

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT
#505**

Champaign, Illinois

Annual Financial Report
For the Years Ended
June 30, 2010 and 2009

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

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June 30, 2010 and 2009

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INDEPENDENT AUDITOR'S 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 (the "College") and its discretely presented component unit (Parkland College Foundation) as of and for the year ended June 30, 2010 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 audit. The financial statements of Parkland Community College, Community College District #505 and its discretely presented component unit as of June 30, 2009, were audited by other auditors whose report dated October 6, 2009, expressed unqualified opinions on those statements. We have audited the adjustments described in Note 17 that were applied to restate the 2009 net assets of the discretely presented component unit. In our opinion such adjustments are appropriate and have been properly stated.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and, for the College, 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 audit 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 audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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, 2010 and 2009 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 7, 2010, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Board of Trustees
Parkland Community College
Community College District #505

The Management's Discussion and Analysis as listed in the table of contents 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 an opinion on the financial statements that collectively comprise the basic financial statements of Parkland Community College, Community College District #505 and its discretely presented component unit as of and for the year ended June 30, 2010. The supplemental financial information, Illinois Community College Board uniform financial statements and certificate of chargeback reimbursement, as noted in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, is also presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. As described in Note 18, 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 for a special-purpose government engaged only in business-type activities. The 2010 information included on Schedules 1 through 18, 20 through 25, and 40 has been subjected to the procedures applied to the basic financial statements and is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole, except for differences between accounting principles generally accepted in the United States of America for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above. The 2009 financial information included in these schedules has been derived from the financial statements of Parkland Community College, Community College District #505 and its discretely presented component unit as of June 30, 2009 which were audited by other auditors whose report dated October 6, 2009 indicated such information was fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2009, taken as a whole, except for differences between accounting principles generally accepted in the United States of America for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules.

The information included in Schedule 19 has not been audited by us and, accordingly, we express no opinion on it.

Oak Brook, Illinois
October 7, 2010

Robert Tilly Verchow Krause, LLP

Parkland Community College

Community College District #505

Management's Discussion and Analysis

This section of Parkland Community College's (the "College" or "Parkland") Annual Financial Report presents management's discussion and analysis of the College's financial activities, and its component unit, the Foundation, for the fiscal years ended June 30, 2008, 2009 and 2010. 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 2008, 2009 and 2010 only.

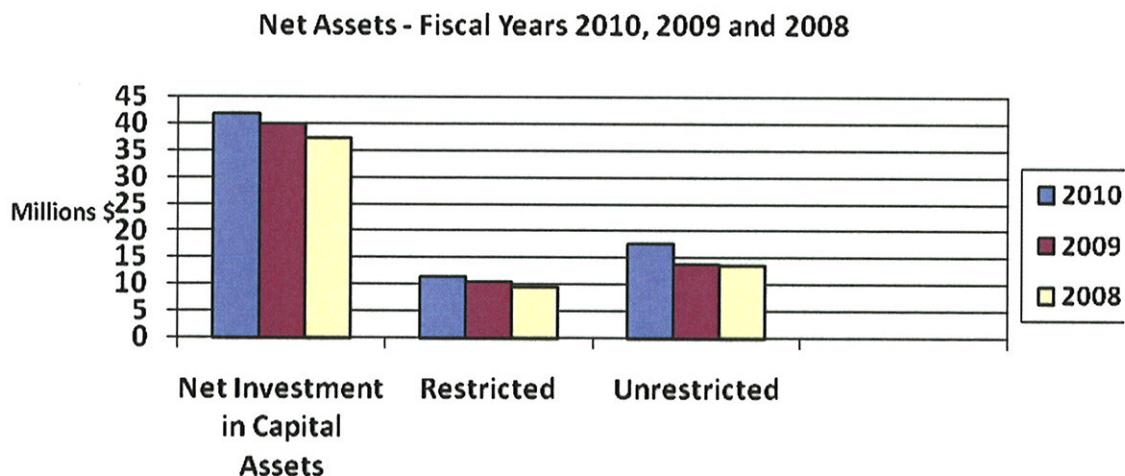
Using This Annual Report

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, 2010. 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



Parkland Community College
Community College District #505
Management's Discussion and Analysis

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

	2010	2009	2008 Restated
Current Assets	\$ 101.7	\$ 69.9	\$ 34.6
Non-Current Assets:			
Capital Assets, Net of Depreciation	56.4	48.3	43.1
Total Assets	158.1	118.2	77.7
Current Liabilities	18.9	18.1	6.8
Non-Current Liabilities	68.5	35.5	10.4
Total Liabilities	87.4	53.6	17.2
Net Assets:			
Investment in Capital Assets	41.9	40.0	37.4
Restricted	11.5	10.6	9.5
Unrestricted	17.3	14.0	13.6
Total Net Assets	\$ 70.7	\$ 64.6	\$ 60.5

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 2010 Compared to 2009

Net assets increased \$6.1 million during fiscal year 2010. The majority of this increase was capital assets with a total increase of \$1.9 million. Restricted net assets increased \$0.9 million and unrestricted net assets increased \$3.3 million.

Total liabilities increased by \$33.8 million to \$87.4 million. Current liabilities increased by \$0.8 million while non-current liabilities increased by \$33.0 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 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.

Parkland Community College
Community College District #505
Management's Discussion and Analysis

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

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)			
	2010	2009	2008
Operating Revenue:			
Tuition and Fees	\$ 16.9	\$ 16.0	\$ 15.5
Auxiliary Enterprises	6.3	5.5	5.5
Other	2.3	0.7	0.6
Total	25.5	22.2	21.6
Less: Operating Expenses	84.7	73.5	70.3
Operating Loss	(59.2)	(51.3)	(48.7)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	12.1	12.1	13.5
Local Property Taxes	24.2	22.5	19.7
Federal Grants and Contracts	24.0	17.2	16.2
On-Behalf Payments	5.9	3.7	2.9
Interest Expense	(1.1)	(0.4)	(0.3)
Investment Income	0.2	0.3	0.8
Total	65.3	55.4	52.8
Income Before Capital Contributions	6.1	4.1	4.1
Capital Contributions	-	-	-
Increase in Net Assets	6.1	4.1	4.1
Net Assets, Beginning of Year	64.6	60.5	56.4
Net Assets, End of Year	\$ 70.7	\$ 64.6	\$ 60.5

Parkland Community College
Community College District #505
Management's Discussion and Analysis

Fiscal Year 2010 Compared to 2009

Operating revenues increased \$3.3 million from last year. Operating revenue increased by \$0.9 million in the tuition & fees category. The increase in tuition and fees reflects an increase in enrollment, an increase in tuition rates from the prior year, and a favorable residency mix.

In total operating expenses increased by \$11.2 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 \$9.9 million. Local property tax revenues were up \$1.7 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 \$6.8 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 2009 Compared to 2008

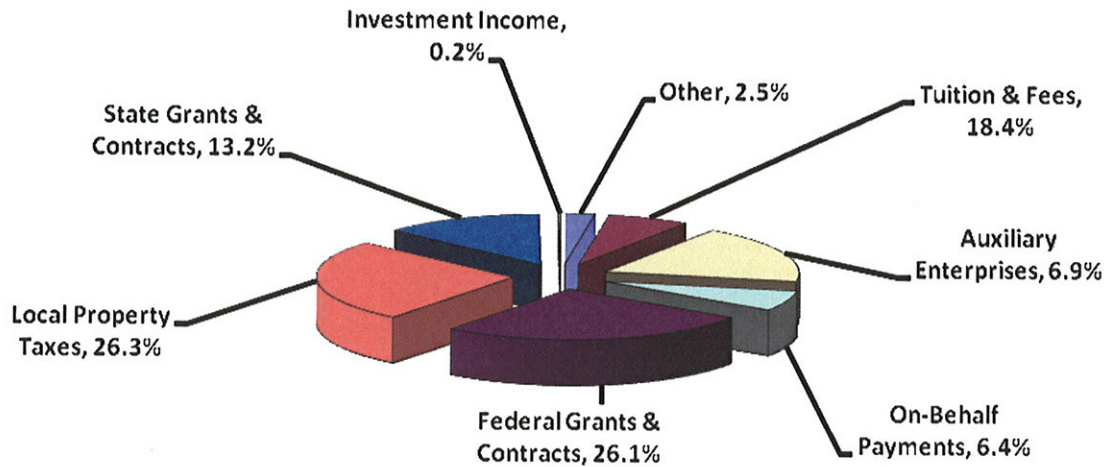
Operating revenues increased \$.6 million from last year. Operating revenue increased by \$.5 million in the tuition & fees category. The increase in tuition and fees reflects stable enrollment, an increase in tuition rates from the prior year, and a favorable residency mix.

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).

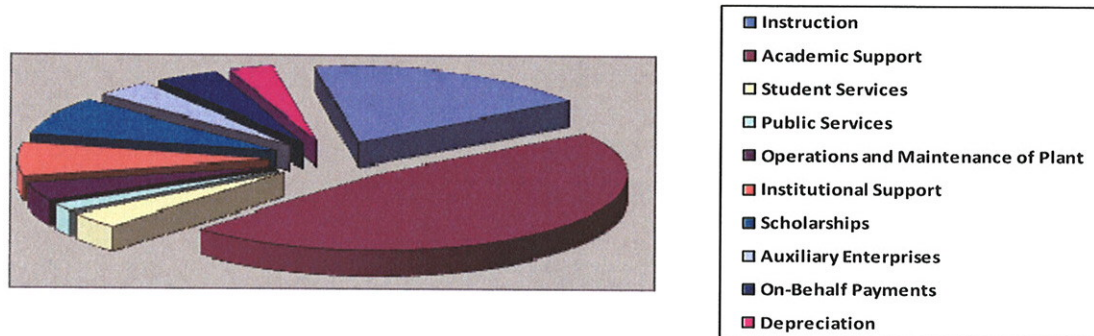
Revenue by Source Fiscal Year 2010



	2010	2009	2008
Operating Expenses:			
Instruction	\$ 26.7	\$ 24.6	\$ 23.1
Academic Support	6.7	7.6	7.3
Student Services	5.1	5.1	4.5
Public Service	2.5	1.8	1.8
Operations and Maintenance of Plant	6.3	5.8	6.7
Institutional Support	10.2	8.9	9.2
Scholarships	11.6	8.4	7.9
Auxiliary Enterprises	5.4	4.9	4.6
On-Behalf Payments	6.0	3.7	2.9
Depreciation	4.2	2.7	2.3
Total	<u>\$ 84.7</u>	<u>\$ 73.5</u>	<u>\$ 70.3</u>

Parkland Community College
Community College District #505
Management's Discussion and Analysis

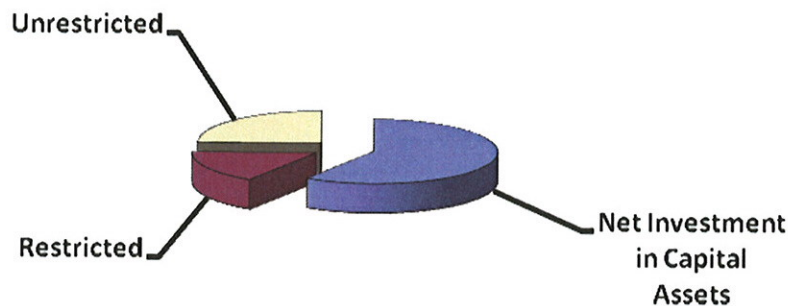
Operating Expenses Fiscal Year 2010



Analysis of Net Assets
June 30
(in millions)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:			
Net Investment in Capital Assets	\$ 41.9	\$ 40.0	\$ 37.4
Restricted	11.5	10.6	9.5
Unrestricted	17.3	14.0	13.6
Total	<u>\$ 70.7</u>	<u>\$ 64.6</u>	<u>\$ 60.5</u>

Analysis of Net Assets Fiscal Year 2010



Fiscal Year 2010 Compared to 2009

Total net assets increased by \$6.1 million from fiscal year 2010 to fiscal year 2009. Increases were realized in all three net asset categories: investment in capital assets, restricted for expendable assets, and unrestricted assets. The net investments in capital assets increased \$1.9 million. This is due primarily to construction and remodeling of new facilities. Unrestricted net assets increased by \$3.3 million or 23.6% over the previous year. The restricted net assets also increased by \$0.9 million during fiscal year 2010. This increase is due to timing in the collection of property taxes to be used for repayment of bonds issued in fiscal year 2010.

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.

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 2010, the College had \$56.4 million invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and depreciation) of \$8.1 million.

Parkland Community College
Community College District #505
Management's Discussion and Analysis

As of June 30
(Net of Depreciation in Millions)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Land	\$ 1.4	\$ 1.4	\$ 1.4
Construction in Progress	7.6	2.0	2.7
Buildings	27.5	28.6	29.7
Land Improvements	14.2	12.1	7.9
Equipment	5.7	4.2	1.5
Total	<u><u>\$ 56.4</u></u>	<u><u>\$ 48.3</u></u>	<u><u>\$ 43.2</u></u>

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

Planetarium Remodeling	\$ 0.9
Phase IX and X Drainage	1.9
CNH Diesel Addition	0.9
Engineering Science Complex	1.0
College Center	2.9
Depreciable Equipment	2.2
Administrative Software	0.4
Gym Remodel	0.7
Total	<u>\$ 10.9</u>

Parkland Community College
Community College District #505
Management's Discussion and Analysis

The College's fiscal year 2011 operating capital budget is \$26.4 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 \$75 million over the next several years. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Long-Term Debt Activity

The College's long-term debt increased during 2010 from \$35.5 million to \$69.0 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. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Economic Factors That Will Affect the Future

For fiscal year 2011, 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 completed the major administrative computing upgrade, which began in fiscal year 2008. The finance module went live July 1, 2008. The payroll/human resource went live January 1, 2009. Finally, the student systems went live 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 2011 is \$55.0 million. The total College budget is \$121.9 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.

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 18,305,551	\$ 13,283,557
Investments	17,638,554	23,580,718
Property Taxes Receivable	10,941,329	10,401,168
Accounts Receivable, Net	3,838,572	6,873,310
Inventories	714,777	686,474
Other	-	33,316
Restricted:		
Cash and Cash Equivalents	45,752,597	11,185,564
Property Taxes Receivable, Net	2,226,861	2,758,255
Accounts Receivable, Net	2,264,581	944,501
Other	-	91,829
Total Current Assets	<u>101,682,822</u>	<u>69,838,692</u>
Non-current Assets		
Land	1,441,745	1,441,745
Construction in Progress	7,556,098	1,996,435
Depreciable Property and Equipment, Net	47,389,664	44,862,303
Total Non-current Assets	<u>56,387,507</u>	<u>48,300,483</u>
Total Assets	<u>158,070,329</u>	<u>118,139,175</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	1,592,829	216,743
Accrued Liabilities	2,654,309	2,408,607
Due to Student Groups	920,615	888,446
Due to Parkland Foundation	88,951	337,597
Unearned Revenue	13,175,322	13,321,543
Retirement Obligation	484,415	706,070
Capital Lease Obligations	51,350	199,194
Total Current Liabilities	<u>18,967,791</u>	<u>18,078,200</u>
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	448,055	778,346
Capital Lease Obligations, Net of Current Portion	64,769	19,768
Accrued Compensated Absences	1,383,893	1,418,844
G.O. Bonds Payable, Net of Issue Costs and Refunding Expense	66,588,989	33,261,395
Total Long-Term Liabilities	<u>68,485,706</u>	<u>35,478,353</u>
Total Liabilities	<u>87,453,497</u>	<u>53,556,553</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	41,854,424	39,955,126
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Capital Projects	-	211,431
Debt Service	2,037,391	1,106,973
Purposes Allowed by Property Tax Levies	1,828,773	1,691,991
Unrestricted	17,296,886	14,017,743
Total Net Assets	<u>\$ 70,616,832</u>	<u>\$ 64,582,622</u>

The accompanying notes are an integral part of this statement.

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Statements of Financial Position - Component Unit
June 30, 2010 and 2009

	2010	2009 (as restated)
Assets		
Current Assets		
Due from Parkland College	\$ 88,953	\$ 337,597
Pledges Receivable, Net of Allowance of \$114,934 and \$15,800	111,400	285,692
Total Current Assets	<u>200,353</u>	<u>623,289</u>
Property & Equipment, Net	<u>400,000</u>	<u>400,000</u>
Other Assets		
Investments	5,160,338	4,969,181
Pledges Receivable, Net of Current Portion, Discount of \$15,068 and \$32,390, and Allowance of \$32,390 and \$17,500, respectively	143,690	88,441
Other Assets	17,500	17,500
Total Other Assets	<u>5,321,528</u>	<u>5,075,122</u>
Total Assets	<u><u>\$ 5,921,881</u></u>	<u><u>\$ 6,098,411</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accrued Vacation Payable	\$ 35,982	\$ 29,245
Accrued Interest	-	13,049
Split-Interest Agreement Liability	-	3,178
Notes Payable	-	395,271
Total Current Liabilities	<u>35,982</u>	<u>440,743</u>
Net Assets		
Undesignated	(789,717)	(766,781)
Board Designated	154,667	154,667
Total Unrestricted	<u>(635,050)</u>	<u>(612,114)</u>
Temporarily Restricted	2,571,728	2,562,635
Permanently Restricted	3,949,221	3,707,147
Total Net Assets	<u>5,885,899</u>	<u>5,657,668</u>
Total Liabilities and Net Assets	<u><u>\$ 5,921,881</u></u>	<u><u>\$ 6,098,411</u></u>

The accompanying notes are an integral part of this financial statement.

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Statements of Revenues, Expenses, and Changes in Net Assets
For the years ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Student Tuition and Fees, Net of Scholarship Allowance of \$9,865,048 and \$7,582,807	\$ 16,874,110	\$ 15,975,226
Auxiliary Enterprises Revenue	6,262,355	5,456,498
Other Operating Revenues	2,287,175	694,230
Total Operating Revenues	<u>25,423,640</u>	<u>22,125,954</u>
Operating Expenses		
Instruction	26,732,724	24,564,282
Academic Support	6,729,436	7,628,075
Student Services	5,087,444	5,062,848
Public Service	2,537,201	1,762,313
Operation and Maintenance of Plant	6,327,715	5,756,177
Institutional Support	10,163,901	8,935,473
Scholarships	11,540,193	8,463,929
Auxiliary Expenses	5,431,419	4,908,193
On-Behalf Payments	5,957,868	3,683,181
Depreciation	4,167,304	2,694,498
Total Operating Expenses	<u>84,675,205</u>	<u>73,458,969</u>
Operating Loss	<u>(59,251,565)</u>	<u>(51,333,015)</u>
Non-Operating Revenues (Expenses)		
State Grants and Contracts	12,102,962	12,094,716
Local Property Tax Revenues	24,157,653	22,458,646
Federal Grants and Contracts	23,997,897	17,275,712
On-Behalf Payments	5,957,868	3,683,181
Investment Income Earned	163,309	284,240
Interest Expense	(1,093,914)	(393,465)
Total Non-Operating Revenues (Expenses)	<u>65,285,775</u>	<u>55,403,030</u>
Change in Net Assets	6,034,210	4,070,015
Net Assets, Beginning of Year	<u>64,582,622</u>	<u>60,512,607</u>
Net Assets, End of Year	<u>\$ 70,616,832</u>	<u>\$ 64,582,622</u>

The accompanying notes are an integral part of this financial statement.

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Statements of Activities - Component Unit
for the years ended June 30, 2010 and 2009

	2010	2009 (as restated)
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	\$ 539,523	\$ 39,694
Correcions of Classifications	-	84,909
Net Unrealized Loss on Investments	16,235	(51,976)
Net Assets Released from Restrictions	1,809,586	632,544
Total Support and Revenue	<u>2,365,344</u>	<u>705,171</u>
Expenses:		
<i>Program Services</i>		
Scholarships	216,323	194,140
Institutional Support	1,296,332	81,040
Total Program Services	<u>1,512,655</u>	<u>275,180</u>
<i>Supporting Services</i>		
Management and General	326,751	313,474
Fund Raising	548,874	489,093
Total Supporting Services	<u>875,625</u>	<u>802,567</u>
<i>Change in Split-Interest Agreement Value</i>	-	469
Total Expenses	<u>2,388,280</u>	<u>1,078,216</u>
Decrease in Unrestricted Net Assets	<u>(22,936)</u>	<u>(373,045)</u>
Change in Temporarily Restricted Net Assets		
Contributions	515,104	1,003,327
Correcions of Classifications	-	(41,036)
In-Kind Contributions	1,135,640	387,175
Special Events	-	108,920
Interest and Dividends	48,843	105,550
Net Realized and Unrealized Gain (Loss) on Investments	119,092	(394,857)
Net Assets Released from Restrictions	<u>(1,809,586)</u>	<u>(632,544)</u>
Decrease in Temporarily Restricted Assets	<u>9,093</u>	<u>536,535</u>
Change in Permanently Restricted Net Assets		
Contributions	242,074	207,949
Correcions of Classifications	-	(43,873)
Increase in Permanently Restricted Net Assets	<u>242,074</u>	<u>164,076</u>
Change in Net Assets	<u>228,231</u>	<u>327,566</u>
Net Assets, Beginning of Year, As Previously Stated	5,657,668	5,003,124
Prior Period Adjustments	<u>-</u>	<u>326,978</u>
Net Assets, Beginning of Year, As Restated	<u>5,657,668</u>	<u>5,330,102</u>
Net Assets, End of Year	<u>\$ 5,885,899</u>	<u>\$ 5,657,668</u>

The accompanying notes 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, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Student Tuition and Fees	\$ 16,028,153	\$ 16,702,543
Payments to Suppliers	(15,410,121)	(16,452,762)
Payments to Employees and Benefits Paid	(46,173,869)	(42,846,603)
Payments for Financial Aid and Scholarships	(11,540,193)	(8,463,929)
Auxiliary Enterprise Charges	6,262,355	5,456,498
Other Receipts	2,287,175	694,230
Net Cash Used in Operating Activities	(48,546,500)	(44,910,023)
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	24,148,886	22,680,742
State Grants and Contracts	15,762,887	8,281,899
Federal Grants and Contracts	22,752,366	16,931,422
Net Cash Provided by Non-Capital Financing Activities	62,664,139	47,894,063
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(11,082,054)	(7,167,196)
Increase in Long-Term Debt through Issuance of G.O. Bonds	33,230,000	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)
Interest Paid on G.O Bonds	(2,026,688)	-
Principal Paid on Debt Certificates	-	(195,000)
Interest Paid on Debt Certificates	(230,799)	(860,624)
Principal Paid on Capital Lease Obligations	(231,408)	(204,462)
Interest Paid on Capital Lease Obligations	(7,308)	(18,654)
Proceeds from the Issuance of Debt Certificates	-	-
Net Receipts from (Disbursements to) Parkland Foundation	(248,646)	271,336
Net Cash Provided by (Used in) Capital and Related Financing Activities	19,403,097	17,384,009
Cash Flows from Investing Activities		
Purchase of Investments	5,942,164	(23,580,718)
Interest on Investments	126,127	382,816
Net Cash Provided by (Used in) Investing Activities	6,068,291	(23,197,902)
Net Increase (Decrease) in Cash	39,589,027	(2,829,853)
Cash and Cash Equivalents, Beginning of Year	24,469,121	27,298,974
Cash and Cash Equivalents, End of Year	\$ 64,058,148	\$ 24,469,121

The accompanying notes are an integral part of this financial statement.

	2010	2009
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating Loss	\$ (59,251,565)	\$ (51,333,015)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation Expense	4,167,304	2,694,498
On-Behalf Payments	5,957,868	3,683,181
Changes in Assets and Liabilities:		
Accounts Receivable, Net		
Inventories	(699,736)	195,016
Other Assets	(28,303)	(52,782)
Accounts Payable	125,145	(4,601)
Accrued Liabilities	1,507,060	(361,526)
Due to Student Groups	376,676	174,140
Deferred Revenue	32,169	51,160
Retirement Obligations	(146,221)	532,301
Accrued Compensated Absences	(551,946)	(600,287)
	(34,951)	111,892
Net Cash Used in Operating Activities	<u>\$ (48,546,500)</u>	<u>\$ (44,910,023)</u>
Supplemental Disclosure of Non-Cash Capital		
and Related Financing Activities		
Property and Equipment Purchased with Capital Leases	<u>\$ 128,565</u>	<u>\$ -</u>
In-kind Donations from Parkland College Foundation	<u>\$ 1,298,232</u>	<u>\$ -</u>
Principal Balance of Debt Certificates Issued in Fiscal Year 2010 and Currently Refunded with Proceeds from the Issuance of G.O. Bonds	<u>\$ 23,230,000</u>	<u>\$ 25,135,000</u>
Principal Balance of Alternative Revenue G.O. Bonds Issued in Fiscal Year 2010	<u>\$ 10,000,000</u>	<u>\$ -</u>
Principal balance of Debt Certificates Advance Refunded with Proceeds from the Issuance of G.O. Bonds	<u>\$ -</u>	<u>\$ 7,605,000</u>

The accompanying notes are an integral part of this financial statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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, 2010 and 2009 was \$1,894,642 and \$1,711,442, 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 2009 tax levy was passed by the Board of Trustees on December 9, 2009. 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 2009 tax levy be allocated and recognized 55 percent in fiscal year 2010 and 45 percent in fiscal year 2009. Property tax revenue for the years ended June 30, 2010 and 2009 were from the 2009 and 2008 levies and the 2008 and 2007 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, 2010, the College has recorded an allowance of \$793,426 and \$613,073 for the years ended June 30, 2010 and 2009 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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 and an estimated useful life that is greater than 1 year. 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. Unearned revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of property taxes, unexpended grant funds, and tuition and fee charges for a portion of the respective Summer semester and all of the Fall semester at June 30, 2010 and 2009. 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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The College overexpended its legally adopted budget for the Education Fund in fiscal year 2010.

The Operations and Maintenance Fund, Auxiliary Enterprises Fund, and the Protection & Settlement Fund budgets were over-expended by \$697,882, \$653,183 and \$21,148, respectively.

The Restricted Operations and Maintenance Fund overexpenditure was due to the District paying the entire principal balance for debt certificates issued during the year with debt proceeds. The College did not budget for the principal payoff amount.

The Auxiliary Enterprises Fund overexpenditure was due to increased purchases of general materials and supplies and depreciation. The College does not budget for depreciation and the budget for purchases of general materials and supplies was well below actual expenditures.

The Restricted Purpose Fund overexpenditure was due to scholarships greatly exceeding the budgeted amount.

The Liability, Protection and Settlement Fund overexpenditure was due to an excess of contractual service expenditures.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 3 – DEPOSITS 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. As of June 30, 2010 and 2009, the bank balance of the District's deposits with financial institutions totaled \$16,280,620 and \$12,906,201, respectively; all of which was collateralized and/or insured.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2010 and 2009, the College held \$13,234,388 and \$10,256,646, respectively, in the Illinois Funds Money Market Fund. The fair value of the College's position in this fund is equal to the value of the College's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has 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, 2010 and 2009, the College held a total of \$35,176,608 and \$1,610,153, respectively, in the Illinois School District Liquid Asset Fund Plus. The fair value of the College's position in this fund is equal to the value of the College's fund shares. The Illinois School District Liquid Asset Fund Plus is regulated by private rating agencies. The portfolio has 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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk and Interest Rate Risk – Investments

At June 30, 2010, 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	\$ 1,534,675	Aaa	1.0
Federal Home Loan Bank Notes	882,178	Aaa	0.4
Certificates of Deposit	<u>15,221,701</u>	N/A	N/A
 Total Investments	 <u><u>\$ 17,638,554</u></u>		

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>	N/A	N/A
 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".

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

At June 30, 2010, \$14,721,701 of the College's \$15,221,701 certificates of deposit balance was exposed to custodial credit risk. The entire exposed amount was collateralized in the name of the College. 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, 2010, the College held more than five percent of its investments subject to concentration of credit risk totaling \$2,416,853 in the following instruments:

<u>Investment:</u>	<u>Percentage</u>
Federal Home Loan Bank Notes	36.50%
Federal Home Loan Mortgage Corporation	63.50%

At June 30, 2009, the College held more than five percent of its investments subject to concentration of credit risk totaling \$2,489,827 in the following instruments:

<u>Investment:</u>	<u>Percent of Percentage</u>
Federal Home Loan Bank Notes	35.86%
Federal Home Loan Mortgage Corporation	64.14%

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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 4 – ACCOUNTS RECEIVABLE

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

	2010	2009
	<u>2010</u>	<u>2009</u>
Tuition Receivables from Students, Net	\$ 1,367,538	\$ 1,050,723
State Replacement Tax	266,197	400,312
Tuition Receivables from Agencies	1,066,649	800,058
Grants from Federal and State Sources	1,676,915	1,039,323
Unrestricted State Funding	1,053,217	3,452,972
Other Receivables	<u>672,637</u>	<u>1,074,423</u>
	<u>2010</u>	<u>2009</u>
Total Accounts Receivable, Net	<u>\$ 6,103,153</u>	<u>\$ 7,817,811</u>
Unrestricted	\$ 3,838,572	\$ 6,873,310
Restricted	<u>2,264,581</u>	<u>944,501</u>
	<u>2010</u>	<u>2009</u>
Total Accounts Receivable, Net	<u>\$ 6,103,153</u>	<u>\$ 7,817,811</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment for the year ended June 30, 2010:

	June 30, 2009	Additions	Disposals	June 30, 2010
Assets Not Being Depreciated:				
Land	\$ 1,441,745	\$ -	\$ -	\$ 1,441,745
Construction in Progress	1,996,435	7,311,599	1,751,936	7,556,098
Assets Being Depreciated:				
Buildings	54,061,531	-	-	54,061,531
Land Improvements	15,788,682	3,724,111	-	19,512,793
Equipment	7,460,456	2,970,554	-	10,431,010
Total Property and Equipment	80,748,849	14,006,264	1,751,936	93,003,177
Less: Accumulated Depreciation				
Buildings	(25,476,270)	(1,079,231)	-	(26,555,501)
Land Improvements	(3,683,294)	(1,633,225)	-	(5,316,519)
Equipment	(3,288,804)	(1,454,846)	-	(4,743,650)
Total Accumulated Depreciation	(32,448,368)	(4,167,302)	-	(36,615,670)
Property and Equipment, Net	\$ 48,300,481	\$ 9,838,962	\$ 1,751,936	\$ 56,387,507

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

	June 30, 2008	Additions	Disposals	June 30, 2009
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	10,526,989	5,261,693	-	15,788,682
Equipment	4,178,740	3,281,716	-	7,460,456
Total Property and Equipment	72,907,635	15,169,482	7,328,268	80,748,849
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	(29,753,870)	(2,694,498)	-	(32,448,368)
Property and Equipment, Net	\$ 43,153,765	\$ 12,474,984	\$ 7,328,268	\$ 48,300,481

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 6 – UNEARNED REVENUE

Unearned revenue consists of the following at June 30:

	2010	2009
Unearned Property Taxes	\$ 10,849,659	\$ 10,681,299
Unearned Student Tuition	1,838,434	1,853,158
Unearned Student Fees	69,621	690,071
Other Unearned Revenue	417,608	99,992
Total Unearned Revenue	<u>\$ 13,175,322</u>	<u>\$ 13,324,520</u>

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2010:

	June 30, 2009	Additions	Retired	June 30, 2010	Due Within One Year
Compensated Absences	\$ 1,418,844	\$ 1,225,227	\$ 1,260,178	\$ 1,383,893	\$ -
Capital Lease Obligations	218,962	128,565	231,408	116,119	51,350
General Obligation Debt Certificates	-	23,000,000	23,000,000	-	-
General Obligation Bonds	34,505,000	33,230,000	-	67,735,000	295,000
Retirement Obligation	1,484,416	379,754	931,700	932,470	484,415
Total Long- Term Debt	<u>\$ 37,627,222</u>	<u>\$ 57,963,546</u>	<u>\$ 25,423,286</u>	<u>\$ 70,167,482</u>	<u>\$ 830,765</u>

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

	June 30, 2009	Additions	Retired	June 30, 2010	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	906,070
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>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The College issued \$23,000,000 in general obligation debt certificates in November 2009 to finance construction of various construction projects. The debt certificates were refunded with the proceeds from the general obligation community college bonds described below.

The College issued 2010A general obligation community college bonds in February 2010 to refund the College's outstanding debt certificate. The bonds mature annually on December 1, beginning December 1, 2011 and run through December 1, 2027. Interest rates on the bonds range from 1.00 percent to 4.05 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2010.

The College issued 2010B general obligation community college bonds (alternative revenue source) in February 2010 to fund building construction projects. The bonds mature annually on December 1, beginning December 1, 2010 and run through December 1, 2029. Interest rates on the bonds range from 1.00 percent to 4.20 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2010. Principal and interest payments on the bonds will be supported through building fees charged to students during registration.

Maturities of the general obligation bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 295,000	\$ 3,331,837	\$ 3,626,837
2012	895,000	2,891,039	3,786,039
2013	1,105,000	2,870,626	3,975,626
2014	1,325,000	2,839,820	4,164,820
2015	1,570,000	2,803,620	4,373,620
2016-2020	12,520,000	12,956,138	25,476,138
2021-2025	23,580,000	9,212,079	32,792,079
2026-2030	26,445,000	2,522,539	28,967,539
	<u>\$ 67,735,000</u>	<u>\$ 39,427,698</u>	<u>\$ 107,162,698</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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The bonds are carried on the statement of net assets net of the amortized balance of bond issue costs and the expense of previously refunded debt certificates. The bond issue costs and refunding expense will be amortized as follows:

Fiscal Year Ending June 30	Bond Issue Costs	Refunding Expense	Total
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	20,520	77,170	97,690
2016-2020	102,600	373,898	476,498
2021-2025	102,600	22,032	124,632
2026-2030	56,431	-	56,431
	<u>\$ 364,231</u>	<u>\$ 781,780</u>	<u>\$ 1,146,011</u>

Total amortization for the years ended June 30, 2010 and 2009 was \$97,594 and \$97,786, respectively. This amount is included in interest expense.

Total interest incurred for all long term debt for the year ended June 30, 2010 was \$2,485,256, including the amortization of bond issue costs and the refunding expense. Of this amount, \$1,391,342 was capitalized as part of the cost of three capital projects that were in progress during the fiscal year. The remaining \$1,093,914 of interest has been expensed on the statement of revenues, expenses, and changes in net assets.

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.

On February 1, 2010, the College issued \$33,230,000 of general obligation bonds. \$23,000,000 of the net proceeds were used to currently refund an equivalent amount of debt certificates issued in November 2009.

In prior years, the District defeased debt certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2010, \$7,130,000 of debt principal are considered defeased.

PARKLAND COMMUNITY COLLEGE
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 8 – OPERATING LEASES 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, 2010 and 2009. The carrying value was \$3,484,800 and \$3,542,400 at June 30, 2010 and 2009, 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>	
2011	\$ 357,859
2012	357,859
2013	307,984
2014	42,826
2015	2,000
Total	<u>\$ 1,068,528</u>

NOTE 9 – LEASE COMMITMENTS

Operating Leases

The College is obligated under two non-cancellable operating leases for facilities located in Champaign, Illinois with terms running through December 2010 and June 2012. The lease ending in 2012 provides for renewal at the option of the College. The College is also obligated under two non-cancellable operating leases for office equipment, with terms running through September 2013 and December 2014. 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>	
2011	\$ 106,677
2012	77,802
2013	18,372
2014	11,392
2015	4,165
Total	<u>\$ 218,408</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 9 – LEASE COMMITMENTS (CONTINUED)

Total rental expense for operating leases for years ending June 30, 2010 and June 30, 2009 was \$129,991 and \$57,750, respectively.

Capital Lease Obligations

The College also leases copiers and construction equipment under capital leases expiring in September 2010, December 2012 and January 2013. 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>	
2011	\$ 56,275
2012	36,400
2013	32,910
Present Value of Minimum Lease Payments	<u>125,585</u>
Less: Amount Representing Interest	(9,466)
Total	<u><u>\$ 116,119</u></u>

The capitalized cost of equipment under capital leases included in the property and equipment on the schedule of net assets is \$741,438.

NOTE 10 – 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, 2010 and 2009. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 10 – EARLY RETIREMENT PLAN (CONTINUED)

At June 30, 2010 and 2009, the early retirement plan had 97 and 77 active participants, respectively. Early retirement plan expense was \$727,106 and \$236,747 for fiscal years 2010 and 2009, respectively. At June 30, 2010 and 2009, the College had accrued a liability of \$932,700 and \$1,484,416, 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 5.00 percent and 3.25 percent at June 30, 2010 and 2009, respectively. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

NOTE 11 – 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, 2010, and 2009, and 2008, and 2007 were \$5,817,506, \$3,591,398, \$2,780,400, and \$2,072,392, respectively, equal to the required contributions for each year.

For the years June 30, 2010 and 2009, the College recorded on-behalf revenue and on-behalf expense in the amount of \$5,957,868 and \$3,683,181, 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 \$140,362 and \$132,797 in fiscal years 2010 and 2009, respectively, 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.

PARKLAND COMMUNITY COLLEGE
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 12 – 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, 2010 and 2009, the net amount owed to the Foundation was \$88,953 and \$337,597, respectively.
- > During the years ended June 30, 2010 and 2009, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of \$149,236 and \$220,021, 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, 2010 and 2009 was \$1,298,232 and \$81,040, respectively. The College has not recorded revenue or expense for \$187,570 of 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. The remaining amount, \$986,404 was recorded and capitalized by the College.
- > The College sold the building formerly occupied by the Foundation (Bauman Center) to an unrelated party. The building's carrying value at June 30, 2010 was \$264,000. Also, the College paid off the mortgage on a property owned by the Foundation (Carlson property) for \$395,261.

NOTE 13 – 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, 2010 and 2009, the accrued claims were \$497,021 and are included in the accrued liabilities on the Statement of Net Assets.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 13 – SELF INSURANCE (CONTINUED)

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 three years was as follows:

	2010	2009	2008
Accrued Claims, Beginning of Year	\$ 497,021	\$ 497,021	\$ 382,422
Incurred Claims	6,571,740	5,827,238	5,164,351
Claim Payments	(6,571,740)	(5,827,238)	(5,049,752)
Accrued Claims, End of Year	<u>\$ 497,021</u>	<u>\$ 497,021</u>	<u>\$ 497,021</u>

NOTE 14 – 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.

NOTE 15 – 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, 2010.

	Due to	Due from
Education Fund	\$ 1,582,721	\$ -
Restricted Purposes Fund	-	1,582,721
Total Inter-Sub-Fund Balances	<u>\$ 1,582,721</u>	<u>\$ 1,582,721</u>
	Transfer in	Transfer out
Education Fund	\$ -	\$ 889,053
Bond and Interest Fund	452,370	-
Operations and Maintenance Fund - Restricted	-	452,370
Working Cash Fund	-	10,947
Auxiliary Athletics Fund	500,000	-
Auxiliary Reprographics Fund	240,000	-
Auxiliary Child Care Services Fund	160,000	-
Total Transfers	<u>\$ 1,352,370</u>	<u>\$ 1,352,370</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 15 – INTER-SUB-FUND BALANCES AND TRANSFERS (CONTINUED)

Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2009.

	Due to	Due from
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>

	Transfer in	Transfer out
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.

NOTE 16 – COMMITMENTS

At June 30, 2010, the College had seven uncompleted major construction contracts in progress. The remaining commitment on the construction contracts was \$2,231,464.

The College has a contract for the purchase of electricity through March 2013. 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 \$555,000. 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.

PARKLAND COMMUNITY COLLEGE
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – 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, 2010 and 2009 range from 1.8% to 3.25%.

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.

PARKLAND COMMUNITY COLLEGE
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

- 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. However, any unrelated business income may be subject to taxation.

In accordance with the accounting standard on *Accounting for Uncertainty in Income Taxes*, the Foundation addresses the determination of whether tax benefits claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merit of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities during the fiscal year 2010. Open tax years subject to examination by the U.S. and state taxing authorities are for the years 2007 to 2009, which statutes expire in 2010 to 2012, respectively.

- i. The Foundation has evaluated subsequent events through October 7, 2010, 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.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

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. The carrying amounts of accrued vacation payable are reasonable estimates of fair value due to the short-term maturity of these financial instruments. The carrying amounts of pledges receivable are recorded using the applicable discount rates in effect at the date of the gifts.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Estimates of fair value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual results.

The fair values for investments and other financial instruments recorded at fair value on a recurring basis are included in disclosures below.

- l. The Foundation adopted the provisions of Financial Accounting Standards Board (FASB) ASC Topics 958-205-45, 958-205-50 and 958-205-55 (formerly FASB Staff Position FSP 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures*) for the year ended June 30, 2009. The Topics provide guidance on classifying net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Topics also require enhanced disclosures for all not-for-profit organizations, not just those subject to UPMIFA. The State of Illinois adopted UPMIFA effective June 30, 2009. As a result of adopting the provisions of the Topics, the Foundation reclassified accumulated losses of \$51,972 out of temporarily restricted net assets into unrestricted.

The Foundation adopted the provisions of FASB ASC Topic 820 (formerly FAS No. 157, *Fair Value Measurements and Disclosures*) effective July 1, 2008. The Topic defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measures that are required under other accounting pronouncements, but did not change existing guidance as to whether or not a financial instrument is carried at fair value.

The Foundation's adoption of ASC Topic 820 in fiscal year 2009, with respect to financial assets and liabilities measured at fair value on a recurring basis, resulted in increased disclosures in the financial statements about fair value measurements. The Foundation's adoption in fiscal year 2010 of the provisions of this Topic with respect to nonrecurring fair value measurements of nonfinancial assets and liabilities, did not have a material impact on the Foundation's financial statements.

Additionally, from time to time, the Foundation may be required to measure certain assets and liabilities at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. These adjustments to fair value would usually result from the application of the lower-of-cost-or-market accounting or write-down of individual assets. The Foundation did not measure any assets or liabilities at fair value on a nonrecurring basis during the years ended June 30, 2010 or 2009.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

The Foundation also adopted the provisions of FASB ASC Topic 825 (formerly FAS No. 159, *The Fair Value Option for Financial Assets and Liabilities, including an amendment of FASB Statement No. 115*) effective July 1, 2008. ASC Topic 825 provides, among other things, an option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously recorded at fair value. The Foundation did not elect fair value accounting for any assets or liabilities that were not currently required to be measured at fair value.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This amends ASC 820 (formerly FAS 157-4) to require additional disclosures. The guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for those transfers. ASU 2010-06 is effective for fiscal year 2011. In addition, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliation; which is effective for fiscal year 2012. The adoption of this guidance is not expected to have a material impact on the Foundation's financial statements.

C. Pledges Receivable

Pledges receivable at June 30, 2010 and 2009 consist of amounts due in:

	2010	2009
Less than One Year	\$ 111,400	\$ 283,692
One to Five Years	136,690	52,934
More than Five Years	7,000	35,507
Total	<u>\$ 255,090</u>	<u>\$ 372,133</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. As defined in the standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Foundation uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the Foundation attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

The framework included in the Standard 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 Quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable market based inputs (other than quoted prices included in Level 1) or unobservable outputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

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. 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, 2010.

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 June 30, 2010:

	Cost	Market	Fair Value Level
Cash and Cash Equivalents	\$ 2,400,949	\$ 2,400,949	1
Mutual Funds	1,160,397	954,218	1
Common Stock	490,551	704,169	1
Farmland	513,609	904,160	2
Unit Investment Trust	49,156	55,327	1
Municipal Bonds	12,128	13,050	1
Life Insurance	68,169	68,169	1
Corporate Bonds	81,628	60,296	1
Total	<u>\$ 4,776,587</u>	<u>\$ 5,160,338</u>	

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

The following table sets forth by level within the fair value hierarchy, the Foundation's net assets at fair value as of June 30, 2009:

	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	882,590	2
Unit Investment Trust	103,121	110,002	1
Municipal Bonds	106,285	107,483	1
Life Insurance	68,169	68,169	1
Corporate Bonds	24,998	3,688	1
Total	<u>\$ 4,734,472</u>	<u>\$ 4,969,181</u>	

E. Endowments

The Foundation's endowment consists of approximately 100 donor restricted endowment funds established for a variety of purposes. As required under Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence of those donor imposed restrictions.

Interpretation of Relevant Law – The Foundation's governing board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the State of Illinois as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Agency and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Agency
7. The investment policies of the Agency

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

Endowment net assets composition by type of fund consists of the following at June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted				
endowment funds	\$ (35,737)	\$ 371,147	\$ 3,826,306	\$ 4,161,716
Total	<u>\$ (35,737)</u>	<u>\$ 371,147</u>	<u>\$ 3,826,306</u>	<u>\$ 4,161,716</u>

Changes in endowment net assets for the year ended June 30, 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets				
@ June 30, 2009	\$ (51,972)	\$ 223,808	\$ 3,583,760	\$ 3,755,596
Investment return:				
Investment income		45,525		45,525
Net realized and unrealized				
gain (loss)	16,235	101,814		118,049
Contributions and other				
additions		-	242,546	242,546
Endowment net assets at				
@ June 30, 2010	<u>\$ (35,737)</u>	<u>\$ 371,147</u>	<u>\$ 3,826,306</u>	<u>\$ 4,161,716</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

Endowment net assets composition by type of fund consists of the following at June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (51,972)	\$ 223,808	\$ 3,583,760	\$ 3,755,596
Total	<u>\$ (51,972)</u>	<u>\$ 223,808</u>	<u>\$ 3,583,760</u>	<u>\$ 3,755,596</u>

Changes in endowment net assets for the year ended June 30, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets @ June 30, 2008	\$ -	\$ 331,284	\$ 3,583,760	\$ 3,915,044
Investment return:				
Investment income		105,550	-	105,550
Net realized and unrealized gain (loss)	(51,972)	(379,776)	-	(431,748)
Contributions and other additions	-	166,750	-	166,750
Endowment net assets at @ June 30, 2009	<u>\$ (51,972)</u>	<u>\$ 223,808</u>	<u>\$ 3,583,760</u>	<u>\$ 3,755,596</u>

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Agency to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. These deficiencies resulted from unfavorable market fluctuations that occurred after investment of these contributions and continued distribution of these programs was deemed prudent by the governing body.

Return Objectives and Risk Parameters - Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the governing board, the primary objective will be to balance the preservation of purchasing power of principal and to produce income to meet applicable cash flow needs while minimizing risk.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Foundation has established one investment pool for endowed and non-endowed funds. The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation objectives are met by targeting a diversified asset allocation with up to 50% of the portfolio in equities, as considered prudent.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Foundation credits income received on endowment funds to the appropriate fund. The Foundation does not have a formal policy of appropriating income earned on endowment funds for distribution each year; instead, funds are spent only when the board approves such spending.

F. Property and Equipment

Property and equipment consist of the following as of June 30, 2010 and 2009:

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

G. Notes Payable

In September, 2009, Parkland College repaid in full the Foundation's promissory note. At the date of repayment, the note had a balance outstanding of \$395,261. This amount is included in contributions in the Statement of Activities. The total payment 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 was collateralized by the Foundation's investments held at a local financial institution. Interest expense for this note for the year ended June 30, 2010 and 2009 were \$13,049 and \$25,699, respectively.

H. Board Designated Net Assets

Board designated net assets at June 30, 2010 and 2009 are available for the following purposes:

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

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

I. Restricted Net Assets

Both temporarily and permanently restricted net assets at June 30, 2010 are available for scholarships and various projects and programs within the College. In addition, the Foundation's investment in farmland is included in temporarily restricted net assets.

J. 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 providing that the College will issue a non-interest bearing loan to the Foundation for the purpose of replenishing restricted funds used for operating expenditures. The balances in these accounts have been classified as "Due from Related Party" in the statement of financial position.

In September 2009, Parkland College repaid in full the Foundation's promissory note. At the date of repayment, the note had a balance outstanding of \$395,261. This amount is included in contributions in the Statement of Activities.

In addition, the College provided donated services to the Foundation consisting of salaries and benefits for 2010 and salaries, benefits and occupancy costs for 2009. For the year ended June 30, 2010, the amount contributed and included as in-kind revenues of this type totaled \$119,389 for salaries, and \$29,847, for benefits. For the year ended June 30, 2009, the amount contributed and included as in-kind revenue was \$116,561 in salaries, \$19,505 in benefits, and \$83,955 in occupancy costs. These expenses are included in the statement of activities and are allocated half to "Management and General" and half to "Fundraising".

During the year ended June 30, 2010, the Foundation received and donated to the College various in-kind items to be used in various classroom programs. The cost of these items was \$986,404 and is included as Institutional Support in the Statement of Changes in Net Assets.

K. Lease Commitments

During the year ended June 30, 2010, the Foundation entered into a lease agreement for office space which expires August 2012. Rent expense for the year ended June 30, 2010 totaled \$11,520. Future minimum lease payments under this non-cancellable operating lease are as follows:

Year Ending	
2011	\$ 17,280
2012	17,280
2013	2,880
Total	<u>\$ 37,440</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

L. Negative Unrestricted Net Assets

For the years ended June 30, 2010 and 2009, the Foundation had expenses in excess of, unrestricted support and revenue of \$22,936 and \$321,069, respectively. At June 30, 2010 and 2009, the balance of Unrestricted Net Assets (unrestricted equity) was negative \$635,050 and negative \$560,142, respectively.

The Foundation maintains a line of credit with Parkland College to fund shortfalls in cash flow. In the opinion of the governing board, this should provide for any temporary cash flow short falls. However, it is uncertain what the effect of the deficit could have on the Foundation's future ability to raise funds.

The College recognizes there may be a need in the future to support the Foundation's unrestricted operations. This is not an uncommon practice amongst Illinois community college foundations. Both the Foundation Board and College Administration will continue to monitor this situation closely and work together to maintain the Foundation's financial viability.

M. Concentration of Revenue

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

N. Restatement of Beginning Net Assets

The June 30, 2008 net assets have been restated to properly reflect the market value of the Foundation's investment in farmland. The effect of this change is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as previously reported	\$ (239,073)	\$ 1,699,126	\$ 3,543,071	\$ 5,003,124
Effect of valuation of farmland at market		326,978		326,978
Total	<u>\$ (239,073)</u>	<u>\$ 2,026,104</u>	<u>\$ 3,543,071</u>	<u>\$ 5,330,102</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 18 – 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.
- > 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.

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups- Non-GAAP Presentation
June 30, 2010

	Governmental Fund Types				Proprietary Fund Type		Fiduciary Fund Type		Account Groups		
	General	Special Revenue	Debt Service	Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)		
Assets											
Cash and Cash Equivalents	\$ 15,739,009	\$ 1,492,006	\$ 1,696,461	\$ 35,880,048	\$ 870,081	\$ 8,380,543	\$ -	\$ -	\$ 64,058,148		
Investments	-	-	-	17,638,554	-	-	-	-	17,638,554		
Receivables:											
Property Taxes	9,296,734	1,570,813	1,644,595	656,048	-	-	-	-	13,168,190		
Replacement Taxes	266,197	-	-	-	-	-	-	-	266,197		
Agency Tuition	1,066,649	-	-	-	-	-	-	-	1,066,649		
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of \$1,894,642	1,367,538	-	-	-	-	-	-	-	1,367,538		
Governmental Grants	1,053,217	-	-	-	-	-	-	-	1,053,217		
Business and Industry Training	-	-	-	-	16,094	-	-	-	16,094		
Student Loans	-	149,659	-	-	-	-	-	-	149,659		
Other	68,877	1,876,282	-	238,640	-	-	-	-	2,183,799		
Due from Parkland Foundation	-	40,281	-	260,000	-	139,430	-	-	439,711		
Due from Other Funds	1,582,721	-	-	-	-	-	-	-	1,582,721		
Inventory	-	-	-	-	714,777	-	-	-	714,777		
Property and Equipment, Net	-	-	-	-	115,922	-	56,271,585	-	56,387,507		
Other Debits											
Amount Available to Retire Debt	-	-	-	-	-	-	-	2,037,391	2,037,391		
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	66,178,237	66,178,237		
Total Assets and Other Debits	\$ 30,440,942	\$ 5,129,041	\$ 3,341,056	\$ 54,673,290	\$ 1,716,874	\$ 8,519,973	\$ 56,271,585	\$ 68,215,628	\$ 228,308,389		

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups- Non-GAAP Presentation
June 30, 2010

	Governmental Fund Types				Proprietary Fund Type		Fiduciary Fund Type		Account Groups		
	General	Special Revenue	Debt Service	Capital Projects Fund-Operation and Maintenance Restricted	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)		
Accounts Payable	\$ 106,080	\$ 17,840	\$ -	\$ 1,450,954	\$ 17,955	\$ -	\$ -	\$ -	\$ 1,592,829		
Vacation Payable	1,165,176	119,104	-	-	99,613	-	-	-	1,383,893		
Retirement Obligations	484,415	-	-	-	-	-	-	-	932,470		
Accrued Liabilities	1,981,377	-	-	-	1,508	-	-	448,055	1,982,885		
Deferred Revenue	11,572,733	1,712,957	1,303,665	724,759	108,183	-	-	-	15,422,297		
Due to Other Funds	-	1,582,721	-	-	-	-	-	-	1,582,721		
Due to Parkland Foundation	528,042	-	-	-	620	-	-	-	528,662		
Due to Student Groups	-	-	-	-	-	920,615	-	-	920,615		
Capital Lease Obligations	-	-	-	-	83,546	-	-	32,573	116,119		
G. O. Bonds	-	-	-	-	-	-	-	67,735,000	67,735,000		
Total Liabilities	15,837,823	3,432,622	1,303,665	2,175,713	311,425	920,615	-	68,215,628	92,197,491		
Investment in General Fixed Assets	-	-	-	-	-	-	56,271,585	-	56,271,585		
Fund Balance:	-	-	-	-	-	-	-	-	-		
Reserved For:	-	-	-	-	-	-	-	-	-		
Student Loans	-	149,659	-	-	-	-	-	-	149,659		
Trust and Agency Assets	-	-	-	-	-	7,599,358	-	-	7,599,358		
Unreserved, Undesignated	14,603,119	1,546,760	2,037,391	52,497,577	-	-	-	-	70,684,847		
Retained Earnings	-	-	-	-	1,405,449	-	-	-	1,405,449		
Total College Equity	14,603,119	1,696,419	2,037,391	52,497,577	1,405,449	7,599,358	56,271,585	-	136,110,898		
Total Liabilities and College Equity	\$ 30,440,942	\$ 5,129,041	\$ 3,341,056	\$ 54,673,290	\$ 1,716,874	\$ 8,519,973	\$ 56,271,585	\$ 68,215,628	\$ 228,308,389		

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
All Governmental Fund Types- Non-GAAP Presentation
For the Year Ended June 30, 2010

	General	Special Revenue
Revenue		
Local Sources	\$ 17,161,215	\$ 2,767,548
State Sources	8,763,012	3,267,625
Federal Sources	356,346	23,641,551
Tuition and Fees	25,543,469	-
Facilities	1,106,623	-
Interest	65,437	532
Other Revenue	1,272,285	252,705
On-Behalf Payments	5,957,868	-
Total Revenue	<u>60,226,255</u>	<u>29,929,961</u>
Expenditures		
Instruction	26,640,185	662,514
Academic Support	4,812,811	2,547,100
Student Services	4,368,886	807,460
Public Service	793,735	1,623,430
Auxiliary Services	-	5,319
Operation and Maintenance of Plant	6,096,278	1,496,897
Scholarships and Grants	-	21,405,241
Institutional Support	8,684,054	1,134,363
Principal	231,408	-
Interest	-	-
On-Behalf Payments	5,957,868	-
Total Expenditures	<u>57,585,225</u>	<u>29,682,324</u>
Revenue Over (Under) Expenditures	<u>2,641,030</u>	<u>247,637</u>
Other Financing Sources (Uses)		
Issuance of G. O. Bonds (Refunding Bonds)	-	-
Issuance of Debt Certificate	-	-
Current Refunded Debt Certificates - Principal	-	-
Accrued Interest on Bonds Sold	-	-
Proceeds from Capital Leases	128,565	-
Operating Transfers, Net	(889,053)	-
Total Other Financing Sources (Uses)	<u>(760,488)</u>	<u>-</u>
Net Change in Fund Balance	1,880,542	247,637
Fund Balance, June 30, 2009	<u>12,722,577</u>	<u>1,448,782</u>
Fund Balance, June 30, 2010	<u>\$ 14,603,119</u>	<u>\$ 1,696,419</u>

Schedule 2

Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
\$ 2,494,438	\$ 1,730,776	\$ 24,153,977
-	-	12,030,637
-	-	23,997,897
-	-	25,543,469
-	855,093	1,961,716
-	555,163	621,132
10,298	-	1,535,288
-	-	5,957,868
<u>2,504,736</u>	<u>3,141,032</u>	<u>95,801,984</u>
-	-	27,302,699
-	3,828	7,363,739
-	-	5,176,346
-	-	2,417,165
-	-	5,319
-	8,138,427	15,731,602
-	-	21,405,241
-	395,261	10,213,678
-	-	231,408
2,026,688	237,600	2,264,288
-	-	5,957,868
<u>2,026,688</u>	<u>8,775,116</u>	<u>98,069,353</u>
<u>478,048</u>	<u>(5,634,084)</u>	<u>(2,267,369)</u>
-	33,230,000	33,230,000
-	23,000,000	23,000,000
-	(23,000,000)	(23,000,000)
-	7,600	7,600
-	-	128,565
<u>452,370</u>	<u>(452,370)</u>	<u>(889,053)</u>
<u>452,370</u>	<u>32,785,230</u>	<u>32,477,112</u>
930,418	27,151,146	30,209,743
<u>1,106,973</u>	<u>25,346,431</u>	<u>40,624,763</u>
<u>\$ 2,037,391</u>	<u>\$ 52,497,577</u>	<u>\$ 70,834,506</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE**

Combined Statement of Revenue, Expenditures,
and Changes in Fund Balances - Budget and Actual - Modified Accrual Basis
All Budgeted Governmental Fund Types- Non-GAAP Presentation
For the Year Ended June 30, 2010

	General		Special Revenue		Debt Service - Bond and Interest Fund		Capital Projects Fund - Operation and Maintenance		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenue										
Local Sources	\$ 19,183,977	\$ 17,161,215	\$ 2,721,027	\$ 2,787,548	\$ 2,478,223	\$ 2,484,438	\$ 57,374,269	\$ 1,730,776	\$ 82,357,496	\$ 24,153,977
State Sources	7,159,012	8,763,012	4,754,858	3,287,625	-	-	-	-	11,913,870	12,030,637
Federal Sources	169,500	356,346	24,356,997	23,641,551	-	-	-	-	24,526,497	23,967,897
Tuition and Fees	25,453,982	25,543,469	-	-	-	-	451,132	-	25,905,114	25,543,469
Facilities	1,037,000	1,106,623	-	-	-	-	400,000	855,093	1,961,716	1,961,716
Interest	61,000	65,437	5,250	532	-	-	338,500	555,163	404,750	621,132
Other Revenue	392,500	1,272,285	374,781	252,705	-	10,298	260,000	-	1,027,281	1,535,288
Total Revenue	53,456,971	54,268,387	32,212,913	29,929,961	2,478,223	2,504,736	59,423,901	3,141,032	147,572,008	89,844,116
Expenditures										
Instruction	26,682,560	26,640,185	718,296	662,514	-	-	-	-	27,400,856	27,302,699
Academic Support	4,969,161	4,812,811	2,875,683	2,547,100	-	-	-	3,828	7,844,844	7,863,739
Student Services	4,463,834	4,366,886	881,795	807,460	-	-	-	-	5,345,629	5,176,346
Public Service	814,450	793,735	3,451,225	1,623,430	-	-	-	-	4,265,675	2,417,165
Auxiliary Services	-	-	400	5,319	-	-	-	-	400	5,319
Operation and Maintenance of Plant	5,629,804	6,096,278	1,594,109	1,486,897	-	-	14,970,500	8,138,427	22,194,413	15,731,602
Grants and Scholarships	-	-	21,818,472	21,405,241	-	-	-	-	21,818,472	21,405,241
Institutional Support	9,190,293	8,584,054	1,118,918	1,134,363	-	-	-	395,261	10,309,211	10,213,678
Principal	-	231,408	-	-	-	-	23,400,000	-	23,400,000	231,408
Interest	-	-	-	-	-	-	-	237,600	-	237,600
Total Expenditures	51,750,102	51,627,357	32,458,898	29,682,324	2,026,688	2,026,688	39,608,100	8,775,116	124,843,788	92,111,485
Revenue Over (Under) Expenditures	1,706,869	2,641,030	(245,985)	247,637	451,535	478,048	20,815,801	(5,634,084)	22,728,220	(2,267,369)
Other Financing Sources (Uses)										
Issuance of G. O. Bonds (Refunding Bonds)	-	-	-	-	-	-	-	-	-	33,230,000
Issuance of Debt Certificate	-	-	-	-	-	-	-	-	-	23,000,000
Current Refunded Debt Certificates - Principal	-	-	-	-	-	-	-	-	-	(23,000,000)
Accrued Interest on Bonds Sold	-	-	-	-	-	-	-	7,600	-	7,600
Proceeds from Capital Leases	-	128,565	-	-	-	-	-	-	-	128,565
Operating Transfers, Net	(800,000)	(889,053)	-	-	410,000	452,370	(410,000)	(452,370)	(800,000)	(889,053)
Total Other Financing Sources (Uses)	(800,000)	(760,488)	-	-	410,000	452,370	(410,000)	32,785,230	(800,000)	32,477,112
Net Change in Fund Balance	\$ 906,869	\$ 1,880,542	\$ (245,985)	\$ 247,637	\$ 861,535	\$ 930,418	\$ 20,405,801	\$ 27,151,146	\$ 21,928,220	\$ 30,208,743
Fund Balance, June 30, 2009	-	12,722,577	-	1,448,782	-	1,106,973	-	25,346,431	-	40,624,763
Fund Balance, June 30, 2010	\$ 14,503,119	\$ 14,503,119	\$ 1,696,419	\$ 1,696,419	\$ 2,037,391	\$ 2,037,391	\$ 52,497,577	\$ 52,497,577	\$ 70,834,506	\$ 70,834,506

**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- Non-GAAP Presentation
For the Year Ended June 30, 2010

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	\$ -	\$ -	\$ 5,227,200	\$ 5,589,719
Student Tuition and Fees	-	-	767,040	1,079,530
State Sources	-	-	108,000	72,325
Other Revenue	-	-	8,000	41,984
Investment Revenue	-	10,947	1,000	-
Total Operating Revenue	-	10,947	6,111,240	6,783,558
Operating Expenses				
Salaries	-	-	1,562,541	1,400,245
Employee Benefits	-	-	340,134	350,659
Contractual Services	-	-	385,236	334,538
General Materials and Supplies	-	-	3,128,962	3,760,049
Conference and Meeting	-	-	162,645	202,993
Fixed Charges	-	-	917,686	1,008,944
Utilities	-	-	5,525	-
Capital Outlay	-	-	49,943	27,848
Depreciation	-	-	-	153,703
Other	-	-	218,172	185,048
Total Operating Expenses	-	-	6,770,844	7,424,027
Operating Income (Loss)	-	10,947	(659,604)	(640,469)
Other Financing Sources (Uses)				
Operating Transfers, Net	-	(10,947)	875,000	900,000
Net Income	<u>\$ -</u>	<u>-</u>	<u>\$ 215,396</u>	<u>259,531</u>
College Equity, July 1, 2009		<u>7,600,000</u>		<u>1,145,918</u>
College Equity, June 30, 2010		<u>\$ 7,600,000</u>		<u>\$ 1,405,449</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, 2010

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 5,715,324
Student Tuition and Fees	-	1,257,307
Payments to Suppliers	-	(5,529,543)
Payments to Employees and Benefits Paid	-	(1,745,168)
Other Receipts	10,947	192,847
Net Cash Provided by (Used In) Operating Activities	<u>10,947</u>	<u>(109,233)</u>
Capital and Related Financing Activities		
Purchase of Equipment	-	(59,548)
Net Cash Used In Capital and Related Financing Activities	<u>-</u>	<u>(59,548)</u>
Non-Capital Financing Activities		
Change in Due To (From) Other Funds	-	(1,093,935)
Operating Transfers In (Out)	(10,947)	900,000
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(10,947)</u>	<u>(193,935)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(362,716)
Cash and Cash Equivalents, July 1, 2009	<u>7,600,000</u>	<u>1,232,797</u>
Cash and Cash Equivalents, June 30, 2010	<u>\$ 7,600,000</u>	<u>\$ 870,081</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 10,947	\$ (640,469)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	-	153,703
Changes in Assets and Liabilities:		
Receivables	-	380,879
Inventories	-	(28,303)
Vacation Payable	-	5,736
Deferred Revenue	-	1,039
Net Cash Provided by (Used In) Operating Activities	<u>\$ 10,947</u>	<u>\$ (127,415)</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2010

	Education Fund	Operation and Maintenance Fund	Total
Assets			
Cash and Cash Equivalents	\$ 14,111,135	\$ 1,627,874	\$ 15,739,009
Receivables:			
Property Taxes, Net	6,714,309	2,582,425	9,296,734
Replacement Taxes, Net	159,718	106,479	266,197
Agency Tuition, Net	1,066,649	-	1,066,649
Student Tuition and Fees, Net	1,367,538	-	1,367,538
Governmental Grants	1,053,217	-	1,053,217
Other	27,557	41,320	68,877
Due From Other Funds	<u>1,582,721</u>	<u>-</u>	<u>1,582,721</u>
Total Assets	<u><u>\$ 26,082,844</u></u>	<u><u>\$ 4,358,098</u></u>	<u><u>\$ 30,440,942</u></u>
Liabilities			
Accounts Payable	\$ 106,873	\$ (793)	\$ 106,080
Vacation Payable	1,070,453	94,723	1,165,176
Retirement Payable	484,415	-	484,415
Due to Component Units	528,042	-	528,042
Accrued Liabilities	1,981,377	-	1,981,377
Deferred Revenue	<u>9,439,073</u>	<u>2,133,660</u>	<u>11,572,733</u>
Total Liabilities	<u><u>13,610,233</u></u>	<u><u>2,227,590</u></u>	<u><u>15,837,823</u></u>
Fund Balance			
Unreserved	<u>12,472,611</u>	<u>2,130,508</u>	<u>14,603,119</u>
Total Fund Balance	<u><u>12,472,611</u></u>	<u><u>2,130,508</u></u>	<u><u>14,603,119</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 26,082,844</u></u>	<u><u>\$ 4,358,098</u></u>	<u><u>\$ 30,440,942</u></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, 2010

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	\$ 12,494,509	\$ 4,666,706	\$ 17,161,215
State Sources	8,051,736	711,276	8,763,012
Federal Sources	356,346	-	356,346
Tuition and Fees	25,543,469	-	25,543,469
Facilities	-	1,106,623	1,106,623
Interest	62,707	2,730	65,437
Other Revenue	473,367	798,918	1,272,285
On-Behalf Payments	5,957,868	-	5,957,868
Total Revenue	<u>52,940,002</u>	<u>7,286,253</u>	<u>60,226,255</u>
Expenditures			
Instruction	26,640,185	-	26,640,185
Academic Support	4,812,811	-	4,812,811
Student Services	4,368,886	-	4,368,886
Public Service	793,735	-	793,735
Operation and Maintenance of Plant	-	6,096,278	6,096,278
Institutional Support	8,684,054	-	8,684,054
On-Behalf Payments	5,957,868	-	5,957,868
Debt service:			
Principal	-	231,408	231,408
Total Expenditures	<u>51,257,539</u>	<u>6,327,686</u>	<u>57,585,225</u>
Revenue Over Expenditures	<u>1,682,463</u>	<u>958,567</u>	<u>2,641,030</u>
Other Financing Sources (Uses)			
Proceeds from capital leases	-	128,565	128,565
Payment to Escrow Agent	-	-	-
Operating Transfers, Net	(889,053)	-	(889,053)
Total Other Financing Sources (Uses)	<u>(889,053)</u>	<u>128,565</u>	<u>(760,488)</u>
Net Change in Fund Balance	793,410	1,087,132	1,880,542
Fund Balance, June 30, 2009	<u>11,679,201</u>	<u>1,043,376</u>	<u>12,722,577</u>
Fund Balance, June 30, 2010	<u>\$ 12,472,611</u>	<u>\$ 2,130,508</u>	<u>\$ 14,603,119</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
For the Year Ended June 30, 2010

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
Assets				
Cash and Cash Equivalents	\$ -	\$ 108,039	\$ 1,506,393	\$ 1,614,432
Receivables:				
Property Taxes, Net	-	49,052	1,521,761	1,570,813
Student Loans	149,659	-	-	149,659
Due from Related Party	11,340	-	28,941	40,281
Other Receivable	1,876,282	-	-	1,876,282
Total Assets	<u>\$ 2,037,281</u>	<u>\$ 157,091</u>	<u>\$ 3,057,095</u>	<u>\$ 5,251,467</u>
Liabilities				
Cash Deficit	\$ 122,426	\$ -	\$ -	\$ 122,426
Accounts Payable	17,590	-	250	17,840
Vacation Payable	29,073	-	90,031	119,104
Deferred Revenue	417,825	40,540	1,254,592	1,712,957
Due to Other Funds	1,582,721	-	-	1,582,721
Total Liabilities	<u>2,169,635</u>	<u>40,540</u>	<u>1,344,873</u>	<u>3,555,048</u>
Fund Balance				
Reserved For:				
Student Loans	149,659	-	-	149,659
Unreserved, Undesignated	(282,013)	116,551	1,712,222	1,546,760
Total Fund Balance	<u>(132,354)</u>	<u>116,551</u>	<u>1,712,222</u>	<u>1,696,419</u>
Total Liabilities and Fund Balance	<u>\$ 2,037,281</u>	<u>\$ 157,091</u>	<u>\$ 3,057,095</u>	<u>\$ 5,251,467</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, 2010

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	\$ -	\$ 88,383	\$ 2,679,165	\$ 2,767,548
State Sources	3,267,625	-	-	3,267,625
Federal Sources	23,641,551	-	-	23,641,551
Interest	38	17	477	532
Other	252,705	-	-	252,705
Total Revenue	27,161,919	88,400	2,679,642	29,929,961
Expenditures				
Instruction	662,514	-	-	662,514
Academic Support	2,547,100	-	-	2,547,100
Student Services	807,460	-	-	807,460
Public Service	1,623,430	-	-	1,623,430
Auxiliary Services	5,319	-	-	5,319
Operations and Maintenance of Plant	-	-	1,496,897	1,496,897
Scholarships and Grants	21,405,241	-	-	21,405,241
Institutional Support	-	67,085	1,067,278	1,134,363
Total Expenditures	27,051,064	67,085	2,564,175	29,682,324
Net Change in Fund Balance	110,855	21,315	115,467	247,637
Fund Balance, June 30, 2009	(243,209)	95,236	1,596,755	1,448,782
Fund Balance, June 30, 2010	\$ (132,354)	\$ 116,551	\$ 1,712,222	\$ 1,696,419

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combining Balance Sheet
Enterprise Funds
June 30, 2010

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Assets								
Cash and Cash Equivalents	\$ 98,950	\$ 164,307	\$ 79,824	\$ -	\$ -	\$ 1,386,611	\$ 45,353	\$ 1,725,045
Receivables:								
Business and Industry Training	-	-	-	-	16,094	-	-	16,094
Inventory	-	-	-	-	-	714,777	-	714,777
Property and Equipment, Net of Accumulated Depreciation	5,240	48,596	24,796	1,164	(4,151)	40,337	-	115,922
Total Assets	\$ 104,190	\$ 212,843	\$ 104,620	\$ 1,164	\$ 11,943	\$ 2,091,725	\$ 45,353	\$ 2,571,838
Liabilities								
Cash Deficit	\$ -	\$ -	\$ -	\$ 205,608	\$ 649,356	\$ -	\$ -	\$ 854,964
Account Payable		17,922			33			17,955
Vacation Payable	26,424	12,137	13,346	-	12,315	29,391	-	99,613
Accrued Liabilities			1,508					1,508
Due to Parkland Foundation			108,400	-	-	(217)	620	620
Deferred Revenue								108,183
Capital Lease Obligations		83,546						83,546
Total Liabilities	26,424	113,605	129,254	205,608	661,704	29,174	620	1,166,389
Retained Earnings (Deficit)	77,766	99,238	(24,634)	(204,444)	(649,761)	2,062,551	44,733	1,405,449
Total Liabilities and Retained Earnings	\$ 104,190	\$ 212,843	\$ 104,620	\$ 1,164	\$ 11,943	\$ 2,091,725	\$ 45,353	\$ 2,571,838

**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, 2010

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Operating Revenue								
Student and Community Services	\$ 431,391	\$ 410,055	\$ 26,207	-	-	\$ 4,700,385	\$ 21,681	\$ 5,589,719
Student Tuition and Fees	-	-	265,606	72,000	717,924	-	23,000	1,079,530
State Sources	-	-	-	-	72,325	-	-	72,325
Other Revenue	-	-	58	-	41,926	-	-	41,984
Total Operating Revenue	<u>431,391</u>	<u>410,055</u>	<u>292,871</u>	<u>72,000</u>	<u>832,175</u>	<u>4,700,385</u>	<u>44,681</u>	<u>6,783,558</u>
Operating Expenses								
Salaries	364,225	116,354	61,680	265,326	273,335	298,846	22,479	1,400,245
Employee Benefits	172,048	20,189	9,871	21,393	47,036	78,901	1,221	350,659
Contractual Services	-	1,766	22,831	66,002	241,949	-	1,990	334,538
General Materials and Supplies	40,869	74,403	5,676	55,329	92,975	3,464,052	26,745	3,760,049
Conference and Meeting	-	642	41,322	150,843	5,830	2,740	1,616	202,993
Fixed Charges	-	237,007	-	-	12,000	759,937	-	1,008,944
Capital Outlay	-	8,255	-	-	4,300	9,351	5,942	27,848
Depreciation	-	83,851	30,434	1,164	26,440	11,814	-	153,703
Other	583	-	130,000	54,465	-	-	-	185,048
Total Operating Expenses	<u>577,725</u>	<u>542,467</u>	<u>301,814</u>	<u>614,522</u>	<u>703,865</u>	<u>4,623,641</u>	<u>59,993</u>	<u>7,424,027</u>
Operating Income (Loss)	(146,334)	(132,412)	(8,943)	(542,522)	128,310	76,744	(15,312)	(640,469)
Other Financing Sources								
Operating Transfers, Net	<u>160,000</u>	<u>240,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>
Net Income (Loss)	13,666	107,588	(8,943)	(42,522)	128,310	76,744	(15,312)	259,531
Retained Earnings (Deficit), July 1, 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>
Retained Earnings (Deficit), June 30, 2010	<u>\$ 77,766</u>	<u>\$ 99,238</u>	<u>\$ (24,634)</u>	<u>\$ (204,444)</u>	<u>\$ (649,761)</u>	<u>\$ 2,082,551</u>	<u>\$ 44,733</u>	<u>\$ 1,405,449</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combining Statement of Cash Flows
Enterprise Funds

For the Year Ended June 30, 2010

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Cash Flows from Operating Activities								
Auxiliary Enterprise Charges	\$ 447,273	\$ 410,055	\$ 26,207	\$ -	\$ -	\$ 4,810,108	\$ 21,681	\$ 5,715,324
Student Tuition and Fees	-	-	350,337	72,000	811,970	-	23,000	1,257,307
Payments to Suppliers	(41,192)	(304,151)	(199,829)	(326,639)	(357,054)	(4,264,385)	(36,293)	(5,529,543)
Payments to Employees and Benefits Paid	(541,782)	(135,064)	(69,583)	(286,719)	(317,344)	(370,976)	(23,700)	(1,745,168)
Other Receipts	338	-	145	-	114,286	78,078	-	192,847
Net Cash Provided by (Used In) Operating Activities	(135,363)	(29,160)	107,277	(541,358)	251,858	252,825	(15,312)	(109,233)
Capital and Related Financing Activities								
Purchase of Equipment	(5,239)	(20,714)	-	-	(15,535)	(18,060)	-	(59,548)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(5,239)	(20,714)	-	-	(15,535)	(18,060)	-	(59,548)
Non-Capital Financing Activities								
Change in Due To (From) Other Funds	-	(25,819)	(27,453)	(164,250)	(885,679)	-	9,266	(1,093,955)
Operating Transfers In	160,000	240,000	-	500,000	-	-	-	900,000
Net Cash Provided by (Used In) Non- Capital Financing Activities	160,000	214,181	(27,453)	335,750	(885,679)	-	9,266	(193,955)
Net Increase (Decrease) in Cash and Cash Equivalents	19,398	164,307	79,824	(205,608)	(649,356)	234,765	(6,046)	(362,716)
Cash and Cash Equivalents, July 1, 2009	79,552	-	-	-	-	1,101,846	51,399	1,232,797
Cash and Cash Equivalents, June 30, 2010	\$ 98,950	\$ 164,307	\$ 79,824	\$ (205,608)	\$ (649,356)	\$ 1,336,611	\$ 45,353	\$ 870,081
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ (146,334)	\$ (132,412)	\$ (9,943)	\$ (542,522)	\$ 128,310	\$ 76,744	\$ (15,312)	\$ (640,469)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation Expense	-	83,851	30,434	1,164	26,440	11,814	-	153,703
Changes in Assets and Liabilities:								
Receivables	16,220	-	83,183	-	94,081	187,395	-	380,879
Inventories	-	-	-	-	-	(28,303)	-	(28,303)
Accounts Payable	260	17,922	-	-	-	-	-	-
Vacation Payable	(5,509)	1,479	1,968	-	3,027	4,771	-	5,736
Deferred Revenue	-	-	635	-	-	404	-	1,039
Net Cash Provided By (Used In) Operating Activities	\$ (135,363)	\$ (29,160)	\$ 107,277	\$ (541,358)	\$ 251,858	\$ 252,825	\$ (15,312)	\$ (127,415)

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Combining Balance Sheet
Fiduciary Funds
June 30, 2010

	Non-Expendable Trust		
	Working Cash Fund	Trust and Agency Fund	Total
Assets			
Cash and Cash Equivalents	\$ 7,600,000	\$ 780,543	\$ 8,380,543
Receivables:			
Due from Related Party	-	139,430	139,430
Total Assets	<u><u>\$ 7,600,000</u></u>	<u><u>\$ 919,973</u></u>	<u><u>\$ 8,519,973</u></u>
Liabilities			
Due to Student Groups	\$ -	\$ 920,615	\$ 920,615
Total Liabilities	-	920,615	920,615
Fund Balance			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	<u><u>\$ 7,600,000</u></u>	<u><u>\$ 919,973</u></u>	<u><u>\$ 8,519,973</u></u>

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**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, 2010
(With Comparative Totals for the Year Ended June 30, 2009)

	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							2010	2009
Revenue										
Local Sources	\$ 12,494,509	\$ 1,730,776	\$ -	\$ -	\$ -	\$ 2,494,438	\$ 88,383	\$ -	\$ 24,153,977	\$ 22,458,646
State Sources	8,051,736	-	72,325	3,287,625	-	-	-	-	12,102,962	12,094,716
Federal Sources	356,346	-	-	23,641,551	-	-	-	-	23,997,897	17,275,712
Tuition and Fees	25,543,469	-	1,079,530	-	-	-	-	-	26,622,999	23,478,536
Facilities	-	855,083	-	-	-	-	-	-	1,961,716	1,004,158
Other Revenue	536,074	555,163	5,631,703	252,743	10,947	10,298	17	477	7,799,070	6,571,332
On-Behalf Payments	5,957,868	-	-	-	-	-	-	-	5,957,868	3,693,181
Total Revenue	52,940,002	3,141,032	6,783,558	27,161,919	10,947	2,504,736	88,400	2,679,642	102,596,489	86,566,281
Expenditures										
Instruction	26,640,185	-	-	662,514	-	-	-	-	27,302,699	25,051,098
Academic Support	4,812,811	3,828	458,615	2,547,100	-	-	-	-	7,822,354	7,628,075
Student Services	4,368,866	-	-	807,480	-	-	-	-	5,176,346	5,062,848
Public Service	793,735	-	689,060	1,623,430	-	-	-	-	3,106,225	1,762,313
Auxiliary Services	-	-	6,134,283	5,319	-	-	-	-	6,139,602	5,505,481
Operation and Maintenance of Plant	-	8,138,427	-	-	-	-	-	1,496,897	15,731,802	12,434,072
Institutional Support	8,684,054	395,261	-	-	-	-	67,085	1,067,278	10,213,678	10,398,535
Scholarships and Grants	-	-	-	21,405,241	-	-	-	-	21,405,241	16,046,736
Principal	-	-	-	-	-	-	-	-	231,408	-
Interest	-	237,600	-	-	-	2,026,688	-	-	2,264,288	870,759
Depreciation	-	-	142,069	-	-	-	-	-	142,069	158,686
On-Behalf Payments	5,957,868	-	-	-	-	-	-	-	5,957,868	3,693,181
Total Expenditures	51,257,539	8,775,116	7,424,027	27,051,064	-	2,026,688	67,085	2,564,175	105,493,380	88,601,784
Revenue Over (Under) Expenditures	1,682,463	(5,634,084)	(640,469)	110,855	10,947	478,048	21,315	115,467	(2,896,891)	(2,035,483)
Other Financing Sources (Uses)										
Issuance of G. O. Bonds (Refunding Bonds)	-	-	-	-	-	-	-	-	-	-
Issuance of Debt Certificate	-	33,230,000	-	-	-	-	-	-	33,230,000	34,595,000
Current Refunded Debt Certificates - Principal	-	23,000,000	-	-	-	-	-	-	23,000,000	25,135,000
Advanced Refunded Debt Certificates - Payment to Escrow Agent	-	(23,000,000)	-	-	-	-	-	-	(23,000,000)	(25,135,000)
Accrued Interest on Bonds Sold	-	7,600	-	-	-	-	-	-	7,600	(8,541,120)
Proceeds of Capital Leases	-	-	-	-	-	-	-	-	-	-
Operating Transfers, Net	(889,053)	(452,370)	900,000	-	(10,947)	452,370	-	-	128,565	-
Total Other Financing Sources (Uses)	(889,053)	32,785,230	900,000	-	(10,947)	452,370	-	-	33,366,165	25,963,880
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	793,410	1,087,132	259,531	110,855	-	930,418	21,315	115,467	30,469,274	23,928,397
College Equity, Beginning of Year	11,679,201	1,043,376	1,145,918	(243,209)	7,600,000	1,106,973	95,236	1,596,755	49,370,681	25,442,284
College Equity, End of Year	\$ 12,472,611	\$ 2,130,508	\$ 1,405,449	\$ (132,354)	\$ 7,600,000	\$ 2,037,391	\$ 116,551	\$ 1,712,222	\$ 79,839,955	\$ 49,370,681

**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, 2010 and 2009

	2010	2009
College Equity	\$ 136,110,898	\$ 97,460,448
Reconciling Items:		
Recognition of Summer Revenues	2,246,975	1,837,781
Reclassification of Long Term Debt	(68,215,628)	(35,418,762)
Deferred Debt Issue Costs and Deferred Refunding Expense	1,146,011	1,243,605
Recognition of Interest Payable on Long Term Debt	(671,424)	(540,450)
Net Assets	<u>\$ 70,616,832</u>	<u>\$ 64,582,622</u>
	2010	2009
Change in College Equity	\$ 30,469,274	\$ 23,928,397
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(708,183)	(597,288)
Remove Rent Expense from the Bookstore	708,183	597,288
Remove Revenue Paid by the Education Fund to Reprographics	(410,055)	(378,208)
Remove Expenditures from the Education Fund	410,055	378,208
Remove Student Aid and Scholarship Payments from Revenue	(9,865,048)	(7,582,807)
Remove Student Aid and Scholarship Payments from Expense	9,865,048	7,582,807
Change in Recognition of Summer School Revenues	409,194	79,497
Capital Lease Obligations Retired	231,408	110,735
Capital Lease Additions	(128,565)	-
Retirement Obligations Retired	330,291	486,816
Remove Capital Expenditures and Interest Expenditures Related to Capitalized Assets	12,206,411	7,717,247
Record Depreciation on the Capital Assets	(4,025,235)	(2,535,832)
Debt Certificate Proceeds Removed from Other Financing Sources	(23,000,000)	(25,135,000)
Debt Certificates Payments Removed from Other Financing Uses	-	195,000
Debt Certificates Refunding Removed from Other Financing Uses	23,000,000	32,740,000
G. O. Bond Proceeds Removed from Other Financing Sources	(33,230,000)	(34,505,000)
Change in Deferred Debt Issue Costs and Deferred Refunding Expense	(97,594)	1,243,605
Change in Accrued Interest on Long Term Debt	(130,974)	(255,450)
Change in Net Assets	<u>\$ 6,034,210</u>	<u>\$ 4,070,015</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2010

Assessed Valuations	2009 Levy	2008 Levy	2007 Levy	2006 Levy	2005 Levy	2004 Levy	2003 Levy	2002 Levy	2001 Levy	2000 Levy
County:										
Champaign	\$ 3,578,173,147	\$ 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	6,114,626	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	74,274,090	62,936,083	60,567,367	56,796,370	57,235,909	58,542,203	61,241,631	62,963,494	63,263,081	64,509,268
Douglas	240,503,383	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
Eagar	2,976,360	2,543,065	2,434,071	2,250,000	2,359,397	2,550,230	2,750,598	2,975,138	3,229,642	3,506,964
Ford	186,970,466	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	86,148,726	84,852,171	74,346,304	74,346,304	70,565,997	70,088,302	68,855,261	70,121,443	69,704,262	68,916,644
Livingston	58,537,786	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	161,123,775	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	2,868,600	2,711,561	2,544,048	2,828,750	2,828,750	3,058,323	3,302,506	3,570,166	3,621,243	4,120,557
Platt	333,049,928	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	12,408,340	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	\$ 4,743,149,227	\$ 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	0.2600	0.2592	0.2600	0.2600	0.2600	0.2600	0.2617
Operations and Maintenance:										
Operational Fund	0.1000	0.1000	0.1000	0.1000	0.0994	0.1000	0.1000	0.1000	0.1000	0.1007
Bond	0.0610	0.0439	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tort and Immunity	0.0389	0.0376	0.0341	0.0352	0.0406	0.0450	0.0436	0.0287	0.0250	0.0219
Audit	0.0019	0.0019	0.0019	0.0020	0.0019	0.0022	0.0021	0.0014	0.0012	0.0008
Worker's Compensation	0.0016	0.0010	0.0006	0.0061	0.0062	0.0069	0.0056	0.0030	0.0022	0.0008
Unemployment Insurance	0.0002	0.0004	0.0004	0.0005	0.0002	0.0006	0.0022	0.0009	0.0009	0.0008
Protection, Health, and Safety	0.0266	0.0500	0.0500	0.0500	0.0496	0.0500	0.0500	0.0500	0.0500	0.0469
Medicare Insurance	0.0117	0.0097	0.0093	0.0101	0.0099	0.0119	0.0116	0.0121	0.0101	0.0086
Property Insurance	0.0063	0.0070	0.0075	0.0081	0.0083	0.0085	0.0087	0.0091	0.0062	0.0047
TOTAL	0.5082	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, 2010

	2009 Levy	2008 Levy	2007 Levy	2006 Levy	2005 Levy	2004 Levy	2003 Levy	2002 Levy	2001 Levy	2000 Levy
Tax Extensions										
Education Fund	\$ 12,335,190	\$ 12,062,000	\$ 11,315,677	\$ 10,501,816	\$ 9,775,029	\$ 9,210,343	\$ 8,943,762	\$ 8,597,451	\$ 8,317,745	\$ 8,022,554
Operations and Maintenance:										
Operational Fund	4,743,149	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	2,893,321	2,036,612	1,484,651	1,422,819	1,531,713	1,583,798	1,499,800	949,026	799,783	1,185,187
Tort and Immunity	1,845,085	1,744,342	83,654	80,079	75,678	73,834	72,238	46,294	38,390	38,390
Audit	90,120	88,145	243,726	246,568	233,907	244,435	192,635	99,201	70,381	24,821
Worker's Compensation	75,890	46,392	17,409	20,210	7,545	21,255	75,678	29,760	28,792	-
Unemployment Insurance	9,486	18,557	2,174,993	2,019,140	1,879,328	1,772,012	1,719,954	1,653,356	1,599,586	1,490,612
Protection, Health, and Safety	1,281,678	2,319,604	404,759	408,251	373,496	421,582	399,029	400,112	323,112	-
Medicare Insurance	554,948	450,003	326,418	327,410	313,133	301,115	299,272	300,911	198,346	-
Property Insurance	288,818	324,745	20,403,312	19,066,460	17,943,080	17,170,662	16,642,276	15,382,822	14,575,249	13,789,196
Tax Collections Prior to Year End	24,107,676	23,729,606	(19,069,896)	(7,652,369)	(7,174,956)	(7,189,045)	(6,328,182)	(6,281,676)	(5,799,159)	(4,794,172)
Allowance for Uncollectible Taxes and Potential Refunds	(10,146,060)	13,772,496	12,333,446	11,414,112	10,768,124	9,981,617	10,314,094	9,101,146	8,776,091	8,995,024
	(783,426)	(613,073)	(448,759)	-	-	-	-	-	-	(27,812)
Property Taxes Receivable	\$ 13,168,190	\$ 13,159,423	\$ 11,894,687	\$ 11,414,112	\$ 10,768,124	\$ 9,981,617	\$ 10,314,094	\$ 9,101,146	\$ 8,776,091	\$ 8,967,212
Property Taxes Receivable by Fund										
Education Fund	\$ 6,714,309	6,668,314	6,591,248	\$ 6,296,892	\$ 5,841,707	\$ 5,354,140	\$ 5,542,794	\$ 5,086,631	\$ 5,008,516	\$ 5,217,124
Operations and Maintenance:										
Operational Fund	2,582,425	2,584,747	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	656,048	1,282,096	1,266,907	1,208,755	1,123,115	1,030,102	1,068,477	978,373	963,614	969,355
Bond Fund	1,644,595	1,168,107	-	47,940	45,226	42,921	-	27,304	22,818	-
Audit Fund	49,052	48,804	48,728	1,451,875	1,515,075	1,495,246	1,528,548	1,052,092	854,791	16,140
Liability, Protection, and Settlement Fund	1,521,751	1,427,355	1,442,801	-	-	-	-	-	-	757,730
Total	\$ 13,168,190	\$ 13,159,423	\$ 11,894,687	\$ 11,414,112	\$ 10,768,124	\$ 9,981,617	\$ 10,314,094	\$ 9,101,146	\$ 8,776,091	\$ 8,967,212

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Schedule of Legal Debt Margin
June 30, 2010

Assessed Valuations - 2009 Levy	<u><u>\$ 4,750,787,249</u></u>
Debt Limit, 2.875 Percent of Assessed Valuation	<u>\$ 136,585,133</u>
Indebtedness:	
Capital Leases	116,119
G. O. Bonds	<u>67,735,000</u>
Total Indebtedness	<u><u>67,851,119</u></u>
Legal Debt Margin	<u><u>\$ 68,734,014</u></u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Student Enrollment and Full-Time Equivalency

At Tenth Day

Year Ended June 30, 2010

(Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
		Semester
Summer 2009	6,093	2,043
Fall 2009	9,651	6,241
Spring 2010	<u>9,462</u>	<u>6,049</u>
Semester Average (Exclusive of Summer School)	<u><u>9,557</u></u>	<u><u>6,145</u></u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**
All Funds Summary- Modified Accrual Basis
Fiscal Year Ended June 30, 2010

	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, 2009	\$ 11,679,201	\$ 1,043,376	\$ 25,346,431	\$ 1,105,973	\$ 1,145,918	\$ (243,209)	\$ 7,600,000	\$ 95,236	\$ 1,596,755	\$ 49,370,681
Revenues:										
Local Tax Revenue	12,138,783	4,566,706	1,720,029	2,484,555	-	-	-	87,979	2,867,823	23,766,875
All Other Local Revenue	358,402	-	56,248,347	9,883	-	-	-	404	11,342	56,628,378
ICCB Grants	6,586,985	-	-	-	-	881,802	-	-	-	7,468,787
All Other State Revenue	1,464,751	711,276	-	-	72,325	2,816,485	-	-	-	5,064,837
Federal Revenue	356,346	-	-	-	-	23,210,889	-	-	-	23,567,235
Student Tuition and Fees	25,543,469	-	-	-	788,495	-	-	-	-	26,329,964
All Other Revenue	532,398	2,036,536	1,410,256	10,298	5,924,738	252,743	10,947	17	477	10,178,710
Total Revenue	46,982,134	7,414,818	59,378,632	2,504,736	6,783,558	27,161,919	10,947	88,400	2,679,642	153,004,786
Expenditures:										
Instruction	26,640,185	-	-	-	-	862,514	-	-	-	27,302,699
Academic Support	4,812,811	-	3,828	-	458,615	2,547,100	-	-	-	7,822,354
Student Services	4,388,886	-	-	-	-	807,460	-	-	-	5,176,346
Public Service/Continuing Education	793,735	-	-	-	889,060	1,623,430	-	-	-	3,106,225
Auxiliary Services	-	-	-	-	6,276,352	5,319	-	-	-	6,281,671
Operations and Maintenance	-	6,096,278	8,138,427	-	-	-	-	-	1,498,897	15,731,602
Institutional Support	8,684,054	231,408	23,632,861	2,026,688	-	-	-	67,085	1,067,278	35,709,374
Scholarships, Student Grants, & Waivers	-	-	-	-	-	21,405,241	-	-	-	21,405,241
Total Expenditures	45,299,671	6,327,686	31,775,116	2,026,688	7,424,027	27,051,064	-	67,085	2,564,175	122,535,512
Net Transfers	(889,053)	-	(452,370)	452,370	900,000	-	(10,947)	-	-	-
Fund Balance, June 30, 2010	\$ 12,472,611	\$ 2,130,508	\$ 52,497,577	\$ 2,037,381	\$ 1,405,449	\$ (132,354)	\$ 7,600,000	\$ 116,551	\$ 1,712,222	\$ 79,839,955

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
Fiscal Year Ended June 30, 2010

	Fixed Asset/Debt Account Groups			
	July 1, 2009	Additions	Deletions	June 30, 2010
Fixed Assets:				
Land	\$ 1,441,745	\$ -	\$ -	\$ 1,441,745
Land Improvements	15,788,682	3,724,111	-	19,512,793
Buildings, Additions, and Improvements	54,061,531	-	-	54,061,531
Equipment	5,499,554	2,922,637	-	8,422,191
Other Fixed Assets	1,996,435	7,311,599	(1,751,936)	7,556,098
Accumulated Depreciation	(30,753,180)	(3,969,593)	-	(34,722,773)
Net Fixed Assets	\$ 48,034,767	\$ 9,988,754	\$ (1,751,936)	\$ 56,271,585
Fixed Debt:				
Debt Certificates	\$ -	\$ 23,000,000	\$ (23,000,000)	\$ -
G. O. Bonds	34,505,000	33,230,000	-	67,735,000
Early Retirement Benefits	778,346	-	(330,291)	448,055
Capital Lease Obligation	135,416	-	(102,843)	32,573
Total Fixed Liabilities	\$ 35,418,762	\$ 56,230,000	\$ (23,433,134)	\$ 68,215,628
Outstanding				
	July 1, 2009	Issued	Redeemed	June 30, 2010
Education Fund:				
Tax Anticipation Warrants	\$ -	\$ -	\$ -	\$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	\$ -	\$ -	\$ -	\$ -

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
Fiscal Year Ended June 30, 2010

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 12,139,783	\$ 4,666,706	\$ 16,806,489
Chargeback Revenue	358,402	-	358,402
G.O. Bond Revenue	-	-	-
Total Local Government	12,498,185	4,666,706	17,164,891
<i>State Government</i>			
ICCB Base Operating Grant	4,876,958	-	4,876,958
ICCB Equalization Grant	1,710,027	-	1,710,027
CPPRT	1,066,914	711,276	1,778,190
Department of Corrections	397,837	-	397,837
Total State Government	8,051,736	711,276	8,763,012
<i>Federal Government</i>			
Other	356,346	-	356,346
Total Federal Government	356,346	-	356,346
<i>Student Tuition and Fees</i>			
Tuition	24,006,093	-	24,006,093
Fees	1,537,376	-	1,537,376
Total Tuition and Fees	25,543,469	-	25,543,469
<i>Other Sources</i>			
Sales and Service Fees	354,726	-	354,726
Facilities Revenue	-	1,106,623	1,106,623
Investment Revenue	62,707	2,730	65,437
Other	114,965	927,483	1,042,448
Total Other Sources	532,398	2,036,836	2,569,234
Total Operating Revenues	46,982,134	7,414,818	54,396,952
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	(358,402)	-	(358,402)
Adjusted Operating Revenue	\$ 46,623,732	\$ 7,414,818	\$ 54,038,550

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, 2010

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 26,640,185	\$ -	\$ 26,640,185
Academic Support	4,812,811	-	9,092,294
Student Services	4,368,886	-	8,649,444
Public Service/Continuing Education	793,735	-	793,735
Operations and Maintenance	-	6,096,278	6,096,278
Institutional Support	8,684,054	231,408	8,915,462
Total Operating Expenditures by Program	45,299,671	6,327,686	60,187,398
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	<u>\$ 45,299,671</u>	<u>\$ 6,327,686</u>	<u>\$ 60,187,398</u>
Operating Expenditures by Object:			
Salaries	\$ 31,858,032	\$ 1,787,310	\$ 33,645,342
Employee Benefits	6,401,976	634,926	7,036,902
Contractual Services	942,115	456,487	1,398,602
General Materials and Supplies	2,689,268	412,503	3,101,771
Conference and Meeting Expenses	489,222	10,663	499,885
Fixed Charges	197,992	109,773	307,765
Utilities	11,112	1,874,789	1,885,901
Capital Outlay	915,731	1,041,235	1,956,966
Other	1,794,223	-	1,794,223
Total Operating Expenditures by Object	45,299,671	6,327,686	51,627,357
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	<u>\$ 45,299,671</u>	<u>\$ 6,327,686</u>	<u>\$ 51,627,357</u>

**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, 2010

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Workforce Development-Business/Industry Grants	\$ 90,181
ICCB - Program Improvement Grants	32,467
ICCB - Adult Education	245,748
ICCB - Career and Technical Education	34,058
ICCB - Perkins	423,457
ICCB - Other	55,891
Illinois State Board of Education	2,107,308
Illinois Student Assistance Commission	167,250
Other	541,927
Total State Government	<u>3,698,287</u>
<i>Federal Government</i>	
Department of Education	21,833,612
Other	1,377,277
Total Federal Government	<u>23,210,889</u>
<i>Other Sources</i>	
Other	252,743
Total Other Sources	<u>252,743</u>
Total Restricted Purposes Fund Revenues	<u>\$ 27,161,919</u>

**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, 2010

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	\$ 662,514
Academic Support	2,547,100
Student Services	807,460
Public Service/Continuing Education	1,623,430
Auxiliary Services	5,319
Scholarships, Student Grants, and Waivers	21,405,241
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 27,051,064</u>
Expenditures by Object:	
Salaries	\$ 1,293,580
Employee Benefits	225,099
Contractual Services	1,895,255
General Materials and Supplies	463,416
Travel & Conference/Meeting Expenses	171,140
Fixed Charges	297,515
Utilities	20,362
Capital Outlay	721,464
Scholarships, Grants, Waivers	21,405,241
Other	557,992
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 27,051,064</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, 2010

Instruction:

Instructional Programs	\$ 27,302,699
------------------------	---------------

Academic Support:

Library Center	1,185,012
Academic Computing Support	1,245,803
Academic Administration and Planning	63,343
Other	5,328,196
Total Academic Support	<u>7,822,354</u>

Student Services Support:

Admissions and Records	985,737
Counseling and Career Services	1,187,184
Financial Aid Administration	632,396
Other	2,371,029
Total Student Services Support	<u>5,176,346</u>

Public Service/Continuing Education:

Community Education	90,181
Community Services	3,016,044
Total Public Service/Continuing Education	<u>3,106,225</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, 2010

Auxiliary Services	<u>6,281,671</u>
Operations and Maintenance of Plant:	
Maintenance	912,814
Custodial Services	1,676,922
Grounds	551,583
Campus Security	1,379,545
Transportation	32,760
Utilities	1,874,789
Administration	351,419
Other	813,343
Total Operations and Maintenance of Plant	<u>7,593,175</u>
Institutional Support:	
Executive Management	401,372
Fiscal Operations	1,072,835
Community Relations	74,112
Board of Trustees	78,072
General Institutional	2,209,815
Institutional Research	295,897
Administrative Data Processing	1,113,198
Other	6,831,212
Total Institutional Support	<u>12,076,513</u>
Scholarships, Student Grants, and Waivers	<u>21,405,241</u>
Total Current Funds Expenditures	<u><u>\$ 90,764,224</u></u>

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Certificate of Chargeback Reimbursement
Fiscal Year Ended June 30, 2010

All Fiscal Year 2010 Non-Capital Audited Operating Expenditures from
the Following Funds:

Education	\$ 44,399,140
Operations and Maintenance Fund	5,055,043
Restricted Purposes Fund	26,329,600
Audit Fund	67,085
Liability, Protection and Settlement Fund	2,564,175
Total Non-Capital Expenditures	<u>78,415,043</u>

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds	4,167,304
Total Costs Included	<u>82,582,347</u>

Total Certified Semester Credit Hours for Year 2010	<u>196,554</u>
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Per Capita Cost	<u>420.15</u>
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All Fiscal Year 2010 State and Federal Operating Grants for Non-Capital Expenditures, Except ICCB Grants	<u>26,853,882</u>
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Fiscal Year 2010 State and Federal Grants Per Semester Credit Hour	<u>136.62</u>
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District's Average ICCB Grant Rate for Fiscal Year 2011	<u>32.63</u>
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District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2011	<u>102</u>
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Chargeback Reimbursement Per Semester Credit Hour	<u><u>\$ 148.90</u></u>
---	-------------------------

Approved: _____
Chief Fiscal Officer

Approved: _____
Chief Executive Officer



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AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR WORKFORCE
DEVELOPMENT, ADULT EDUCATION AND FAMILY LITERACY, AND CAREER AND TECHNICAL
EDUCATION GRANTS

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

We have audited the balance sheets of the Workforce Development, Adult Education and Family Literacy, and Career and Technical Education grants of Parkland Community College, Community College District #505 as of June 30, 2010, 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 Parkland Community College, Community College District #505 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, Adult Education and Family Literacy, and Career and Technical Education grants of Parkland Community College, Community College District #505 at June 30, 2010, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Trustees
Parkland Community College
Community College District #505

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 statements for the Workforce Development (Schedule 28) and Adult Education and Family Literacy (Schedule 31) grants are presented for purposes of additional analysis as required by the Illinois Community College Board and are not a required part of the basic grant program financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

Oak Brook, Illinois
October 7, 2010

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Workforce Development (Business/Industry)

Grant Program

Balance Sheet

June 30, 2010

Assets

Total Assets

\$ -

Liabilities and Fund Balance

Liabilities

\$ -

Fund Balance

-

Total Liabilities and Fund Balance

\$ -

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Workforce Development (Business/Industry)

Grant Program

Statement of Revenues, Expenditures,
and Changes in Fund Balance

For the Year Ended June 30, 2010

	<u>Actual</u>
Revenues	
ICCB Grant	<u>\$ 90,181</u>
Expenditures	
Current Year's Grant:	
Salaries	69,924
Employee Benefits	18,962
Materials and Supplies	1,295
Total Expenditures	<u>90,181</u>
Excess of Revenues Over Expenditures	<u>-</u>
Fund Balance, June 30, 2009	<u>-</u>
Fund Balance, June 30, 2010	<u><u>\$ -</u></u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Workforce Development (Business/Industry)

Component Grant Program

ICCB Compliance Statement

For the Year Ended June 30, 2010

	General	Operation of Workforce Development Office	Total
Expenditures			
Personnel (Salaries and Benefits)	\$ 88,886	\$ -	\$ 88,886
Instructional Materials	1,295	-	1,295
Total Expenditures	<u>\$ 90,181</u>	<u>\$ -</u>	<u>\$ 90,181</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505
 Adult Education and Family Literacy Grant Program
 Balance Sheet
 June 30, 2010

	State Basic	Public Assistance	Performance	Total
Assets				
Accounts Receivable	<u>\$ 119,058</u>	<u>\$ 25,262</u>	<u>\$ 126,690</u>	<u>\$ 271,010</u>
Liabilities and Fund Balance				
Due to College/Cash Advance	<u>\$ 119,058</u>	<u>\$ 25,262</u>	<u>\$ 126,690</u>	<u>\$ 271,010</u>
Total Liabilities	<u>119,058</u>	<u>25,262</u>	<u>126,690</u>	<u>271,010</u>
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 119,058</u>	<u>\$ 25,262</u>	<u>\$ 126,690</u>	<u>\$ 271,010</u>

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Adult Education and Family Literacy Grant Program
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2010

	ACTUAL			
	State Basic	Public Assistance	Performance	Total
Revenues				
ICCB Grant	\$ 119,058	\$ 25,262	\$ 126,690	\$ 271,010
Expenditures				
Instructional Student Services:				
Instruction	79,314	17,914	48,810	146,038
Social Work Services	-	2,499	2,702	5,201
Guidance Services	9,687	1,940	9,153	20,780
Assessment and Testing	2,240	-	12,640	14,880
Student Transportation Services	2,970	-	2,325	5,295
Total Instructional Student Services	94,211	22,353	75,630	192,194
Program Support:				
Improvement of Instructional Services	-	-	4,681	4,681
General Administration	8,478	1,696	10,161	20,335
Data and Information Services	16,369	1,213	36,218	53,800
Total Program Support	24,847	2,909	51,060	78,816
Total Expenditures	119,058	25,262	126,690	271,010
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance, June 30, 2009	-	-	-	-
Fund Balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Adult Education and Family Literacy Grant Program

ICCB Compliance Statement

For the Year Ended June 30, 2010

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	\$ 79,314	66.62%
General Administration (9 Percent Maximum Allowed)	8,478	7.12%
 State Public Assistance		
Instruction (45 Percent Minimum Required)	17,914	70.91%
General Administration (9 Percent Maximum Allowed)	1,696	6.71%

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Career and Technical Education Grant Program

Balance Sheet

June 30, 2010

	<u>Program Improvement</u>	<u>Innovation</u>	<u>Total</u>
Assets			
Total Assets	\$ -	\$ -	\$ -
Liabilities and Fund Balance			
Liabilities	\$ -	\$ -	\$ -
Fund Balance	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Career and Technical Education Grant Program
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2010

	ACTUAL		
	Program Improvement	Innovation	Total
Revenues			
ICCB Grant	\$ 32,467	\$ 11,920	\$ 44,387
Expenditures			
Instructional Materials	-	5,991	5,991
Staff Development	-	2,504	2,504
Instructional Equipment	32,467	3,425	35,892
Total Expenditures	32,467	11,920	44,387
Excess of Revenues Over Expenditures	-	-	-
Fund Balance June 30, 2009	-	-	-
Fund Balance June 30, 2010	\$ -	\$ -	\$ -

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PARKLAND COMMUNITY COLLEGE COMMUNITY COLLEGE DISTRICT #505

Notes to ICCB Grant Financial Statements
June 30, 2010

The Workforce Development, Adult Education and Family Literacy, and Career and Technical Education 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, 2010. 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 expenditures 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 AUDITOR'S 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, 2010. 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, 2010 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.

Oak Brook, Illinois
October 7, 2010

Baker Tilly Virchow Krause, LLP

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**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, 2010

Categories	Total Reimbursable Semester Credit Hours by Term				
	Summer		Fall		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	17,911.0	-	52,118.5	-	120,709.5
Business Occupational	738.5	5.0	3,394.5	-	7,567.5
Technical Occupational	2,022.0	-	12,379.5	68.0	28,468.0
Health Occupational	1,830.0	-	6,011.0	-	13,345.5
Remedial Developmental	1,489.0	-	10,139.0	-	19,282.0
Adult Basic/Secondary Education	66.0	1,068.0	222.0	2,628.0	6,531.0
TOTAL CREDIT HOURS CERTIFIED	24,056.5	1,073.0	84,264.5	2,628.0	189,909.5
					6,604.0
Reimbursable Semester Credit Hours (All Terms)					Total
					152,293.5
Reimbursable Semester Credit Hours (All Terms)					
District 2009 Equalized Assessed Valuation					
Categories	Total Reimbursable Correctional Semester Credit Hours by Term				
	Summer		Fall		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	-	-	-	-	-
Business Occupational	-	-	-	-	-
Technical Occupational	-	-	-	-	-
Health Occupational	-	-	-	-	-
Remedial Developmental	-	-	-	-	-
Adult Basic/Secondary Education	20.0	-	238.0	182.0	440.0
TOTAL CREDIT HOURS CERTIFIED	20.0	-	238.0	182.0	440.0

Signatures:

Chief Executive Officer (CEO)

Chief Financial Officer (CFO)

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**
For the Year Ended June 30, 2010

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	120,709.5	120,709.5	-	-	-	-
Business Occupational	7,567.5	7,567.5	-	73.0	73.0	-
Technical Occupational	28,468.0	28,468.0	-	-	-	-
Health Occupational	13,345.5	13,345.5	-	-	-	-
Remedial Developmental	19,282.0	19,282.0	-	-	-	-
Adult Basic / Secondary Education	537.0	537.0	-	6,531.0	6,531.0	-
Total Credit Hours Certified	189,909.5	189,909.5	-	6,604.0	6,604.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	152,119.0	152,119.0	-
Out-of-District on Chargeback or Contractual Agreement	174.5	174.5	-
Total	152,293.5	152,293.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	3,938.5	3,938.5	-
Dual Enrollment	247.0	247.0	-
Total	4,185.5	4,185.5	-

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	440.0	440.0	-
Total Credit Hours Certified	440.0	440.0	-

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Documentation of Residency Verification Steps
For the Year Ended June 30, 2010

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
For the Year Ended June 30, 2010

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.

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Background Information on State Grant Activity
For the Year Ended June 30, 2010

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.

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**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2010

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2010

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.

Status

The Business Office has coordinated the efforts between Admissions & Records and Institutional Accountability & Research to prohibit a similar error in the future.

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Grant Number	Federal Expenditures
Department of Agriculture			
<i>Passed through the Illinois State Board of Education (ISBE)</i>			
Child & Adult Care Food Program	10.558	4226-00-9010505051	\$ 24,647
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)	384,024
Department of Labor			
<i>Direct Awards</i>			
Community Based Job Training	17.269	CB-18184-09-60-A-17	824,779 *
Adult Education Bridge Program	17.267	WIABDG50501	22,500
WIA GED Youth	17.259	09-1Y-6050-YETP	36,572
<i>Passed through the Illinois Department of Commerce and Opportunity</i>			
WIA - Lean Healthcare - ARRA	17.258	08-731013	145,228
WIA - Six Sigma - ARRA	17.258	08-732006	118,980
Total Department of Labor			1,148,059
Institute of Library and Museum Services			
<i>Passed through the Network of Illinois Learning Resources in Community Colleges (NILRC)</i>			
Laura Bush 21st Century Librarian Program	45.313	RE-01-07-0036	36,138
National Science Foundation			
<i>Passed through the University of Illinois</i>			
NSF Grants	47.070	CNS-0722327	1,948
<i>Passed through the Concord Consortium</i>			
Education and Human Resources	47.046	205.01-01	15,147
Total National Science Foundation			17,095
Department of Education			
<i>Student Financial Aid Cluster</i>			
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	P007A091253	169,472
Federal Work Study (FWS)	84.033	P033A081253	165,441
Federal Perkins Loan Program - outstanding loans	84.038	N/A	132,976
Pell Grant Program	84.063	P063P090505	10,198,443
Federal Direct Loans	84.268	P268K100505	10,754,463
Academic Competitiveness Grant	84.375	P375A090505	26,665
Total Student Financial Aid			21,447,460 *
<i>Other Programs</i>			
Trio Student Support Services	84.042a	P042A060194-09	323,950
<i>Passed through the Illinois Community College Board (ICCB)</i>			
Adult Education - Basic Grants to States	84.002a	50501 Federal Basic	108,783
Adult Education - Basic Grants to States - EL/Civics Program	84.002a	50501 EL/CIVICS	48,835
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	CTE50510	445,595 *
Tech Prep Education	84.243	N/A	2,325
State Fiscal Stabilization Fund - Government Services - ARRA	84.397	S397A090014	38,720
State Fiscal Stabilization Fund - Education State Grants - ARRA	84.394	S394A090014	140,611
<i>Passed through the Illinois State Board of Education (ISBE)</i>			
4340 Title I - Migrant Education	84.011	4340-00-9010505051	53,292
Total Department of Education			22,609,571
Total Expenditures of Federal Awards			\$ 24,219,534

* - Denotes a major program.

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

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

1. Summary of Independent Auditor's Results

Financial Statements:

- (i) Type of auditor's report issued: Unqualified
- (ii) Internal control over financial reporting:
Material weakness identified: None
Significant deficiency identified that is not considered a material weakness: None
- (iii) Instances of noncompliance material to financial statements: None

Federal Awards:

- (i) Internal control over major programs:
Material weakness identified: None
Significant deficiency identified that is not considered a material weakness: None
- (ii) Type of auditor's report issued on compliance for major programs:
U.S. Department of Education:
 - > Student Financial Aid Cluster – Unqualified
 - > Career and Technical Education – Basic Grants to States (Perkins IV) – Unqualified
U.S. Department of Labor:
 - > Community Based Job Training - Unqualified
- (iii) Audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: None
- (iv) Major programs:
U.S. Department of Education:
 - > Student Financial Aid Cluster
 - o CFDA # 84.007
 - o CFDA # 84.033
 - o CFDA # 84.038
 - o CFDA # 84.063
 - o CFDA # 84.268
 - o CFDA # 84.375
 - > Career and Technical Education – Basic Grants to States (Perkins IV)
 - o CFDA # 84.048
U.S. Department of Labor:
 - > Community Based Job Training
 - o CFDA # 17.269
- (v) Dollar threshold used to distinguish Type A and Type B programs: \$399,963
- (vi) Auditee qualify as low-risk auditee? Yes

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

2. Financial Statement Findings

None noted

3. Federal Award Findings and Questioned Costs

None noted

**PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505**
Schedule of Prior Audit Findings for Federal Awards
For the Year Ended June 30, 2010

The previous audit of the Federal Award Programs was for the year ended June 30, 2009. There were no findings or questioned costs reported in that audit.

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, 2010, which collectively comprise Parkland Community College's basic financial statements and have issued our report thereon dated October 7, 2010. 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 opinions 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Board of Trustees
Parkland Community College
Community College District #505

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.

Oak Brook, Illinois
October 7, 2010

(Signed) Telly Vachon Krause, LLP



BAKER TILLY

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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 each of its major federal programs for the year ended June 30, 2010. 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, 2010.

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.

Board of Trustees
Parkland Community College
Community College District #505

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Oak Brook, Illinois
October 7, 2010

Bob Tully Vuchko Krause, LLP