
Community Relations	97,832
Board of Trustees	83,211
General Institutional	1,941,977
Institutional Research	255,187
Administrative Data Processing	1,503,992
Other	39,461,423
Total Institutional Support	<u>44,935,279</u>
Scholarships, Student Grants, and Waivers	<u>16,046,736</u>
Total Current Funds Expenditures	<u><u>\$ 116,134,508</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Certificate of Chargeback Reimbursement

For Fiscal Year 2010

All Fiscal Year 2009 Non-Capital Audited Operating Expenditures from
the Following Funds:

Education	\$ 42,326,871
Operations and Maintenance Fund	5,765,711
Restricted Purposes Fund	20,368,156
Audit Fund	82,929
Liability, Protection and Settlement Fund	2,333,967
Auxiliary Enterprise Funds - Subsidy Amounts Only	55,676
Total Non-Capital Expenditures	70,933,310
Depreciation on Capital Outlay Expenditures from Sources Other than State and Federal Funds	
Total Costs Included	3,410,370
Total Certified Semester Credit Hours for Year 2009	
	181,222
Per Capita Cost	
	410.24
All Fiscal Year 2009 State and Federal Operating Grants for Non-Capital Expenditures, Except ICCB Grants	
	21,206,980
Fiscal Year 2009 State and Federal Grants Per Semester Credit Hour	
	117.02
District's Average ICCB Grant Rate for Fiscal Year 2010	
	29.22
District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2010	
	92
Chargeback Reimbursement Per Semester Credit Hour	\$ 171.99

Approved: _____

Chief Fiscal Officer

Approved: _____

Chief Executive Officer



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AUDITORS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR
WORKFORCE DEVELOPMENT-BUSINESS/INDUSTRY, CAREER AND TECHNICAL
EDUCATION AND ADULT EDUCATION AND FAMILY LITERACY

Board of Trustees
Parkland Community College
Community College District #505
Champaign, Illinois

We have audited the balance sheets of the Workforce Development, Career and Technical Education, and Adult Education and Family Literacy Grants of Parkland Community College, Community College District #505 (the College) as of June 30, 2009, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion and Parkland Community College, Community College District #505 is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of the Workforce Development, Career and Technical Education, and Adult Education and Family Literacy grants of Parkland Community College, Community College District #505 at June 30, 2009, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 31) is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

Marta; Hood, Friesel & Associates, LLC

Champaign, Illinois
October 06, 2009

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

Balance Sheet

June 30, 2009

ASSETS

Cash	\$ -
------	------

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -
------------------	------

Fund Balance	-
--------------	---

Total Liabilities and Fund Balance	\$ -
------------------------------------	------

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

Statement of Revenues, Expenditures,
and Changes in Fund Balance

For the Year Ended June 30, 2009

	<u>Actual</u>
Revenues	
ICCB Grant	\$ 89,523
Expenditures	
Current Year's Grant:	
Salaries	74,348
Employee Benefits	15,175
Contractual Services	-
Materials and Supplies	-
Conference and Meeting Expense	-
Utilities	-
Rent	-
Other Expenditures	-
Total Expenditures	<u>89,523</u>
Excess of Revenues Over Expenditures	-
Other Financing Uses	
Operating Transfers, Net	<u>-</u>
Excess of Revenues Over Expenditures and Other Financing Uses	-
Fund Balance, June 30, 2008	<u>-</u>
Fund Balance, June 30, 2009	<u>\$ -</u>
Original Allocation	<u>\$ 89,523</u>
Minimum Expenditure Requirement	<u>\$ 44,762</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

ICCB Compliance Statement for Workforce Development -
Business/Industry Grant

For the Year Ended June 30, 2009

Expenditures	<u>General</u>	<u>Operation of Workforce Development Office</u>	<u>Total</u>
Personnel (Salaries and Benefits)	\$ 89,523	\$ -	\$ 89,523
Contractual Services	-	-	-
Instructional Materials	-	-	-
Instructional Equipment	-	-	-
Promotional Materials	-	-	-
Staff Development	-	-	-
Conference and Meeting Expense	-	-	-
Travel	-	-	-
Cost of Operating a Workforce Development Office:			
Office Equipment	-	-	-
Utilities and Telephone	-	-	-
Consumable Supplies	-	-	-
Duplicating	-	-	-
Facility Rental	-	-	-
Total Expenditures	<u>\$ 89,523</u>	<u>\$ -</u>	<u>\$ 89,523</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

State Adult Education Restricted Funds
(State Basic, Public Assistance, and Performance)

Balance Sheet

June 30, 2009

ASSETS

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

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance	-	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

State Adult Education Restricted Funds
(State Basic, Public Assistance, and Performance)

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2009

	ACTUAL			
	State Basic	Public Assistance	Performance	Total
Revenues				
ICCB Grant	\$ 108,782	\$ 40,000	\$ 112,837	\$ 261,619
Expenditures				
Instructional Student Services:				
Instruction	72,395	24,646	42,276	139,317
Social Work Services	-	2,171	-	2,171
Guidance Services	12,629	5,725	7,292	25,646
Assistive and Adaptive Equipment	-	-	-	-
Assessment and Testing	10,455	2,181	7,854	20,490
Student Transportation Services	-	-	2,970	2,970
Literacy Services	-	-	-	-
Childcare Services	-	-	-	-
Total Instructional Student Services	<u>95,479</u>	<u>34,723</u>	<u>60,392</u>	<u>190,594</u>
Program Support:				
Improvement of Instructional Services	-	-	9,226	9,226
General Administration	8,186	3,247	10,277	21,710
Operation and Maintenance of Plant Services	-	-	-	-
Workforce Coordination	-	-	-	-
Data and Information Services	5,117	2,030	32,942	40,089
Approved Indirect Costs	-	-	-	-
Total Program Support	<u>13,303</u>	<u>5,277</u>	<u>52,445</u>	<u>71,025</u>
Total Expenditures	<u>108,782</u>	<u>40,000</u>	<u>112,837</u>	<u>261,619</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

ICCB Compliance Statement for the
Adult Education and Family Literacy Grant

Expenditure Amounts and Percentages for
ICCB Grant Funds Only

For the Year Ended June 30, 2009

	<u>Audited Expenditure (Dollars)</u>	<u>Actual Expenditure (Percentage)</u>
State Basic		
Instruction (45 Percent Minimum Required)	\$ 72,395	66.55%
General Administration (9 Percent Maximum Allowed)	8,186	7.53%
State Public Assistance		
Instruction (45 Percent Minimum Required)	24,646	61.62%
General Administration (9 Percent Maximum Allowed)	3,247	8.12%

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Career and Technical Education
(Program Improvement and Innovation Grants)

Balance Sheet

June 30, 2009

ASSETS

	<u>Improvement</u>	<u>Innovation</u>	<u>Total</u>
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ -
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Career and Technical Education
(Program Improvement and Innovation Grants)

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2009

	ACTUAL		
	<u>Improvement</u>	<u>Innovation</u>	<u>Total</u>
Revenue			
ICCB Grant	\$ 32,239	\$ 11,920	\$ 44,159
Expenditures			
Salaries	-	2,450	2,450
Employee Benefits	-	231	231
Contractual Services	-	-	-
Instructional Materials	-	6,506	6,506
Staff Development	4,000	2,019	6,019
Instructional Equipment	28,239	714	28,953
Total Expenditures	<u>32,239</u>	<u>11,920</u>	<u>44,159</u>
Excess of Revenues Over Expenditures	-	-	-
Fund Balance June 30, 2008	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to ICCB Grant Financial Statements

June 30, 2009

The Workforce Development, Career and Technical Education, and Adult Education and Family Literacy Grant Programs were established as special revenue sub-funds of Parkland Community College, Community College District #505 (the College) to account for revenues and expenditures of the respective programs. These programs are administered by the Illinois Community College Board (ICCB). The following is a summary of the significant accounting policies followed by the College in respect to these funds.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2009. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Budgets and Budgetary Accounting

Each year the College prepares a budget for the grants. The budget is prepared on the same basis of accounting as the records are maintained.

Capital Outlay

Capital outlay is charged to expenditure in the period which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenditures reflected in the statements include the cost of capital outlay purchased during the year rather than a provision for depreciation.

Certain capital outlay expenditures are accumulated in the General Fixed Assets Account Group of the College, for reporting specific to ICCB and in capital assets for external financial reporting on the statement of net assets.



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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF ENROLLMENT
DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Parkland Community College
Community College District #505
Champaign, Illinois

We have audited the schedule of enrollment data and other bases upon which claims are filed of Parkland Community College, Community College District #505 for the year ended June 30, 2009. This schedule is the responsibility of the College's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidelines of the Illinois Community College Board *Fiscal Management Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule noted above presents fairly, in all material respects, the student enrollment and other bases upon which claims were filed of Parkland Community College, Community College District #505 for the year ended June 30, 2009 in conformity with the laws, regulations and rules of the Illinois Community College Board.

Our audit was conducted for the purpose of forming an opinion on the schedule noted above. The information in Schedules 35 through 39 is presented for purposes of additional analysis as required by the Illinois Community College Board. Such information has been subjected to the auditing procedures applied in the audit of the schedule of enrollment data and other bases upon which claims are filed and, in our opinion, is fairly stated, in all material respects, in relation to that schedule taken as a whole.

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

Martin Hood Friese & Associates, LLC

Champaign, Illinois
October 06, 2009



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed

For the Year Ended June 30, 2009

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	16,793.0	13.0	47,434.0	-	47,285.0	-	111,512.0	13.0
Business Occupational	558.5	9.0	2,877.5	44.0	3,097.0	59.0	6,533.0	112.0
Technical Occupational	1,744.5	-	11,774.0	-	11,994.5	-	25,513.0	-
Health Occupational	1,670.5	-	5,676.0	-	5,554.0	-	12,900.5	-
Remedial Developmental	1,180.0	-	8,748.0	-	6,420.0	-	16,348.0	-
Adult Basic/Secondary Education	81.0	862.0	192.0	3,414.0	225.0	3,549.0	498.0	7,825.0
TOTAL CREDIT HOURS CERTIFIED	22,027.5	884.0	76,701.5	3,458.0	74,575.5	3,608.0	173,304.5	7,950.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	131,093.5	88.5	131,182.0

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	2,071.5	290.0

District 2008 Equalized Assessed Valuation \$ 4,639,207,515

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

Signatures:

Chief Executive Officer (CEO)

Chief Financial Officer (CFO)

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

For the Year Ended June 30, 2009

Reconciliation of Total Semester Credit Hours

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	111,512.0	111,512.0	-	13.0	13.0	-
Business Occupational	6,533.0	6,533.0	-	112.0	112.0	-
Technical Occupational	25,513.0	25,513.0	-	-	-	-
Health Occupational	12,900.5	12,900.5	-	-	-	-
Remedial Developmental	16,348.0	16,348.0	-	-	-	-
Adult Basic / Secondary Education	498.0	498.0	-	7,825.0	7,825.0	-
Total Credit Hours Certified	<u>173,304.5</u>	<u>173,304.5</u>	<u>-</u>	<u>7,950.0</u>	<u>7,950.0</u>	<u>-</u>

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	131,093.5	131,093.5	-
Out-of-District on Chargeback or Contractual Agreement	88.5	88.5	-
Total	<u>131,182.0</u>	<u>131,182.0</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	2,071.5	2,071.5	-
Dual Enrollment	290.0	290.0	-
Total	<u>2,361.5</u>	<u>2,361.5</u>	<u>-</u>

Reconciliation of Total Correctional Semester Credit Hours

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic/Secondary Education	-	-	-
Total Credit Hours Certified	<u>-</u>	<u>-</u>	<u>-</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Documentation of Residency Verification Steps

For the Year Ended June 30, 2009

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

Applicants

The residency status on application forms is normally determined by the address the student uses on his 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 and change the residency code to the proper code.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Background Information on State Grant Activity

Unrestricted Grants

Base Operating Grants General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the college.

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

Restricted Grants/Special Initiatives

Workforce Development-Business/Industry Grants Provides funding for a business/industry center at every college to provide a variety of employment training and business services outside of the classroom.

Career and Technical Education-Program Improvement and Innovation Grants Grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Statewide Initiatives

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

Restricted Adult Education Grants/State

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

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Findings and Questioned Costs – ICCB Grant Compliance

For the Year Ended June 30, 2009

Findings – ICCB Grant Compliance

ICCB-09-01: Coding of Residency

Condition

A student was reported as having a residency status of in-district, however, per review of the student information system, the student had a residency status of out-of-district. Through inquiry with College officials it was determined that the student was not eligible for chargeback or co-op status.

Questioned Costs - None

Population and Items Tested

Fifteen courses among the three semesters of fiscal year 2009 were tested for the accuracy of credit hour reporting. An error was noted in one of the fifteen courses tested.

Cause of Conditions

Management of the College believes this was a data entry error made while coding students for credit hour eligibility.

Effect of Conditions

If left undetected or not corrected when detected, the College could receive funds from ICCB for students that are not eligible for funding.

Auditors' Recommendation

Procedures should be designed and implemented to review the accuracy of student residency coding at input into the student information system and at later points when such review is reasonable to do so.

View of Responsible Official

Management has been made aware of the inconsistency of one student's residency coding. The Business Office is coordinating efforts between Admissions & Records and Institutional Accountability & Research to determine the root of the error and prohibit a similar error in the future.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Prior Audit Findings – ICCB Grant Compliance

For the Year Ended June 30, 2009

Findings – ICCB Grant Compliance

No findings were noted in the prior fiscal year.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture			
<i>Passed through the Illinois State Board of Education (ISBE)</i>			
Child & Adult Care Food Program	10.558	N/A	\$ 28,223
Department of State/Bureau of Educational and Cultural Affairs			
<i>Passed through Kirkwood Community College, Cedar Rapids, IA</i>			
Community College Summer Initiative Program	19.009	S-ECAAS-07-CA-039(CS)	558,698 *
Department of Labor			
<i>Direct Awards</i>			
Community Based Job Training	17.269	CB-18184-09-60-A-17	2,853
National Science Foundation			
<i>Passed through the University of Illinois</i>			
NSF Grants	47.070	CNS-0722327	26,499
<i>Direct Awards</i>			
Education and Human Resources	47.076	N/A	15,060
Total National Science Foundation			41,559
Department of Education			
<i>Student Financial Aid Cluster</i>			
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	N/A	192,509
Federal Work Study (FWS)	84.033	N/A	131,752
Pell Grant Program	84.063	N/A	6,464,741
Federal Direct Loans	84.268	N/A	8,755,081
Academic Competitiveness Grant	84.375	N/A	83,371
Total Student Financial Aid			15,627,454 *
<i>Other Programs</i>			
Title III	84.031a	N/A	100,496
Trio Student Support Services	84.042a	N/A	293,548
<i>Passed through the Illinois Community College Board (ICCB)</i>			
Adult Education - Basic	84.002a	N/A	110,663
EL/Civics Program	84.002a	N/A	59,887
V.E. Perkins IIC Special Populations and Other	84.048	N/A	436,670
Total Department of Education			16,628,718
Department of Health & Human Services			
<i>Passed through the Illinois Department of Children and Family Services (DCFS)</i>			
Scholarships for Disadvantaged Students	93.925	N/A	1,548
Total Expenditures of Federal Awards			\$ 17,261,599

* - Denotes a major program.

The notes following this schedule are an integral part of this financial statement

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 40) includes the federal grant activity of Parkland Community College (the College) for the year ended June 30, 2009. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the College, which are presented in conformity with accounting principles generally accepted in the United States of America.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2009.

3. Property and Equipment

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

4. Loans Outstanding

The College has the following loan balances at June 30, 2009. These loan balances are not included in the federal expenditures presented in the schedule.

	<u>CFDA Number</u>	<u>Outstanding Balance June 30, 2009</u>
Perkins Loans	84.038	<u>\$ 149,659</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

1. Summary of Auditors' Results

- (i) Type of audit report issued on the financial statements: Unqualified
- (ii) The audit did not disclose a material weakness in internal control.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements.
- (iv) The audit did not disclose significant deficiencies in internal control over major federal awards.
- (v) Type of report issued on compliance for major programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster – Unqualified
 - Community College Summer Initiative Program - Unqualified
- (vi) The audit did not disclose findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- (vii) Major programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster
 - CFDA # 84.007
 - CFDA # 84.033
 - CFDA # 84.038
 - CFDA # 84.063
 - CFDA # 84.268
 - CFDA # 84.375
 - Community College Summer Initiative Program
 - CFDA #19.009
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$517,848.
- (ix) The College does not qualify as a low risk auditee.

2. Findings – Financial Statement Audit

None noted

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

None noted

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Prior Audit Findings for Federal Awards

For the Year Ended June 30, 2009

08-01: Financial Statement Audit – Material Weakness

Material Adjusting Journal Entries Identified as a Result of Procedures Applied by the College's External Auditors

Conditions

Audit procedures identified material misstatements of financial statement amounts provided to the auditors by management. Management was not aware of the noted misstatements prior to the auditors' identification of the errors. Subsequent to identifying these misstatements, the auditors proposed, and management approved, various adjusting journal entries, which corrected the identified misstatements in the financial statements. However, as the College's system of internal control failed to prevent or detect the misstatements the auditors consider there to be a material weakness in the College's internal controls over the preparation of financial statements.

Status

No similar finding is reported for the fiscal year ending June 30, 2009.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Parkland Community College
Community College District #505
Champaign, Illinois

We have audited the financial statements of Parkland Community College, Community College District #505 (the College) and its discretely presented component unit as of and for the year ended June 30, 2009, which collectively comprise Parkland Community College's basic financial statements and have issued our report thereon dated October 06, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The College's discretely presented component unit was not audited under the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

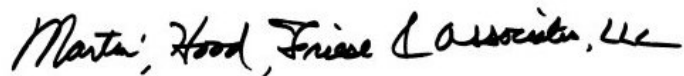
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the College's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Trustees and management of Parkland Community College, Community College District #505, others within the entity, the Illinois Community College Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Champaign, Illinois
October 06, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Parkland Community College
Community College District #505
Champaign, Illinois

Compliance

We have audited the compliance of Parkland Community College, Community College District #505 (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. 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 (Schedule 41). Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees and management of Parkland Community College, Community College District #505, others within the entity, the Illinois Community College Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marta, Hood, Friese & Associates, LLC

Champaign, Illinois
October 06, 2009