

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Champaign, Illinois

Comprehensive Annual Financial Report

For the Years Ended

June 30, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of Parkland Community College, Community College District #505 and its discretely presented component unit (Parkland College Foundation) as of and for the years ended June 30, 2008 and 2007 as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Parkland Community College, Community College District #505 and of its discretely presented component unit as of June 30, 2008 and 2007 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

In accordance with *Government Auditing Standards*, we have also issued a report dated October 23, 2008, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2008. 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 important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Parkland Community College, Community College District #505 and its discreetly presented component unit as of and for the years ended June 30, 2008 and 2007. The combining financial statements and other data in Schedules 1 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements in Schedules 20 through 24 and the certificate of chargeback reimbursement (Schedule 25) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedules 44 through 46, including the Schedule of Expenditures of Federal Awards, are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements. As described in Note 19, Schedules 1 through 3, Schedules 6 through 9, Schedules 14 through 16, Schedule 20, and Schedules 22 through 24 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities. Information on Schedules 1 through 25 and 44 through 46, except for the schedule on page 61, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Marta, Hood, Friese & Associates, LLC

Champaign, Illinois
October 23, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Parkland Community College's (the "College" or "Parkland") Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activities, and its component unit, the Foundation, for the fiscal years ended June 30, 2006, 2007 and 2008. 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 2006, 2007 and 2008 only.

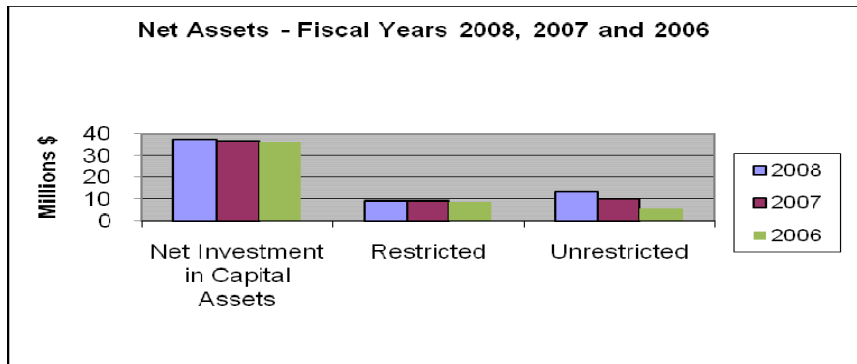
Using This Annual Report

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, 2008.

Primary Institution Financial Highlights

Comparative Net Assets Chart



The Statement of Net Assets

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

Financial Analysis of the College as a Whole

Statement of Net Assets			
As of June 30			
(in millions)			
	2008	2007	2006
Current Assets	\$ 43.8	\$ 37.5	\$ 32.8
Non-Current Assets:			
Capital Assets, Net of Depreciation	43.1	37.0	36.2
Total Assets	86.9	74.5	69.0
Current Liabilities	16.0	15.1	14.6
Non-Current Liabilities	10.4	3.0	3.6
Total Liabilities	26.4	18.1	18.2
Net Assets:			
Investment in Capital Assets	37.4	36.6	36.0
Restricted	9.5	9.5	8.9
Unrestricted	13.6	10.2	5.9
Total Net Assets	\$ 60.5	\$ 56.3	\$ 50.8

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 2007 Compared to 2008

The total net assets increased \$4.2 million during fiscal year 2008. The majority of this increase was in the unrestricted net assets with a total increase of \$3.4 million. The remaining increase of \$.8 million was in the investment in capital.

Total liabilities increased by \$8.3 million to \$26.4 million. Current liabilities increased by \$.9 million while non-current liabilities increased by \$7.4 million.

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

Fiscal Year 2007 Compared to 2006

The total net assets increased \$5.5 million during fiscal year 2007. The majority of this increase was in the unrestricted net assets with a total increase of \$4.3 million. The remaining increase of \$1.2 million was in the investment in capital and restricted for expendable categories.

Total liabilities decreased by \$.1 million to \$18.1 million. Current liabilities increased by \$.5 million while non-current liabilities decreased by \$.6 million.

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

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

	Operating Results For Year Ended June 30 (in millions)		
	2008	2007	2006
Operating Revenue:			
Tuition and Fees	\$ 15.5	\$ 14.8	\$ 14.1
Auxiliary Enterprises	5.5	5.3	5.0
Other	0.6	0.5	0.5
Total	21.6	20.6	19.6
Less: Operating Expenses	70.3	64.5	64.1
Operating Loss	(48.7)	(43.9)	(44.5)
Non-Operating Revenue (Expenses):			
State Grants and Contracts	13.5	13.4	12.7
Local Property Taxes	19.7	18.9	18.0
Federal Grants and Contracts	16.2	13.3	15.1
On-Behalf Payments	2.9	2.1	1.4
Interest Expense	(0.3)	-	-
Investment Income	0.8	1.0	0.6
Total	52.8	48.7	47.8
Income Before Capital Contributions	4.1	4.8	3.3
Capital Contributions	-	0.7	0.2
Increase in Net Assets	4.1	5.5	3.5
Net Assets, Beginning of Year	56.4	50.8	47.3
Net Assets, End of Year	\$ 60.5	\$ 56.3	\$ 50.8

Fiscal Year 2008 Compared to 2007

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

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

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

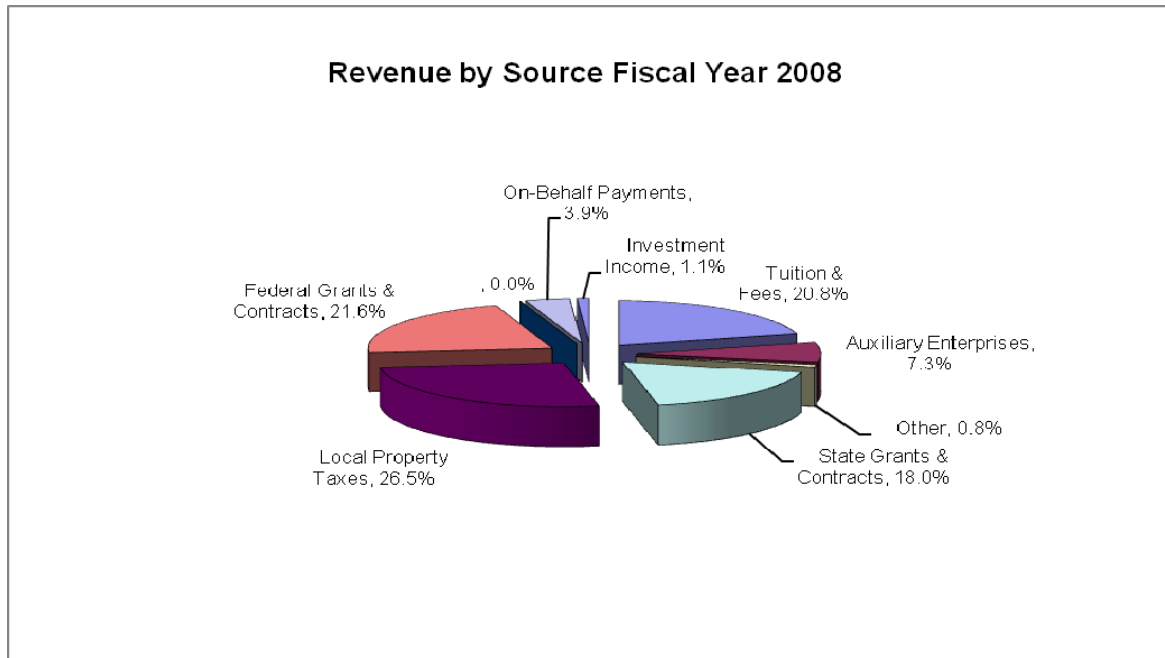
There are currently no other known facts, decisions, or conditions that will have a significant effect on the financial position (net assets) or results of operation (revenue, expenses, and changes in net assets).

Fiscal Year 2007 Compared to 2006

Operating revenues increased \$1.0 million from last year. Operating revenue increased by \$.7 million in the tuition & fees category. The increase in tuition in fees reflects stable enrollment, an increase in tuition rates from the prior year, and a favorable residency mix.

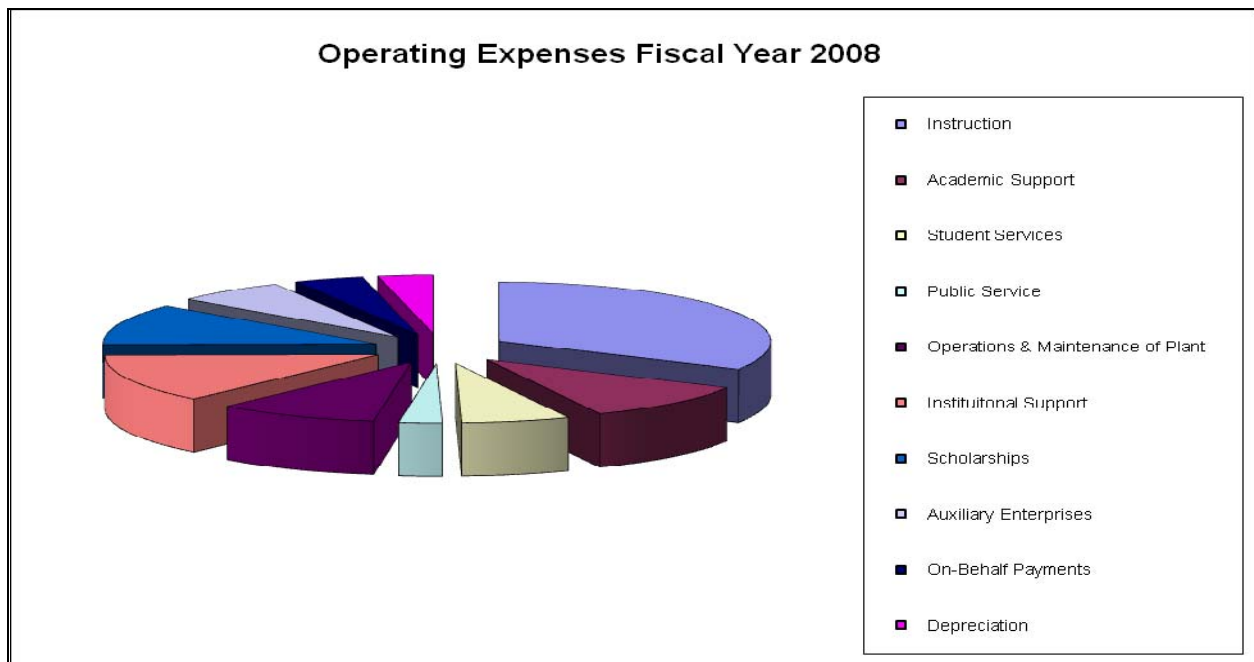
In total operating expenses increased by \$.4 million. Expenses were cut in some operating categories such as institutional support and scholarships. These cuts were offset by increases in categories such as instruction, academic support, auxiliary enterprises, on-behalf payments, and depreciation. Increases 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 million. State support in total increased by \$.7 million despite level funding from Illinois Community College Board (ICCB). This stagnate funding was made up for by increased revenue from Corporate Personal Property Replacement Tax (CPPRT). Local property tax revenues were up \$.9 million mainly due to increased Equalized Assessed Evaluation (EAV) for Champaign County of over 8%. Parkland saw an increase in investment income due to increased interest rates on our money market account and increased level of deposits over the prior year. The largest decrease in revenues was found in the federal grants and contracts categories. This is a result of federal PELL and loans disbursements decreasing.



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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Expenses:			
Instruction	\$ 23.1	\$ 21.4	\$ 21.1
Academic Support	7.3	7.4	6.5
Student Services	4.5	4.3	4.4
Public Service	1.8	2.2	2.3
Operations and Maintenance of Plant	6.7	6.1	5.9
Institutional Support	9.2	8.2	8.5
Scholarships	7.9	6.2	8.0
Auxiliary Enterprises	4.6	4.3	4.0
On-Behalf Payments	2.9	2.1	1.4
Depreciation	2.3	2.3	2.0
Total	<u>\$ 70.3</u>	<u>\$ 64.5</u>	<u>\$ 64.1</u>

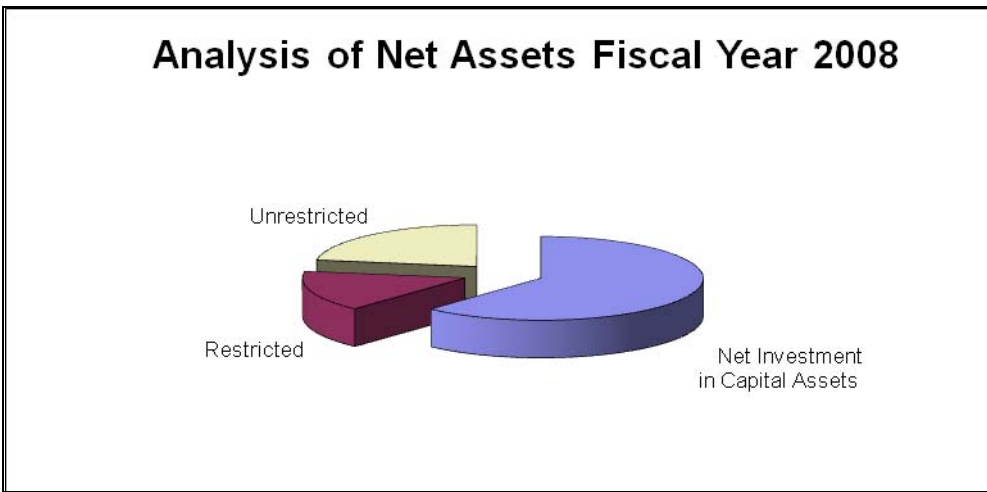


Analysis of Net Assets

June 30

(in millions)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Assets:			
Net Investment in Capital Assets	\$ 37.4	\$ 36.6	\$ 36.0
Restricted	9.5	9.5	8.9
Unrestricted	13.6	10.2	5.9
Total	<u>\$ 60.5</u>	<u>\$ 56.3</u>	<u>\$ 50.8</u>



Fiscal Year 2008 Compared to 2007

Total net assets increased by \$4.2 million from fiscal year 2007 to fiscal year 2008. The majority of this increase was due to unrestricted net assets surplus of \$3.4 million. This surplus is due primarily to significant surpluses in the operating and auxiliary funds. These surpluses were due to a combination of factors such as revenues in the operating funds exceeded budget in several categories including State (CPPRT), tuition (residency mix) and other sources.

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

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

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

Fiscal Year 2007 Compared to 2006

Total net assets increased by \$5.5 million from fiscal year 2006 to fiscal year 2007. Increases were realized in all three net asset categories: investment in capital assets, restricted for expendable assets, and unrestricted assets. The largest increase of \$4.3 million came in the unrestricted assets category. This is due primarily to large surpluses in the operating funds in fiscal year 2007. The large surpluses were due to a combination of factors. Revenues in the operating funds exceeded budget primarily in the local (property taxes) and State (CPPRT) categories. Local property tax revenue exceeded budget because of a larger than expected increase in the District's EAV. Similar to recent years past, the growth in CPPRT revenues exceeded expectations. Interest income was also up. Expenses in the operating funds were less than budgeted for the fiscal year. In particular, the College realized substantial savings in the personnel and benefits areas. The College was also able to cut costs in utilities expense. The combination of increased revenues, holding expenses under budget, and not using the budgeted contingency led to the large surplus in the operating funds reflected in the unrestricted asset increase.

The net investment in the capital asset category increased by \$.6 million due to the addition of the greenhouse facility. The restricted net assets also increased by \$.6 during fiscal year 2007. This increase is due to timing in the capital projects along with surpluses in the audit and liability, protection, & settlement funds.

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 2008, the College had \$43.2 million invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and depreciation) of \$6.2 million.

	Capital Assets As of June 30 (Net of Depreciation in Millions)		
	2008	2007	2006
Land	\$ 1.4	\$ 0.7	\$ 0.7
Construction in Progress	2.7	0.7	0.6
Buildings	29.7	27.7	28.1
Land Improvements	7.9	7.0	6.0
Equipment	1.5	0.9	0.8
Total	<u>\$ 43.2</u>	<u>\$ 37.0</u>	<u>\$ 36.2</u>

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

K's Building and Land	\$ 3.6
Phase 7 Drainage	1.4
Depreciable Equipment	0.6
Restroom Remodel	0.2
Masonry Repair	0.1
EST Storage	0.1
Total	<u>\$ 6.0</u>

The College's fiscal year 2009 operating capital budget is \$2.8 million. Its restricted protection, health, and safety capital budget is \$3.35 million. This capital budget will be used to complete the East Annex remodel project in addition continued improvements of drainage, restrooms and exterior buildings' façade. The College will also continue to upgrade its instructional equipment. Finally, the Foundation's prior year purchase of a single resident home on several acres of property adjacent to the College's campus could be transferred to the College during the year.

Long-Term Debt Activity

The College's long-term debt increased during 2008 from \$4.0 million to \$11.6 million. This \$7.6 million increase is primarily due to the College's two significant issuances of debt at the beginning of fiscal year 2008. The College issued debt certificates in the amount of \$4.8 million for the purchase of a facility (East Annex) on Mattis Avenue and its remodeling. In addition, the College also issued debt certificates for \$3.0 million for the purchase of a new College-wide administrative software package and associated costs (hardware, training, and implementation). The retirement obligation decreased \$.4 million during the year. This is due to retirement payments exceeding additions of new participants.

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

Economic Factors That Will Effect the Future

For fiscal year 2009, 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 decrease in ICCB State funding is offset by an increase in Corporate Personal Property Replacement Tax revenues in the Operating Funds as it was last year.

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

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

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. In addition the College will move to complete the renovation of the newly acquired facility (East Annex) on Mattis Avenue for nursing and health related programs. The property was acquired in September 2007. The property cost and renovation are being financed through the issuance of \$4.8 million in debt certificates issued in fiscal year 2008. Finally, the College plans to analyze the facilities master plan and review funding options including the State's capital budget.

The College's approved operating budget for fiscal year 2009 is \$53.0 million. The total College budget is \$84.0 million.

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Net Assets

June 30, 2008 and 2007

	ASSETS	
	2008	2007
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 15,497,047	\$ 12,534,905
Property Taxes Receivable	9,126,251	8,705,542
Accounts Receivable, Net	3,241,926	2,345,087
Inventories	633,692	536,492
Other	33,316	33,316
Restricted:		
Cash and Cash Equivalents	11,801,927	9,861,188
Property Taxes Receivable, Net	2,758,436	2,708,570
Accounts Receivable, Net	547,339	644,020
Other	87,228	127,942
Total Current Assets	43,727,162	37,497,062
Property and Equipment, Net	43,153,767	36,974,316
Total Assets	\$ 86,880,929	\$ 74,471,378
	LIABILITIES AND NET ASSETS	
Current Liabilities		
Accounts Payable	\$ 863,269	\$ 452,198
Accrued Liabilities	1,694,017	1,665,461
Due to Student Groups	837,286	776,388
Due to Parkland Foundation	66,261	340,207
Deferred Revenue	11,292,410	10,826,646
Retirement Obligation	819,541	850,833
Capital Lease Obligations	204,462	152,260
Debt Certificates	195,000	-
Total Current Liabilities	15,972,246	15,063,993
Long-Term Liabilities		
Retirement Obligation, Net of Current Portion	1,265,162	1,635,744
Capital Lease Obligations, Net of Current Portion	218,962	176,498
Accrued Compensated Absences	1,306,952	1,219,730
Debt Certificates, Net of Current Portion	7,605,000	-
Total Long-Term Liabilities	10,396,076	3,031,972
Total Liabilities	26,368,322	18,095,965
Net Assets		
Invested in Capital Assets, Net of Related Debt	37,371,820	36,645,558
Restricted for:		
Expendable Trust	7,599,358	7,599,358
Capital Projects	350,217	272,640
Grants and Scholarships	122,615	105,209
Purposes Allowed by Property Tax Levies	1,507,652	1,505,027
Unrestricted	13,560,945	10,247,621
Total Net Assets	60,512,607	56,375,413
Total Liabilities and Net Assets	\$ 86,880,929	\$ 74,471,378

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Financial Position - Component Unit

June 30, 2008 and 2007

ASSETS		
	2008	Restated 2007
Current Assets		
Due from Parkland College	\$ 66,261	\$ 340,207
Pledges Receivable, Net of Allowance of \$62,000 and \$0	133,214	209,869
Total Current Assets	199,475	550,076
Property & Equipment, Net	401,114	2,227
Other Assets		
Investments	4,852,901	4,682,673
Pledges Receivable, Net of Current Portion and Discount of \$24,702 and \$51,196	125,922	132,985
Other Assets	17,500	17,500
Total Other Assets	4,996,323	4,833,158
Total Assets	\$ 5,596,912	\$ 5,385,461
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Vacation Payable	\$ 23,742	\$ 25,540
Split-Interest Agreement Liability	3,178	3,408
Notes Payable	395,271	-
Total Current Liabilities	422,191	28,948
Long-Term Liabilities		
Scholarship Liability	167,890	261,674
Split-Interest Agreement Liability, Net of Current Portion	3,707	6,885
Total Liabilities	593,788	297,507
Net Assets		
Undesignated	(393,138)	(87,879)
Board Designated	154,065	159,670
Total Unrestricted	(239,073)	71,791
Temporarily Restricted	1,699,126	1,834,434
Permanently Restricted	3,543,071	3,181,729
Total Net Assets	5,003,124	5,087,954
Total Liabilities and Net Assets	\$ 5,596,912	\$ 5,385,461

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Revenues, Expenses, and Changes in Net Assets

For the Years Ended June 30, 2008 and 2007

	2008	2007
Operating Revenues		
Student Tuition and Fees, Net of Scholarship		
Allowance of \$6,894,323 and \$5,670,367	\$ 15,582,048	\$ 14,787,002
Auxiliary Enterprises Revenue	5,466,224	5,316,966
Other Operating Revenues	572,460	511,514
Total Operating Revenues	21,620,732	20,615,482
Operating Expenses		
Instruction	23,150,401	21,407,234
Academic Support	7,263,595	7,344,679
Student Services	4,468,891	4,328,600
Public Service	1,850,311	2,176,926
Operation and Maintenance of Plant	6,681,961	6,122,946
Institutional Support	9,151,044	8,199,084
Scholarships	7,895,522	6,245,323
Auxiliary Expenses	4,571,529	4,278,361
On-Behalf Payments	2,893,895	2,140,645
Depreciation	2,340,220	2,265,221
Total Operating Expenses	70,267,369	64,509,019
Operating Loss	(48,646,637)	(43,893,537)
Non-Operating Revenues (Expenses)		
State Grants and Contracts	13,461,193	13,386,692
Local Property Tax Revenues	19,722,365	18,921,137
Federal Grants and Contracts	16,159,924	13,318,490
On-Behalf Payments	2,893,895	2,140,645
Investment Income Earned	860,155	1,005,023
Interest Expense	(313,701)	(12,390)
Total Non-Operating Revenues (Expenses)	52,783,831	48,759,597
Change in Net Assets Before Capital Contributions	4,137,194	4,866,060
Capital Contributions		
Donated Property and Equipment	-	666,089
Change in Net Assets	4,137,194	5,532,149
Net Assets, Beginning of Year	56,375,413	50,843,264
Net Assets, End of Year	\$ 60,512,607	\$ 56,375,413

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Activities - Component Unit

For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>Restated 2007</u>
Change in Unrestricted Net Assets		
Support and Revenue:		
Contributions	\$ 44,434	\$ 35,770
Special Events	-	50,610
Interest and Dividends	13,508	11,274
Net Assets Released from Restrictions	582,552	1,467,036
Total Support and Revenue	<u>640,494</u>	<u>1,564,690</u>
Expenses:		
<i>Program Services</i>		
Scholarships	150,033	166,058
Institutional Support	138,252	1,004,586
Total Program Services	<u>288,285</u>	<u>1,170,644</u>
<i>Supporting Services</i>		
Management and General	239,844	258,493
Fund Raising	422,461	354,902
Total Supporting Services	<u>662,305</u>	<u>613,395</u>
<i>Change in Split-Interest Agreement Value</i>	768	1,043
Total Expenses	<u>951,358</u>	<u>1,785,082</u>
Decrease in Unrestricted Net Assets	<u>(310,864)</u>	<u>(220,392)</u>
Change in Temporarily Restricted Net Assets		
Contributions	227,118	426,163
Donor Retrictions Added on Prior Year Gifts	(115,000)	-
In-Kind Contributions	309,237	367,760
Special Events	68,435	-
Interest and Dividends	146,572	133,602
Net Realized and Unrealized Gain (Loss) on Investments	(189,118)	270,260
Net Assets Released from Restrictions	(582,552)	(1,467,036)
Decrease in Temporarily Restricted Assets	<u>(135,308)</u>	<u>(269,251)</u>
Change in Permanently Restricted Net Assets		
Contributions	246,342	306,613
Donor Retrictions Added on Prior Year Gifts	115,000	-
In-Kind Contributions	-	225
Increase in Permanently Restricted Net Assets	<u>361,342</u>	<u>306,838</u>
Change in Net Assets	<u>(84,830)</u>	<u>(182,805)</u>
Net Assets, Beginning of Year, As Previously Stated	5,678,999	6,004,222
Prior Period Adjustments	<u>(591,045)</u>	<u>(733,463)</u>
Net Assets, Beginning of Year, As Restated	<u>5,087,954</u>	<u>5,270,759</u>
Net Assets, End of Year	<u>\$ 5,003,124</u>	<u>\$ 5,087,954</u>

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Cash Flows

For the Years Ended June 30, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Student Tuition and Fees	\$ 14,149,499	\$ 14,834,412
Payments to Suppliers	(16,392,793)	(15,916,299)
Payments to Employees and Benefits Paid	(40,896,198)	(38,562,526)
Payments for Financial Aid and Scholarships	(7,895,522)	(6,245,323)
Auxiliary Enterprise Charges	5,466,224	5,316,966
Other Receipts	572,460	511,514
Net Cash Used in Operating Activities	(44,996,330)	(40,061,256)
Cash Flows from Non-Capital Financing Activities		
Local Property Taxes	19,853,365	18,746,744
State Grants and Contracts	13,867,267	13,927,230
Federal Grants and Contracts	16,250,430	13,777,597
Net Cash Provided by Non-Capital Financing Activities	49,971,062	46,451,571
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(2,830,671)	(2,068,191)
Principal Paid on Capital Lease Obligations	(240,165)	(214,811)
Interest Paid on Capital Lease Obligations	(28,701)	(12,390)
Proceeds from the Issuance of Debt Certificates	2,441,477	-
Net Receipts from (Disbursements to) Parkland Foundation	(273,946)	(60,694)
Net Cash Used in Capital and Related Financing Activities	(932,006)	(2,356,086)
Cash Flows from Investing Activities		
Interest on Investments	860,155	1,005,023
Net Increase in Cash	4,902,881	5,039,252
Cash and Cash Equivalents, Beginning of Year	22,396,093	17,356,841
Cash and Cash Equivalents, End of Year	\$ 27,298,974	\$ 22,396,093

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statements of Cash Flows

For the Years Ended June 30, 2008 and 2007

	2008	2007
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (48,646,637)	\$ (43,893,537)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	2,340,220	2,265,221
On-Behalf Payments	2,893,895	2,140,645
Loss on Disposal of Property and Equipment	4,354	-
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(1,296,738)	(54,709)
Inventories	(97,200)	35,273
Other Assets	40,714	-
Accounts Payable	126,071	179,685
Accrued Liabilities	28,556	(41,075)
Due to Student Groups	60,898	72,264
Deferred Revenue	(135,811)	102,119
Retirement Obligations	(401,874)	(848,851)
Accrued Compensated Absences	87,222	(18,291)
	\$ (44,996,330)	\$ (40,061,256)
Supplemental Disclosure of Non-Cash Capital and Related Financing Activities		
Donated Property and Equipment	\$ -	\$ 666,089
Property and Equipment Purchased with Capital Leases	\$ 334,830	\$ 278,043
Property and Equipment Purchased with Proceeds from Debt	\$ 5,358,523	\$ -

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to Basic Financial Statements

June 30, 2008 and 2007

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

- a. Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The College applies private sector standards of accounting issued on or before November 30, 1989 by the Financial Accounting Standards Board and the Accounting Principles Board, unless those pronouncements conflict with or contradict GASB pronouncements.
- b. For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and accrual basis

of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

- c. Certain assets are classified as restricted on the statement of net assets because their use is limited by tax levies, grant agreements, or other contractual agreements.
- d. For purposes of preparing the statements of cash flows, restricted and unrestricted currency, demand deposits, money market accounts, and highly-liquid investments with a maturity of three months or less at issuance are considered cash and cash equivalents.
- e. 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, 2008 and 2007 was \$1,405,502 and \$1,242,957, 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.

- f. 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 2007 tax levy was passed by the Board of Trustees on December 19, 2007. 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 2007 tax levy be allocated and recognized 55 percent in fiscal year 2008 and 45 percent in fiscal year 2009. Property tax revenue for the years ended June 30, 2008 and 2007 were from the 2007 and 2006 levies and the 2006 and 2005 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, 2008, the College has recorded an allowance of \$448,759 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.

- g. 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.
- h. 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.
- i. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis.
- j. Capital assets consist of property and equipment, which are recorded at cost. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. The College's capitalization threshold for property and equipment is \$2,500 per unit. Maintenance, repairs, and minor additions and expenditures are expensed when incurred. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The College provides for depreciation using the straight-line method over the estimated useful lives of the assets. The useful lives used by the College include: fifty years for buildings, ten years for land improvements, and a range of three to ten years for equipment.

- k. Deferred revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of property taxes, unexpended grant funds, and tuition and fee charges for a portion of the Summer 2008 semester and all of the Fall 2008 semester. The tuition and fee charges are prorated according to the timing of the semester.
- l. 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.
- m. 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.
- n. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Overexpenditure of Legal Budgets

The College overexpended its legally adopted budgets for the Education Fund, the Restricted Operations and Maintenance Fund, and the Restricted Purposes Fund in fiscal year 2008.

The Education Fund budget was overexpended by \$1,400,392. The overexpenditure was due to the purchase of an administrative computer system with the proceeds of debt certificates issued by the College in fiscal year 2008. No formal budget amendment was completed for this additional expenditure, however, the College's Board of Trustees did approve the project.

The Restricted Operations and Maintenance Fund budget was overexpended by \$3,520,624. The overexpenditure was due to the purchase and improvement of a building with the proceeds of debt certificate issued by the College in fiscal year 2008. No formal budget amendment was completed for this additional expenditure, however, the College's Board of Trustees did approve the project.

The Restricted Purposes Fund budget was overexpended by \$962,779. The overexpenditure was primarily related to greater than expected funds received by the College for grants and scholarships to students. The College does not initially know the amount of grants and scholarships to be received; therefore, the budgeted expenditures of this fund are estimated based on the prior year's actual receipts of grants and scholarships.

4. Cash and Investments

The College is authorized to invest in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's deposit policy allows that funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2008, \$24,512,738 of the College's \$24,612,876 bank balance was exposed to custodial credit risk. The assets exposed to custodial credit risk were fully collateralized by securities pledged by the depository banks, which are not held in the name of the College.

At June 30, 2008, the College held \$3,347,775 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 AAA rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. 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.

5. Accounts Receivable, Net

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

	<u>2008</u>	<u>2007</u>
Tuition Receivables from Students, Net	\$ 1,069,281	\$ 1,017,866
State Replacement Tax	587,663	599,245
Tuition Receivables from Agencies	526,344	465,369
Grants from Federal and State Sources	679,478	559,865
Other Receivables	<u>926,499</u>	<u>346,762</u>
 Total Accounts Receivable, Net	 <u>\$ 3,789,265</u>	 <u>\$ 2,989,107</u>
 Unrestricted	 \$ 3,241,926	 \$ 2,345,087
Restricted	<u>547,339</u>	<u>644,020</u>
 Total Accounts Receivable, Net	 <u>\$ 3,789,265</u>	 <u>\$ 2,989,107</u>

6. Property and Equipment, Net

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

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2008</u>
Assets Not Being Depreciated:				
Land	\$ 721,745	\$ 720,000	\$ -	\$ 1,441,745
Construction in Progress	665,016	3,791,034	1,757,489	2,698,561
Assets Being Depreciated:				
Buildings	51,088,089	2,973,442	-	54,061,531
Land Improvements	8,769,502	1,757,489	-	10,526,991
Equipment	<u>3,891,435</u>	<u>1,039,548</u>	<u>752,243</u>	<u>4,178,740</u>
Total Property and Equipment	<u>65,135,787</u>	<u>10,281,513</u>	<u>2,509,732</u>	<u>72,907,568</u>
Less: Accumulated Depreciation:				
Buildings	(23,373,540)	(1,023,499)	-	(24,397,039)
Land Improvements	(1,753,645)	(876,950)	-	(2,630,595)
Equipment	<u>(3,034,286)</u>	<u>(439,771)</u>	<u>(747,890)</u>	<u>(2,726,167)</u>
Total Accumulated Depreciation	<u>(28,161,471)</u>	<u>(2,340,220)</u>	<u>(747,890)</u>	<u>(29,753,801)</u>
Property and Equipment, Net	<u>\$ 36,974,316</u>	<u>\$ 7,941,293</u>	<u>\$ 1,761,842</u>	<u>\$ 43,153,767</u>

The following is a summary of changes in property and equipment for the year ended June 30, 2007:

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2007</u>
Assets Not Being Depreciated:				
Land	\$ 721,745	\$ -	\$ -	\$ 721,745
Construction in Progress	619,960	1,742,125	1,697,069	665,016
Assets Being Depreciated:				
Buildings	50,422,000	666,089	-	51,088,089
Land Improvements	7,072,431	1,697,071	-	8,769,502
Equipment	4,222,067	604,107	934,739	3,891,435
Total Property and Equipment	<u>63,058,203</u>	<u>4,709,392</u>	<u>2,631,808</u>	<u>65,135,787</u>
Less: Accumulated Depreciation:				
Buildings	(22,367,100)	(1,006,440)	-	(23,373,540)
Land Improvements	(1,046,401)	(707,244)	-	(1,753,645)
Equipment	(3,417,488)	(551,537)	(934,739)	(3,034,286)
Total Accumulated Depreciation	<u>(26,830,989)</u>	<u>(2,265,221)</u>	<u>(934,739)</u>	<u>(28,161,471)</u>
Property and Equipment, Net	<u>\$ 36,227,214</u>	<u>\$ 2,444,171</u>	<u>\$ 1,697,069</u>	<u>\$ 36,974,316</u>

7. Deferred Revenue

Deferred revenue consists of the following at June 30:

	<u>2008</u>	<u>2007</u>
Deferred Local Property Tax Revenue	\$ 9,181,490	\$ 8,579,915
Deferred Student Tuition	1,508,226	1,422,478
Deferred Student Fees	560,718	619,452
Other Deferred Revenue	41,976	204,801
Total Deferred Revenue	<u>\$ 11,292,410</u>	<u>\$ 10,826,646</u>

8. Long-Term Debt

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

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Retired</u>	<u>June 30, 2008</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 1,219,730	\$ 1,360,000	\$ 1,272,778	\$ 1,306,952	\$ -
Capital Lease Obligations	328,758	334,830	240,164	423,424	204,462
General Obligation Debt Certificate	-	7,800,000	-	7,800,000	195,000
Retirement Obligation	2,486,577	204,215	574,797	2,084,703	819,541
Total Long-Term Debt	<u>\$ 4,035,065</u>	<u>\$ 9,699,045</u>	<u>\$ 2,087,739</u>	<u>\$ 11,615,079</u>	<u>\$ 1,219,003</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Retired</u>	<u>June 30, 2007</u>
Compensated Absences	\$ 1,238,020	\$ 1,240,000	\$ 1,258,290	\$ 1,219,730
Capital Lease Obligations	265,526	278,043	214,811	328,758
Retirement Obligation	3,335,428	-	848,851	2,486,577
Total Long-Term Debt	<u>\$ 4,838,974</u>	<u>\$ 1,518,043</u>	<u>\$ 2,321,952</u>	<u>\$ 4,035,065</u>

The College issued general obligation debt certificates on August 1, 2007 to finance the purchase of a building. The bonds mature annually on December 1 beginning December 1, 2008 and run through December 1, 2020. Interest is payable semiannually on June 1 and December 1.

The College issued general obligation debt certificates on October 1, 2007 to finance the purchase of an administrative computer system. The bonds mature annually on December 1 beginning December 1, 2008 and run through December 1, 2021. Interest is payable semiannually on June 1 and December 1.

General obligation debt certificates outstanding at June 30, 2008 are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Building Purchase	4.05% to 4.95%	\$ 4,800,000
Administrative Computer System	3.90% to 4.50%	3,000,000
		<u>\$ 7,800,000</u>

Maturities of the general obligation debt certificates are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 195,000	\$ 604,312	\$ 799,312
2010	475,000	323,221	798,221
2011	490,000	300,114	790,114
2012	515,000	276,133	791,133
2013	540,000	251,045	791,045
2014-2018	3,085,000	851,130	3,936,130
2019-2022	2,500,000	178,440	2,678,440
	<u>\$ 7,800,000</u>	<u>\$ 2,784,395</u>	<u>\$ 10,584,395</u>

The debt certificates are subject to early redemption at the College's option beginning December 1, 2015 (Building Debt certificates) and December 1, 2018 (Administrative Computer System Debt certificates). The redemption price equals par value plus accrued interest.

9. Lease Revenue

The College is the lessor of office space under three operating leases, with one expiring on June 30, 2012 and the other two on July 31, 2013. Each lease has an early termination clause at the option of the lessee. The cost and carrying value of the facility leased was \$3,600,000 at June 30, 2008.

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

<u>Fiscal Year</u> <u>Ending June 30</u>	
2009	\$ 315,034
2010	339,139
2011	339,139
2012	339,139
2013	289,264
Thereafter	24,105
Total	<u><u>\$ 1,645,820</u></u>

10. Lease Commitments

Operating Leases

The College is obligated under one non-cancellable operating lease for a facility located in Champaign, Illinois with an initial term running through May 2009. The lease provides for renewal at the option of the College. An operating lease does not give rise to property rights or purchase obligations and, therefore, this lease agreement is not reflected in the College's capital assets. Future minimum lease payments under this operating lease are as follows:

Fiscal Year Ending June 30, 2009	<u><u>\$ 52,938</u></u>
----------------------------------	-------------------------

Total rental expense for this lease for the year ended June 30, 2008 was \$57,750.

Capital Lease Obligations

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

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

Fiscal Year Ending June 30:	
2009	\$ 223,116
2010	205,806
2011	<u>19,876</u>
Present Value of Minimum Lease Payments	448,798
Less: Amount Representing Interest	<u>(25,374)</u>
Total	<u><u>\$ 423,424</u></u>

The capitalized cost of equipment under capital leases included in the property and equipment on the schedule of net assets is \$612,873. Accumulated depreciation on these assets as of June 30, 2008 was \$139,022.

11. Early Retirement Plan

The College offers an early retirement incentive program to its employees. For an employee to be eligible, the employee must have been employed at 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. For the years ended June 30, 2008 and 2007, the rate was \$3,843 and \$3,800, respectively. The initial stipend will be based on the July 1 rate closest to the retiree's retirement date.

At June 30, 2008 and 2007, the early retirement plan had 96 and 93 active participants, respectively. Early retirement plan expense was \$655,322 and \$142,479 for fiscal years 2008 and 2007, respectively. At June 30, 2008 and 2007, the College had accrued a liability of \$2,084,703 and \$2,486,577, 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 5.0% and 8.25% at June 30, 2008 and 2007, respectively. A static College Insurance Plan indemnity plan annual rate was used in calculating the liability.

12. 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 is 12.88 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, 2008, and 2007, and 2006 were \$2,728,436, \$2,072,392, and \$1,423,614, respectively, equal to the required contributions for each year.

For the years June 30, 2008 and 2007, the College recorded on-behalf revenue and on-behalf expense in the amount of \$2,893,895 and \$2,140,645, 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 \$165,458 in fiscal year 2008 for contributions made by the State of Illinois to the Community College Health Insurance Program for the College.

13. 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. The receivable for this working-cash loan is netted against the cash balance held for the Foundation. At June 30, 2008 and 2007, the net amount owed to the Foundation was \$66,261 and \$340,207, respectively.

- During the years ended June 30, 2008 and 2007, the College incurred costs for the Foundation in the form of donated in-kind services in the amount of \$186,853 and \$175,512, respectively.

14. 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, 2008 and 2007, the accrued claims were \$497,021 and \$382,422, respectively, and are included in the accrued liabilities on the Statement of Net Assets.

However, this liability is based on estimates and the ultimate liability may be greater of less than the amount estimated. The methods used to calculate such estimates are continually reviewed, and any adjustments will be reflected in a future period.

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

	<u>2008</u>	<u>2007</u>
Accrued Claims, Beginning of Year	\$ 382,422	\$ 491,496
Incurred Claims	5,164,351	3,477,147
Claim Payments	<u>(5,049,752)</u>	<u>(3,586,221)</u>
Accrued Claims, End of Year	<u>\$ 497,021</u>	<u>\$ 382,422</u>

15. 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.

16. 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, 2008.

	<u>Due to</u>	<u>Due from</u>
Education Fund	\$ -	\$ 2,266,868
Operations and Maintenance Fund	210,000	-
Restricted Purposes Fund	960,000	-
Auxiliary Student Government Fund	47,222	-
Auxiliary Athletics Fund	124,080	-
Auxiliary Reprographics Fund	80,699	-
Auxiliary Business Development Center Fund	844,867	-
	<hr/>	<hr/>
Total Inter-Sub-Fund Balances	<u>\$ 2,266,868</u>	<u>\$ 2,266,868</u>

	<u>Transfer in</u>	<u>Transfer out</u>
Education Fund	\$ 304,783	\$ 775,000
Operations and Maintenance Fund	309,715	-
Restricted Purpose Fund	-	309,715
Working Cash Fund	-	304,783
Auxiliary Athletics Fund	375,000	-
Auxiliary Reprographics Fund	200,000	-
Auxiliary Child Care Services Fund	200,000	-
	<hr/>	<hr/>
Total Transfers	<u>\$ 1,389,498</u>	<u>\$ 1,389,498</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.

17. Commitments

At June 30, 2008, the College had seven uncompleted major construction contracts in progress. The remaining commitment on the construction contracts was approximately \$3,300,000.

The College has a contract for the purchase of electricity through June 2009. The contract contains set rates for summer, non-summer, peak, and off peak kilowatt hours and it calls for base consumption quantities. The approximate per fiscal year cost related to this contract is \$860,000. 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.

18. 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'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, 2008 was 5.00 percent.
- d. 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.

- e. Property and equipment expenditures in excess of \$500 are 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 fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful life of assets.
- f. The Foundation holds special events throughout the year. A portion of the revenue raised at these events is considered reciprocal and is not tax deductible to the donor. This revenue is segregated from regular contributions as special events revenue.
- g. 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.
- h. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- i. 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.

- j. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- k. In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. The provisions of SFAS 157 are effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact, if any, of the provisions of SFAS 157.

C. Pledges Receivable

Pledges receivable consists of the following at June 30, 2008:

	<u>Current</u>	<u>Long-Term</u>
Unrestricted	\$ 714	\$ 6,622
Temporarily Restricted	110,050	59,787
Permanently Restricted	<u>22,450</u>	<u>59,513</u>
Total Pledges Receivable	<u>\$ 133,214</u>	<u>\$ 125,922</u>

Amount Due In:

Less than One Year	\$ 133,214
One to Five Years	121,068
More than Five Years	<u>4,854</u>
Total	<u>\$ 259,136</u>

Pledges receivable consists of the following at June 30, 2007:

	<u>Current</u>	<u>Long-Term</u>
Unrestricted	\$ 30,900	\$ -
Temporarily Restricted	138,869	40,811
Permanently Restricted	<u>40,100</u>	<u>92,174</u>
Total Pledges Receivable	<u>\$ 209,869</u>	<u>\$ 132,985</u>

Amount Due In:

Less than One Year	\$ 209,869
One to Five Years	132,985
More than Five Years	<u>-</u>
Total	<u>\$ 342,854</u>

D. Investments

The Foundation's investments are as follows at June 30, 2008:

	<u>Cost</u>	<u>Market</u>
Mutual Funds	\$ 1,343,262	\$ 1,410,439
Cash and Cash Equivalents	821,715	821,715
Municipal Bonds	770,468	793,275
Farmland	513,609	522,692
Common Stock	584,192	600,749
Corporate Bonds	321,828	320,107
Certificates of Deposit	297,000	297,000
Other	86,924	86,924
	<u>\$ 4,738,998</u>	<u>\$ 4,852,901</u>

The Foundation's investments were as follows at June 30, 2007:

	<u>Cost</u>	<u>Market</u>
U.S. Government Securities	\$ 1,969,730	\$ 1,963,805
Common Stock	795,802	1,002,191
Mutual Funds	462,528	636,682
Farmland	513,609	513,609
Corporate Bonds	335,465	334,551
Municipal Bonds	15,008	14,993
Other	213,805	216,842
	<u>\$ 4,305,947</u>	<u>\$ 4,682,673</u>

E. Property and Equipment, Net

Property and Equipment consist of the following as of June 30, 2008:

Construction in Process (Donated Property)	\$ 400,000
Equipment	32,431
Less: Accumulated Depreciation	(31,317)
Property and Equipment, Net	<u>\$ 401,114</u>

F. Notes Payable

During the year the Foundation entered into a note agreement for \$400,000 to fund construction in progress. The note requires monthly interest payments at a variable rate, which was 7.75 percent at June 30, 2008, and one principal payment upon the loan's maturity on July 7, 2008. The balance of note was not paid as of the date of this report.

G. Split-Interest Agreement Liability

During the year ended June 30, 2000, the Foundation entered into a charitable gift annuity split-interest agreement with a donor. The Foundation received \$49,132 and recorded contribution revenue of \$20,238 and a liability of \$28,894 for the present value of future annuity payments to the donor. The quarterly annuity payments of \$1,044, determined by an actuary, were calculated using a discount rate of 8.5 percent and an annuity period of ten years and three months. The Foundation's obligation to make the annuity payments under this agreement will continue until the death of the donor. The remaining balance due at fiscal year ended June 30, 2008 is \$6,885.

H. Board Designated Net Assets

Board designated net assets at June 30, 2008 are available for the following purposes:

Community Scholarships	\$ 101,104
Automotive Lab	<u>52,961</u>
Total	<u><u>\$ 154,065</u></u>

Board designated net assets at June 30, 2007 were available for the following purposes:

Community Scholarships	\$ 100,000
Automotive Lab	<u>59,670</u>
Total	<u><u>\$ 159,670</u></u>

I. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2008 are available for the following purposes:

Scholarships	\$ 811,380
Farmland Investment	550,246
Agricultural Technology Center	120,933
Equine Program	69,294
Building and Equipment	25,056
Planetarium	17,930
Other	104,287
	<hr/>
Total	<u><u>\$ 1,699,126</u></u>

Temporarily restricted net assets at June 30, 2007 were available for the following purposes:

Scholarships	\$ 843,587
Farmland Investment	513,609
Agricultural Technology Center	173,837
Planetarium	65,121
Equine Program	60,155
Fundraising Events	35,890
Building and Equipment	21,030
Other	121,205
	<hr/>
Total	<u><u>\$ 1,834,434</u></u>

J. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2008 are restricted to:

Scholarships	\$ 2,795,183
Agricultural Technology Center	473,513
Planetarium	122,187
Equine Program	20,753
Other	131,435
	<hr/>
Total	<u><u>\$ 3,543,071</u></u>

Permanently restricted net assets at June 30, 2007 were restricted to:

Scholarships	\$ 2,448,833
Agricultural Technology Center	473,513
Planetarium	99,959
Equine Program	27,814
Other	<u>131,610</u>
Total	<u>\$ 3,181,729</u>

K. Related Party Transactions

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

In addition, the College provided donated facilities and services to the Foundation. Donated services consist of salaries, benefits, utilities and maintenance, and materials. For the year ended June 30, 2008, the amount contributed and included as in-kind revenues totaled \$214,321, \$50,000 in facilities, \$112,380 in salaries, \$17,498 in benefits, \$27,467 in utilities and maintenance, and \$6,976 in materials. For the year ended June 30, 2007, the amount contributed and included as in-kind revenues totaled \$175,512, \$50,000 in facilities, \$108,492 in salaries, \$15,622 in benefits, and \$1,398 in materials. These expenses are included in the statement of changes in net assets with 50 percent in each of "Management and General" and "Fundraising".

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

L. Concentration of Revenue

The Foundation received 12 percent of its support and revenue from a single donor for the year ended June 30, 2008.

M. Prior Period Adjustments

Net assets at July 1, 2007 have been restated to correct for an overstatement of temporarily restricted net assets due to certain pledges recorded as contribution revenue in error opposed to being treated as an agency transaction. The adjustment decreased net assets at June 30, 2007 by \$591,045. In addition, the adjustment would have increased the change in net assets for the year ended June 30, 2007 by \$142,418.

Net assets at July 1, 2006 have been restated to correct for an overstatement of temporarily restricted net assets due to certain pledges recorded as contribution revenue in error opposed to being treated as an agency transaction. The adjustment decreased net assets at June 30, 2006 by \$733,463. In addition, the adjustment would have increased the change in net assets for the year ended June 30, 2006 by \$153,351.

19. Supplementary Information

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

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

- Capital assets are not depreciated and depreciation expense is not presented in the schedules
- Payments of principal on long-term debt is reported as expenditures in the schedules
- In the schedules, the full amount of summer school revenue is recognized in the fiscal year in which the related term is completed
- Expenditures in the schedules include the cost of capital asset acquisitions
- Debt service expenditures in the schedules, as well as expenditures related to compensated absences, are recorded only when payment is due
- Other financing sources in the schedules includes the proceeds or long-term debt issuances

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Fund Types and Account Groups

June 30, 2008

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Total (Memorandum Only)	
	General	Special Revenue	Capital Projects Fund -				Enterprise	Trust and Agency Funds	General Fixed Assets		General Long-Term Debt
			Operation and Maintenance	Restricted							
ASSETS											
Cash and Cash Equivalents	\$ 14,268,690	\$ 1,882,507	\$ 1,546,151	\$ 1,228,357	\$ 8,373,269	\$ -	\$ -	\$ -	\$ 27,298,974		
Receivables:											
Property Taxes	9,126,251	1,491,529	1,266,907	-	-	-	-	-	11,884,687		
Replacement Taxes	587,663	-	-	-	-	-	-	-	587,663		
Agency Tuition	526,344	-	-	-	-	-	-	-	526,344		
Student Tuition and Fees, Net of Allowance for Uncollectible Accounts of \$1,405,502	821,448	-	-	184,138	63,695	-	-	-	1,069,281		
Governmental Grants	679,478	-	-	-	-	-	-	-	679,478		
Business and Industry Training	-	-	-	5,917	-	-	-	-	5,917		
Student Loans	393,906	189,169	-	-	-	-	-	-	189,169		
Other	2,266,868	294,475	-	43,032	-	-	-	-	731,413		
Due from Other Funds	33,316	87,228	-	-	-	-	-	-	2,266,868		
Prepaid Assets	-	-	-	633,692	-	-	-	-	120,544		
Inventory	-	-	-	244,773	-	-	-	-	633,692		
Property and Equipment, Net	-	-	-	-	-	42,908,994	-	-	43,153,767		
OTHER DEBITS											
Amount to be Provided to Retire Debt	-	-	-	-	-	-	9,311,313	-	9,311,313		
Total Assets and Other Debits	\$ 28,703,964	\$ 3,944,908	\$ 2,813,058	\$ 2,339,909	\$ 8,436,964	\$ 42,908,994	\$ 9,311,313	\$ 9,311,313	\$ 98,459,110		

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

June 30, 2008

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Total (Memorandum Only)	
	General	Special Revenue	Capital Projects Fund-Operation and Maintenance Restricted			Enterprise	Trust and Agency Funds	General Fixed Assets		General Long-Term Debt
Accounts Payable	\$ 90,518	\$ 57,525	\$ 430,451	\$ (228)	\$ -	\$ -	\$ -	\$ -	\$ 578,266	
Vacation Payable	1,106,457	102,912	-	97,583	-	-	-	-	1,306,952	
Retirement Obligations	819,541	-	-	-	-	-	1,265,162	-	2,084,703	
Accrued Liabilities	1,692,189	-	-	1,508	-	-	-	-	1,693,697	
Deferred Revenue	10,781,470	1,194,204	978,746	96,277	-	-	-	-	13,050,697	
Due to Other Funds	210,000	960,000	-	1,096,868	-	-	-	-	2,266,868	
Due to Parkland Foundation	66,261	-	-	-	-	-	-	-	66,261	
Due to Student Groups	-	-	-	-	837,286	-	-	-	837,286	
Capital Lease Obligations	-	-	-	177,273	-	-	246,151	-	423,424	
Unapplied Financial Aid	-	-	-	-	320	-	-	-	320	
Debt Certificates	-	-	-	-	-	-	7,800,000	-	7,800,000	
Total Liabilities	14,766,436	2,314,641	1,409,197	1,469,281	837,606	-	9,311,313	-	30,108,474	
Investment in General Fixed Assets	-	-	-	-	-	42,908,994	-	-	42,908,994	
Fund Balance:										
Reserved For:										
Prepaid Assets	33,316	87,228	-	-	-	-	-	-	120,544	
Student Loans	-	189,169	-	-	-	-	-	-	189,169	
Trust and Agency Assets	-	-	-	-	7,599,358	-	-	-	7,599,358	
Unreserved, Undesignated	13,904,212	1,353,870	1,403,861	-	-	-	-	-	16,661,943	
Retained Earnings	-	-	-	870,628	-	-	-	-	870,628	
Total College Equity	13,937,528	1,630,267	1,403,861	870,628	7,599,358	42,908,994	-	-	68,350,636	
Total Liabilities and College Equity	\$ 28,703,964	\$ 3,944,908	\$ 2,813,058	\$ 2,339,909	\$ 8,436,964	\$ 42,908,994	\$ 9,311,313	\$ -	\$ 98,459,110	

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Governmental Fund Types

For the Year Ended June 30, 2008

	General	Special Revenue	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenue				
Local Sources	\$ 15,174,883	\$ 2,485,498	\$ 2,061,984	\$ 19,722,365
State Sources	10,347,556	3,053,037	-	13,400,593
Federal Sources	95,763	16,064,161	-	16,159,924
Tuition and Fees	21,167,313	-	-	21,167,313
Facilities	677,896	411,376	-	1,089,272
Interest	532,565	3,297	19,510	555,372
Other Revenue	480,987	66,873	-	547,860
On-Behalf Payments	2,893,895	-	-	2,893,895
Total Revenue	<u>51,370,858</u>	<u>22,084,242</u>	<u>2,081,494</u>	<u>75,536,594</u>
Expenditures				
Instruction	22,945,948	575,035	-	23,520,983
Academic Support	4,595,356	3,075,467	-	7,670,823
Student Services	3,891,862	577,029	-	4,468,891
Public Service	764,817	235,731	-	1,000,548
Auxiliary Services	-	10,800	-	10,800
Operation and Maintenance of Plant	5,334,706	1,348,421	5,750,273	12,433,400
Scholarships and Grants	-	14,789,845	-	14,789,845
Institutional Support	10,083,646	1,142,168	-	11,225,814
On-Behalf Payments	2,893,895	-	-	2,893,895
Total Expenditures	<u>50,510,230</u>	<u>21,754,496</u>	<u>5,750,273</u>	<u>78,014,999</u>
Revenue over Expenditures	<u>860,628</u>	<u>329,746</u>	<u>(3,668,779)</u>	<u>(2,478,405)</u>
Other Financing Sources (Uses)				
Issuance of Debt Certificates	3,000,000	-	4,800,000	7,800,000
Operating Transfers, Net	(160,502)	(309,715)	-	(470,217)
Total Other Financing Sources (Uses)	<u>2,839,498</u>	<u>(309,715)</u>	<u>4,800,000</u>	<u>7,329,783</u>
Revenue and Other Financing Sources over Expenditures and Other Financing Uses	3,700,126	20,031	1,131,221	4,851,378
Fund Balance, July 1, 2007	<u>10,237,402</u>	<u>1,610,236</u>	<u>272,640</u>	<u>12,120,278</u>
Fund Balance, June 30, 2008	<u>\$ 13,937,528</u>	<u>\$ 1,630,267</u>	<u>\$ 1,403,861</u>	<u>\$ 16,971,656</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Budgeted Governmental Fund Types

For the Year Ended June 30, 2008

	General		Special Revenue		Capital Projects Fund - Operation and Maintenance Restricted		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenue								
Local Sources	\$ 15,180,073	\$ 15,174,883	\$ 2,564,878	\$ 2,485,498	\$ 2,068,106	\$ 2,061,984	\$ 19,813,057	\$ 19,722,365
State Sources	10,171,222	10,347,556	3,527,094	3,053,037	-	-	13,698,316	13,400,593
Federal Sources	100,000	95,763	13,919,972	16,064,161	-	-	14,019,972	16,159,924
Tuition and Fees	20,659,435	21,167,313	-	-	-	-	20,659,435	21,167,313
Facilities	587,000	677,896	466,000	411,376	-	-	1,053,000	1,089,272
Interest	625,000	532,565	5,250	3,297	21,331	19,510	651,581	555,372
Other Revenue	3,371,000	480,987	394,212	66,873	-	-	3,765,212	547,860
On-Behalf Payments	-	2,893,895	-	-	-	-	-	2,893,895
Total Revenue	50,693,730	51,370,858	20,877,406	22,084,242	2,089,437	2,081,494	73,660,573	75,536,594
Expenditures								
Instruction	22,147,209	22,945,948	587,383	575,035	-	-	22,734,592	23,520,983
Academic Support	4,832,462	4,595,356	3,172,752	3,075,467	-	-	8,005,214	7,670,823
Student Services	3,856,301	3,891,862	763,266	577,029	-	-	4,619,567	4,468,891
Public Service	865,227	764,817	591,651	235,731	-	-	1,456,878	1,000,548
Auxiliary Services	-	-	10,800	10,800	-	-	-	10,800
Operation and Maintenance of Plant Grants and Scholarships	5,580,019	5,334,706	1,346,052	1,348,421	7,046,980	5,750,273	13,973,051	12,433,400
Institutional Support	12,017,969	10,083,646	13,175,276	14,789,845	-	-	13,175,276	14,789,845
On-Behalf Payments	-	2,893,895	1,408,242	1,142,168	-	-	13,426,211	11,225,814
Total Expenditures	49,299,187	50,510,230	21,055,422	21,754,496	7,046,980	5,750,273	77,390,789	78,014,999
Revenue over Expenditures	1,394,543	860,628	(178,016)	329,746	(4,957,543)	(3,668,779)	(3,730,216)	(2,478,405)
Other Financing Sources (Uses)								
Issuance of Debt Certificates	-	3,000,000	-	-	-	4,800,000	-	7,800,000
Operating Transfers, Net	-	(160,502)	-	(309,715)	-	-	-	(470,217)
Total Other Financing Sources (Uses)	-	2,839,498	-	(309,715)	-	4,800,000	-	7,329,783
Revenue and Other Financing Sources over Expenditures and Other Financing Uses	\$ 1,394,543	3,700,126	\$ (178,016)	20,031	\$ (4,957,543)	1,131,221	\$ (3,730,216)	4,851,378
Fund Balance, June 30, 2007		10,237,402		1,610,236		272,640		12,120,278
Fund Balance, June 30, 2008		\$ 13,937,528		\$ 1,630,267		\$ 1,403,861		\$ 16,971,656

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 2008

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenue				
Student and Community Services	\$ -	\$ -	\$ 4,589,500	\$ 4,960,501
Student Tuition and Fees	-	-	809,000	763,963
State Sources	-	-	80,000	60,600
Other Revenue	-	-	536,500	387,825
Investment Revenue	375,000	304,783	-	-
Total Operating Revenue	<u>375,000</u>	<u>304,783</u>	<u>6,015,000</u>	<u>6,172,889</u>
Operating Expenses				
Salaries	-	-	1,362,829	1,376,475
Employee Benefits	-	-	281,720	295,364
Contractual Services	-	-	420,691	374,843
General Materials and Supplies	-	-	3,359,644	3,185,186
Conference and Meeting	-	-	140,574	145,698
Fixed Charges	-	-	846,600	749,953
Utilities	-	-	12,650	-
Capital Outlay	-	-	35,013	11,502
Interest	-	-	-	17,225
Depreciation	-	-	-	204,836
Other	-	-	205,956	184,839
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>6,665,677</u>	<u>6,545,921</u>
Operating Income (Loss)	375,000	304,783	(650,677)	(373,032)
Other Financing Sources (Uses)				
Operating Transfers, Net	-	(304,783)	-	775,000
Net Income	<u>\$ 375,000</u>	<u>-</u>	<u>\$ (650,677)</u>	<u>401,968</u>
College Equity, July 1, 2007		<u>7,600,000</u>		<u>468,660</u>
College Equity, June 30, 2008		<u>\$ 7,600,000</u>		<u>\$ 870,628</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, 2008

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 4,960,501
Student Tuition and Fees	-	732,629
Payments to Suppliers	-	(4,762,090)
Payments to Employees and Benefits Paid	-	(1,671,889)
Other Receipts	304,783	448,425
Net Cash Provided by (Used In) Operating Activities	304,783	(292,424)
Capital and Related Financing Activities		
Principal Paid on Capital Lease Obligations	-	(133,593)
Purchase of Equipment	-	(107,212)
Net Cash Used In Capital and Related Financing Activities	-	(240,805)
Non-Capital Financing Activities		
Change in Due To (From) Other Funds	500,000	(1,154,847)
Operating Transfers In (Out)	(304,783)	775,000
Net Cash Provided by (Used in) Non-Capital Financing Activities	195,217	(379,847)
Net Increase (Decrease) in Cash	500,000	(913,076)
Cash and Cash Equivalents, July 1, 2007	7,100,000	2,141,433
Cash and Cash Equivalents, June 30, 2008	\$ 7,600,000	\$ 1,228,357
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 304,783	\$ (373,032)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	-	204,836
Loss on Disposal of Equipment	-	4,355
Changes in Assets and Liabilities:		
Receivables	-	(18,056)
Inventories	-	(97,200)
Vacation Payable	-	(48)
Deferred Revenue	-	(13,279)
Net Cash Provided by (Used In) Operating Activities	\$ 304,783	\$ (292,424)

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet - Modified Accrual Basis

General Funds

June 30, 2008

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,995,403	\$ 2,273,287	\$ 14,268,690
Receivables:			
Property Taxes, Net	6,591,248	2,535,003	9,126,251
Replacement Taxes, Net	503,415	84,248	587,663
Agency Tuition, Net	526,344	-	526,344
Student Tuition and Fees, Net	821,448	-	821,448
Governmental Grants	679,478	-	679,478
Other	393,906	-	393,906
Due From Other Funds	2,266,868	-	2,266,868
Prepaid Assets	33,316	-	33,316
	<u>\$ 23,811,426</u>	<u>\$ 4,892,538</u>	<u>\$ 28,703,964</u>
LIABILITIES			
Accounts Payable	\$ 36,088	\$ 54,430	\$ 90,518
Vacation Payable	1,004,850	101,607	1,106,457
Retirement Payable	819,541	-	819,541
Due to Other Funds	-	210,000	210,000
Due to Parkland Foundation	66,261	-	66,261
Accrued Liabilities	1,692,189	-	1,692,189
Deferred Revenue	8,823,058	1,958,412	10,781,470
Total Liabilities	<u>12,441,987</u>	<u>2,324,449</u>	<u>14,766,436</u>
FUND BALANCE			
Reserved for Prepaid Assets	33,316	-	33,316
Unreserved	11,336,123	2,568,089	13,904,212
Total Fund Balance	<u>11,369,439</u>	<u>2,568,089</u>	<u>13,937,528</u>
	<u>\$ 23,811,426</u>	<u>\$ 4,892,538</u>	<u>\$ 28,703,964</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, 2008

	Education Fund	Operation and Maintenance Fund	Total
Revenue			
Local Sources	\$ 11,048,973	\$ 4,125,910	\$ 15,174,883
State Sources	9,295,386	1,052,170	10,347,556
Federal Sources	95,763	-	95,763
Tuition and Fees	21,167,313	-	21,167,313
Facilities	-	677,896	677,896
Interest	468,495	64,070	532,565
Other Revenue	480,915	72	480,987
On-Behalf Payments	2,893,895	-	2,893,895
Total Revenue	<u>45,450,740</u>	<u>5,920,118</u>	<u>51,370,858</u>
Expenditures			
Instruction	22,945,948	-	22,945,948
Academic Support	4,595,356	-	4,595,356
Student Services	3,891,862	-	3,891,862
Public Service	764,817	-	764,817
Operation and Maintenance of Plant	-	5,334,706	5,334,706
Institutional Support	10,083,646	-	10,083,646
On-Behalf Payments	2,893,895	-	2,893,895
Total Expenditures	<u>45,175,524</u>	<u>5,334,706</u>	<u>50,510,230</u>
Revenue over Expenditures	<u>275,216</u>	<u>585,412</u>	<u>860,628</u>
Other Financing Sources (Uses)			
Issuance of Debt Certificates	3,000,000	-	3,000,000
Operating Transfers, Net	(470,217)	309,715	(160,502)
Total Other Financing Sources (Uses)	<u>2,529,783</u>	<u>309,715</u>	<u>2,839,498</u>
Revenue and Other Financing Sources over Expenditures and Other Financing Uses	2,804,999	895,127	3,700,126
Fund Balance, July 1, 2007	<u>8,564,440</u>	<u>1,672,962</u>	<u>10,237,402</u>
Fund Balance, June 30, 2008	<u>\$ 11,369,439</u>	<u>\$ 2,568,089</u>	<u>\$ 13,937,528</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet - Modified Accrual Basis

Special Revenue Funds

June 30, 2008

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
Cash and Cash Equivalents	\$ 655,608	\$ 81,277	\$ 1,145,622	\$ 1,882,507
Receivables:				
Property Taxes, Net	-	48,728	1,442,801	1,491,529
Student Loans	189,169	-	-	189,169
Other Receivable	286,654	-	7,821	294,475
Prepaid Assets	87,228	-	-	87,228
	<u>\$ 1,218,659</u>	<u>\$ 130,005</u>	<u>\$ 2,596,244</u>	<u>\$ 3,944,908</u>
Accounts Payable	\$ 56,172	\$ -	\$ 1,353	\$ 57,525
Vacation Payable	37,946	-	64,966	102,912
Deferred Revenue	41,926	37,645	1,114,633	1,194,204
Due to Other Funds	960,000	-	-	960,000
Total Liabilities	<u>1,096,044</u>	<u>37,645</u>	<u>1,180,952</u>	<u>2,314,641</u>
Reserved For:				
Prepaid Assets	87,228	-	-	87,228
Student Loans	189,169	-	-	189,169
Unreserved, Undesignated	(153,782)	92,360	1,415,292	1,353,870
Total Fund Balance	<u>122,615</u>	<u>92,360</u>	<u>1,415,292</u>	<u>1,630,267</u>
Total Liabilities and Fund Balance	<u>\$ 1,218,659</u>	<u>\$ 130,005</u>	<u>\$ 2,596,244</u>	<u>\$ 3,944,908</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, 2008

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenue				
Local Sources	\$ -	\$ 80,399	\$ 2,405,099	\$ 2,485,498
State Sources	3,053,037	-	-	3,053,037
Federal Sources	16,064,161	-	-	16,064,161
Facilities	411,376	-	-	411,376
Interest	594	86	2,617	3,297
Other	61,860	-	5,013	66,873
Total Revenue	<u>19,591,028</u>	<u>80,485</u>	<u>2,412,729</u>	<u>22,084,242</u>
Expenditures				
Instruction	575,035	-	-	575,035
Academic Support	3,075,467	-	-	3,075,467
Student Services	577,029	-	-	577,029
Public Service	235,731	-	-	235,731
Auxiliary Services	10,800	-	-	10,800
Operations and Maintenance of Plant	-	-	1,348,421	1,348,421
Scholarships and Grants	14,789,845	-	-	14,789,845
Institutional Support	-	62,074	1,080,094	1,142,168
Total Expenditures	<u>19,263,907</u>	<u>62,074</u>	<u>2,428,515</u>	<u>21,754,496</u>
Revenue Over (Under) Expenditures	327,121	18,411	(15,786)	329,746
Other Financing Sources (Uses)				
Operating Transfers (Net)	(309,715)	-	-	(309,715)
Revenue over Expenditures and Other Financing Uses	17,406	18,411	(15,786)	20,031
Fund Balance, July 1, 2007	<u>105,209</u>	<u>73,949</u>	<u>1,431,078</u>	<u>1,610,236</u>
Fund Balance, June 30, 2008	<u>\$ 122,615</u>	<u>\$ 92,360</u>	<u>\$ 1,415,292</u>	<u>\$ 1,630,267</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet

Enterprise Funds
June 30, 2008

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
ASSETS								
Cash and Cash Equivalents	\$ 45	\$ -	\$ 3,647	\$ -	\$ -	\$ 1,159,079	\$ 65,586	\$ 1,228,357
Receivables:								
Student Tuition and Fees, Net	14,442	-	74,091	-	7,218	88,387	-	184,138
Business and Industry Training	-	-	-	-	5,917	-	-	5,917
Other	338	-	87	-	141	42,466	-	43,032
Inventory	-	-	-	-	-	633,692	-	633,692
Property and Equipment, Net of Accumulated Depreciation	-	153,770	74,572	-	13,507	2,924	-	244,773
Total Assets	\$ 14,825	\$ 153,770	\$ 152,397	\$ -	\$ 26,783	\$ 1,926,548	\$ 65,586	\$ 2,339,909
LIABILITIES								
Account Payable	\$ (260)	\$ -	\$ -	\$ -	\$ 32	\$ -	\$ -	\$ (228)
Vacation Payable	28,251	11,506	19,134	-	16,003	22,689	-	97,583
Accrued Liabilities	-	-	1,508	-	-	-	-	1,508
Due to Other Funds	-	80,699	47,222	124,080	844,867	-	-	1,096,868
Deferred Revenue	-	-	96,225	-	-	52	-	96,277
Capital Lease Obligations	-	177,273	-	-	-	-	-	177,273
Total Liabilities	27,991	269,478	164,089	124,080	860,902	22,741	-	1,469,281
RETAINED EARNINGS (ACCUMULATED DEFICIT)	(13,166)	(115,708)	(11,692)	(124,080)	(834,119)	1,903,807	65,586	870,628
Total Liabilities and Retained Earnings (Accumulated Deficit)	\$ 14,825	\$ 153,770	\$ 152,397	\$ -	\$ 26,783	\$ 1,926,548	\$ 65,586	\$ 2,339,909

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, 2008

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Operating Revenue								
Student and Community Services	\$ 419,546	\$ -	\$ -	\$ -	\$ 439,900	\$ 4,085,672	\$ 15,383	\$ 4,960,501
Student Tuition and Fees	-	-	240,589	72,000	421,374	-	30,000	763,963
State Sources	-	-	-	-	60,600	-	-	60,600
Other Revenue	-	363,225	20,899	-	3,701	-	-	387,825
Total Operating Revenue	419,546	363,225	261,488	72,000	925,575	4,085,672	45,383	6,172,889
Operating Expenses								
Salaries	330,671	107,951	55,308	233,741	356,475	273,397	18,932	1,376,475
Employee Benefits	139,291	7,708	6,171	16,226	63,420	61,238	1,310	295,364
Contractual Services	792	-	26,561	51,342	295,047	45	1,056	374,843
General Materials and Supplies	39,151	86,513	11,248	40,585	128,777	2,864,953	13,959	3,185,186
Conference and Meeting	14	-	34,960	101,070	5,053	3,629	972	145,698
Fixed Charges	-	119,884	-	-	114	629,955	-	749,953
Capital Outlay	-	3,409	-	5,400	27	(826)	3,492	11,502
Interest	-	17,225	-	-	-	-	-	17,225
Depreciation	961	169,803	24,019	-	8,461	1,582	10	204,836
Other	(3)	4,355	128,206	51,433	850	(2)	-	184,839
Total Operating Expenses	510,877	516,848	286,473	499,797	858,224	3,833,971	39,731	6,545,921
Operating Income (Loss)	(91,331)	(153,623)	(24,985)	(427,797)	67,351	251,701	5,652	(373,032)
Other Financing Sources								
Operating Transfers, Net	200,000	200,000	-	375,000	-	-	-	775,000
Net Income (Loss)	108,669	46,377	(24,985)	(52,797)	67,351	251,701	5,652	401,968
Retained Earnings (Deficit), July 1, 2007	(121,835)	(162,085)	13,293	(71,283)	(901,470)	1,652,106	59,934	468,660
Retained Earnings (Deficit), June 30, 2008	\$ (13,166)	\$ (115,708)	\$ (11,692)	\$ (124,080)	\$ (834,119)	\$ 1,903,807	\$ 65,586	\$ 870,628

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

Combining Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2008

	Child Care Services	Reprographics	Student Government	Athletics	Business Development Center	Bookstore	Prospectus	Total
Cash Flows from Operating Activities								
Auxiliary Enterprise Charges	\$ 419,546	\$ -	\$ -	\$ -	\$ 439,900	\$ 4,085,672	\$ 15,383	\$ 4,960,501
Student Tuition and Fees	(154)	-	244,822	72,000	436,333	(50,372)	30,000	732,629
Payments to Suppliers	(39,954)	(227,031)	(200,975)	(249,830)	(429,868)	(3,594,953)	(19,479)	(4,762,090)
Payments to Employees and Benefits Paid	(465,449)	(121,791)	(62,714)	(249,967)	(420,048)	(331,678)	(20,242)	(1,671,889)
Other Receipts	-	363,225	20,899	-	64,301	-	-	448,425
Net Cash Provided by (Used In) Operating Activities	(86,011)	14,403	2,032	(427,797)	90,618	108,669	5,662	(292,424)
Capital and Related Financing Activities								
Principal Paid on Capital Lease Obligations	-	(133,593)	-	-	-	-	-	(133,593)
Purchase of New Equipment	-	(35,245)	(47,236)	-	(20,261)	(4,470)	-	(107,212)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(168,838)	(47,236)	-	(20,261)	(4,470)	-	(240,805)
Non-Capital Financing Activities								
Change in Due To (From) Other Funds	(113,944)	(45,565)	(977,778)	52,797	(70,357)	-	-	(1,154,847)
Operating Transfers In	200,000	200,000	-	375,000	-	-	-	775,000
Net Cash Provided by (Used In) Non- Capital Financing Activities	86,056	154,435	(977,778)	427,797	(70,357)	-	-	(379,847)
Net Increase (Decrease) in Cash	45	-	(1,022,982)	-	-	104,199	5,662	(913,076)
Cash and Cash Equivalents, July 1, 2007	-	-	1,026,629	-	-	1,054,880	59,924	2,141,433
Cash and Cash Equivalents, June 30, 2008	45	-	3,647	-	-	1,159,079	65,586	1,228,357
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ (91,331)	\$ (153,623)	\$ (24,985)	\$ (427,797)	\$ 67,351	\$ 251,701	\$ 5,652	\$ (373,032)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	961	169,803	24,019	-	8,461	1,582	10	204,836
Loss on Disposal of Equipment	-	4,355	-	-	-	-	-	4,355
Changes in Assets and Liabilities:								
Receivables	(154)	-	485	-	14,959	(33,346)	-	(18,056)
Inventories	-	-	-	-	-	(97,200)	-	(97,200)
Vacation Payable	4,513	(6,132)	(1,235)	-	(153)	2,959	-	(48)
Deferred Revenue	-	-	3,748	-	-	(17,027)	-	(13,279)
Net Cash Provided By (Used in) Operating Activities	\$ (86,011)	\$ 14,403	\$ 2,032	\$ (427,797)	\$ 90,618	\$ 108,669	\$ 5,662	\$ (292,424)

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Combining Balance Sheet

Fiduciary Funds

June 30, 2008

	Non-Expendable Trust	Trust and Agency Fund	Total
ASSETS	Working Cash Fund	Trust and Agency Fund	Total
Cash and Cash Equivalents	\$ 7,600,000	\$ 773,269	\$ 8,373,269
Receivables:			
Student Tuition and Fees	-	63,695	63,695
Total Assets	\$ 7,600,000	\$ 836,964	\$ 8,436,964
LIABILITIES			
Unapplied Financial Aid	\$ -	\$ 320	\$ 320
Due to Student Groups	-	837,286	837,286
Total Liabilities	-	837,606	837,606
FUND BALANCE			
Reserved for Trust and Agency Assets	7,600,000	(642)	7,599,358
Total Liabilities and Fund Balance	\$ 7,600,000	\$ 836,964	\$ 8,436,964

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

All Funds and Account Groups

June 30, 2008

(With Comparative Totals as of June 30, 2007)

	Operations and Maintenance Funds			Account Groups				Totals (Memorandum Only)					
	Education Fund	Operational	Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Audit Fund	Liability, Protection, and Settlement Fund	General Fixed Assets	General Long-Term Debt	June 30, 2008	June 30, 2007
ASSETS													
Cash and Cash Equivalents	\$ 11,995,403	\$ 2,273,287	\$ 1,546,151	\$ 1,228,357	\$ 655,608	\$ 7,600,000	\$ 773,269	\$ 81,277	\$ 1,145,622	\$ -	\$ -	\$ 27,298,974	\$ 22,396,093
Receivables:													
Property Taxes	6,591,248	2,535,003	1,266,907	-	-	-	-	48,728	1,442,801	-	-	11,884,687	11,414,112
Replacement Taxes	503,415	84,248	-	-	-	-	-	-	-	-	-	587,663	599,245
Agency Tuition, Net	526,344	-	-	-	-	-	-	-	-	-	-	526,344	465,369
Student Tuition and Fees, Net	821,448	-	-	184,138	-	-	63,695	-	-	-	-	1,069,281	1,017,866
Governmental Grants	679,478	-	-	-	-	-	-	-	-	-	-	679,478	559,865
Business and Industry Training	-	-	-	5,917	-	-	-	-	-	-	-	5,917	23,032
Student Loans	-	-	-	-	189,169	-	-	-	-	-	-	189,169	205,723
Other	393,906	-	-	43,032	286,654	-	-	-	7,821	-	-	731,413	118,007
Due from Other Funds	2,266,868	-	-	-	87,228	-	-	-	-	-	-	2,266,868	3,903,569
Prepaid Assets	33,316	-	-	633,692	-	-	-	-	-	-	-	120,544	161,258
Inventory	-	-	-	244,773	-	-	-	-	-	-	-	633,692	536,492
Property and Equipment at Cost, Net	-	-	-	-	-	-	-	-	-	42,908,994	-	43,153,767	36,974,316
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	9,311,313	9,311,313	1,653,636
Total Assets	\$ 23,811,426	\$ 4,892,538	\$ 2,813,058	\$ 2,339,909	\$ 1,218,659	\$ 7,600,000	\$ 836,964	\$ 130,005	\$ 2,596,244	\$ 42,908,994	\$ 9,311,313	\$ 98,459,110	\$ 80,028,583
LIABILITIES													
Accounts Payable	\$ 36,088	\$ 54,430	\$ 430,451	\$ (228)	\$ 56,172	\$ -	\$ -	\$ -	\$ 1,353	\$ -	\$ -	\$ 578,266	\$ 452,197
Vacation Payable	1,004,850	101,607	-	97,583	37,946	-	-	-	64,966	-	-	1,306,952	1,219,730
Retirement Obligations	819,541	-	-	-	-	-	-	-	-	-	1,265,162	2,084,703	2,486,577
Accrued Liabilities	1,692,189	-	-	1,508	-	-	-	-	-	-	-	1,693,697	1,665,461
Due to Other Funds	-	210,000	-	1,096,868	960,000	-	-	-	-	-	-	2,266,868	3,903,569
Due from Parkland Foundation	66,261	-	-	-	-	-	-	-	-	-	-	66,261	340,208
Deferred Revenue	8,823,058	1,958,412	978,746	96,277	41,926	-	-	37,645	1,114,633	-	-	13,050,697	12,039,835
Capital Lease Obligations	-	-	-	177,273	-	-	-	-	-	-	246,151	423,424	328,758
Due to Student Groups	-	-	-	-	-	-	837,286	-	-	-	-	837,286	776,388
Unapplied Financial Aid	-	-	-	-	-	-	320	-	-	-	-	320	-
Debt Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	\$ 12,441,987	\$ 2,324,449	\$ 1,409,197	\$ 1,469,281	\$ 1,096,044	\$ -	\$ 837,606	\$ 37,645	\$ 1,180,952	\$ 7,800,000	\$ 9,311,313	\$ 30,108,474	\$ 23,212,723
COLLEGE EQUITY													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	42,908,994	-	42,908,994	36,627,564
Fund Balance:													
Reserved For:													
Prepaid Assets	33,316	-	-	-	87,228	-	-	-	-	-	-	120,544	161,258
Student Loans	-	-	-	-	189,169	-	-	-	-	-	-	189,169	205,723
Trust and Agency Assets	-	-	-	-	-	7,600,000	(642)	-	-	-	-	7,599,358	7,599,358
Unreserved, Undesignated	11,336,123	2,568,089	1,403,861	-	(153,782)	-	-	92,360	1,415,292	-	-	16,661,943	11,753,297
Retained Earnings (Accumulated Deficit)	-	-	-	870,628	-	-	-	-	-	-	-	870,628	468,660
Total College Equity (Deficit)	\$ 11,369,439	\$ 2,568,089	\$ 1,403,861	\$ 870,628	\$ 122,615	\$ 7,600,000	\$ (642)	\$ 92,360	\$ 1,415,292	\$ 42,908,994	\$ -	\$ 68,350,636	\$ 56,815,860
Total Liabilities and College Equity	\$ 23,811,426	\$ 4,892,538	\$ 2,813,058	\$ 2,339,909	\$ 1,218,659	\$ 7,600,000	\$ 836,964	\$ 130,005	\$ 2,596,244	\$ 42,908,994	\$ 9,311,313	\$ 98,459,110	\$ 80,028,583

**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, 2008
(With Comparative Totals for the Year Ended June 30, 2007)

	Education Fund		Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Totals (Memorandum Only)	
	Operational	Restricted	Operational	Restricted						2008	2007
Revenue											
Local Sources	\$ 11,048,973	\$ 2,061,984	\$ -	\$ -	\$ -	\$ -	\$ 80,399	\$ 2,405,099	\$ 19,722,365	\$ 18,921,137	
State Sources	9,295,386	1,052,170	60,600	3,053,037	-	-	-	-	13,461,193	13,386,692	
Federal Sources	95,763	-	-	16,064,161	-	-	-	-	16,159,924	13,318,490	
Tuition and Fees	21,167,313	-	763,963	-	-	-	-	-	21,931,276	20,433,186	
Facilities	-	677,896	-	-	-	411,376	-	-	1,089,272	1,128,610	
Other Revenue	949,410	64,142	5,348,326	19,510	62,454	304,783	86	7,630	6,756,341	7,280,691	
On-Behalf Payments	2,893,895	-	-	-	-	-	-	-	2,893,895	2,140,645	
Total Revenue	45,450,740	5,920,118	6,172,889	19,591,028	304,783	80,485	2,412,729	82,014,266	76,609,451		
Expenditures											
Instruction	22,945,948	-	-	575,035	-	-	-	-	23,520,983	22,092,552	
Academic Support	4,595,356	-	329,819	3,075,467	-	-	-	-	8,000,642	7,344,679	
Student Services	3,891,862	-	-	577,029	-	-	-	-	4,468,891	4,328,600	
Public Service	764,817	-	849,763	235,731	-	-	-	-	1,850,311	2,176,926	
Auxiliary Services	-	-	5,144,278	10,800	-	-	-	-	5,155,078	4,843,150	
Operation and Maintenance of Plant	-	5,334,706	-	5,750,273	-	-	-	1,348,421	12,433,400	8,549,897	
Institutional Support	10,083,646	-	-	-	-	-	62,074	1,080,094	11,225,814	8,870,070	
Scholarships and Grants	-	-	-	14,789,845	-	-	-	-	14,789,845	11,915,690	
Interest	-	-	-	-	17,225	-	-	-	17,225	10,871	
Depreciation	-	-	-	-	204,836	-	-	-	204,836	255,394	
On-Behalf Payments	2,893,895	-	-	-	-	-	-	-	2,893,895	2,140,645	
Total Expenditures	45,175,524	5,334,706	6,545,921	19,263,907	304,783	62,074	2,428,515	84,560,920	72,528,474		
Revenue Over (Under) Expenditures	275,216	585,412	(373,032)	327,121	18,411	(15,786)	4,080,977	(2,546,654)	4,080,977		
Other Financing Sources (Uses)											
Debt Certificate Proceeds	3,000,000	-	-	4,800,000	-	-	-	-	7,800,000	-	
Operating Transfers, Net	(470,217)	309,715	775,000	(309,715)	(304,783)	-	-	-	-	-	
Total Other Financing Sources (Uses)	2,529,783	309,715	775,000	(309,715)	(304,783)	-	-	-	7,800,000	-	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,804,999	895,127	401,968	17,406	18,411	(15,786)	4,080,977	5,253,346	4,080,977		
College Equity, Beginning of Year	8,564,440	1,672,962	468,660	105,209	73,949	1,431,078	16,107,961	20,188,938	16,107,961		
College Equity, End of Year	\$ 11,369,439	\$ 2,568,089	\$ 870,628	\$ 122,615	\$ 92,360	\$ 1,415,292	\$ 20,188,938	\$ 25,442,284	\$ 20,188,938		

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, 2008 and 2007

	2008	2007
College Equity	\$ 68,350,636	\$ 56,815,860
Reconciling Items:		
Recognition of Summer School Revenues	1,758,284	1,213,189
Reclassification of Long Term Debt	(9,311,313)	(1,653,636)
Recognition of Interest Payable on Debt Certificates	(285,000)	-
Net Assets	<u>\$ 60,512,607</u>	<u>\$ 56,375,413</u>

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

For the Years Ended June 30, 2008 and 2007

	2008	2007
Change in College Equity	\$ 5,253,346	\$ 4,080,977
Reconciling Items:		
Remove Rent Revenue Paid by the Bookstore to O&M Fund	(583,549)	(564,789)
Remove Rent Expense from the Bookstore	583,549	564,789
Remove Revenue Paid by the Education Fund to Reprographics	363,225	(344,920)
Remove Expenditures from the Education Fund	(363,225)	344,920
Remove Student Aid and Scholarship Payments from Revenue	(6,894,323)	(5,670,367)
Remove Student Aid and Scholarship Payments from Expense	6,894,323	5,670,367
Capital Lease Obligations Retired	106,571	17,149
Retirement Obligations Retired	370,582	685,318
Remove Capital Asset Expenditures from Capital Outlay	8,081,984	2,734,349
Record Depreciation on the General Fixed Asset Account Group	(2,135,384)	(2,009,827)
Debt Certificate Proceeds Removed from Revenue	(7,800,000)	-
Interest Expense on Debt Certificates Recorded	(285,000)	-
Change in Recognition of Summer School Revenues	<u>545,095</u>	<u>24,183</u>
Change in Net Assets	<u>\$ 4,137,194</u>	<u>\$ 5,532,149</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

June 30, 2008

Assessed Valuations	2007 Levy	2006 Levy	2005 Levy	2004 Levy	2003 Levy	2002 Levy	2001 Levy	2000 Levy	1999 Levy
County:									
Champaign	\$ 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	\$ 2,019,228,331
Coles	5,306,338	5,573,540	5,963,210	6,416,722	6,225,361	6,757,851	7,900,000	7,963,010	7,667,234
DeWitt	60,557,367	56,796,370	57,235,909	58,542,203	61,241,631	62,963,494	63,263,081	64,509,268	63,062,951
Douglas	218,607,217	208,085,929	208,085,929	205,222,157	211,719,753	212,081,194	213,873,061	214,230,703	202,275,115
Edgar	2,434,071	2,250,000	2,359,397	2,550,230	2,750,598	2,975,138	3,229,642	3,506,564	3,399,762
Ford	177,019,659	171,232,142	166,210,215	163,136,913	169,817,255	170,518,292	170,049,562	169,740,151	168,626,119
Iroquois	74,346,304	74,346,304	70,565,997	70,068,302	68,855,261	70,121,443	69,704,262	68,916,644	68,860,914
Livingston	52,968,851	51,744,154	50,467,263	48,636,918	49,889,515	51,161,150	52,434,825	54,830,620	54,196,144
McLean	124,928,450	112,103,188	111,280,992	112,013,505	111,964,618	112,238,854	110,717,051	112,612,138	110,775,037
Moultrie	2,544,048	2,828,750	2,828,750	3,058,323	3,302,506	3,570,168	3,821,243	4,120,557	3,908,900
Piatt	295,752,213	276,109,518	260,426,679	252,425,217	258,267,102	247,128,738	243,761,308	241,106,057	227,915,274
Vermilion	11,310,925	10,303,236	9,376,245	9,759,669	10,463,662	10,628,076	11,153,861	11,755,423	11,335,316
TOTAL	\$ 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	\$ 2,941,251,097

Tax Rates
(Per \$100 Assessed Valuations)

Education Fund	0.2600	0.2600	0.2592	0.2600	0.2600	0.2600	0.2600	0.2617	0.2600
Operations and Maintenance:									
Operational Fund	0.1000	0.1000	0.0994	0.1000	0.1000	0.1000	0.1000	0.1007	0.1000
Tort and Immunity	0.0341	0.0352	0.0406	0.0450	0.0436	0.0287	0.0250	0.0219	0.0365
Audit	0.0019	0.0020	0.0019	0.0022	0.0021	0.0014	0.0012	0.0008	0.0012
Worker's Compensation	0.0056	0.0061	0.0062	0.0069	0.0056	0.0030	0.0022	0.0008	0.0017
Unemployment Insurance	0.0004	0.0005	0.0002	0.0006	0.0022	0.0009	0.0009	0.0008	0.0012
Protection, Health, and Safety	0.0500	0.0500	0.0496	0.0500	0.0500	0.0500	0.0500	0.0469	0.0500
Medicare Insurance	0.0093	0.0101	0.0099	0.0119	0.0116	0.0121	0.0101	0.0086	0.0102
Property Insurance	0.0075	0.0081	0.0083	0.0085	0.0087	0.0091	0.0062	0.0047	0.0051
TOTAL	0.4688	0.4720	0.4753	0.4851	0.4838	0.4652	0.4556	0.4469	0.4659

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

June 30, 2008

	2007 Levy	2006 Levy	2005 Levy	2004 Levy	2003 Levy	2002 Levy	2001 Levy	2000 Levy	1999 Levy
Tax Extensions									
Education Fund	\$ 11,315,677	\$ 10,501,816	\$ 9,775,029	\$ 9,210,343	\$ 8,943,762	\$ 8,597,451	\$ 8,317,746	\$ 8,022,554	\$ 7,647,806
Operations and Maintenance:									
Operational Fund	4,352,026	4,040,187	3,753,251	3,542,308	3,439,908	3,306,712	3,199,133	3,086,022	2,940,726
Tort and Immunity	1,484,651	1,422,819	1,531,713	1,583,798	1,499,800	949,026	799,783	1,165,187	1,608,766
Audit	83,654	80,079	75,678	73,834	72,238	46,294	38,390	24,821	35,629
Worker's Compensation	243,726	246,568	233,907	244,435	192,635	99,201	70,381	-	-
Unemployment Insurance	17,409	20,210	7,545	21,255	75,678	29,760	28,792	-	-
Protection, Health, and Safety	2,174,993	2,019,140	1,879,328	1,772,012	1,719,954	1,653,356	1,599,566	1,490,612	1,470,363
Medicare Insurance	404,759	408,251	373,496	421,562	399,029	400,112	323,112	-	-
Property Insurance	326,418	327,410	313,133	301,115	299,272	300,911	198,346	-	-
Tax Collections Prior to Year End	20,403,312	19,066,480	17,943,080	17,170,662	16,642,276	15,382,822	14,575,249	13,789,196	13,703,290
	(8,069,866)	(7,652,368)	(7,174,956)	(7,189,045)	(6,328,182)	(6,281,676)	(5,799,158)	(4,794,172)	(4,840,746)
	12,333,446	11,414,112	10,768,124	9,981,617	10,314,094	9,101,146	8,776,091	8,995,024	8,862,544
Allowance for Uncollectible Taxes and Potential Refunds	(448,759)	-	-	-	-	-	-	(27,812)	(27,404)
Property Taxes Receivable	\$ 11,884,687	\$ 11,414,112	\$ 10,768,124	\$ 9,981,617	\$ 10,314,094	\$ 9,101,146	\$ 8,776,091	\$ 8,967,212	\$ 8,835,140
Property Taxes Receivable by Fund									
Education Fund	\$ 6,591,248	6,286,892	\$ 5,841,707	\$ 5,354,140	\$ 5,542,794	\$ 5,086,631	\$ 5,008,516	\$ 5,217,124	\$ 4,930,891
Operations and Maintenance:									
Operational Fund	2,535,003	2,418,650	2,243,001	2,059,208	2,131,924	1,956,746	1,926,352	2,006,863	1,896,021
Restricted Fund	1,266,907	1,208,755	1,123,115	1,030,102	1,066,477	978,373	963,614	969,355	948,010
Audit Fund	48,728	47,940	45,226	42,921	44,351	27,304	22,818	16,140	22,972
Liability, Protection, and Settlement Fund	1,442,801	1,451,875	1,515,075	1,495,246	1,528,548	1,052,092	854,791	757,730	1,037,246
Total	\$ 11,884,687	\$ 11,414,112	\$ 10,768,124	\$ 9,981,617	\$ 10,314,094	\$ 9,101,146	\$ 8,776,091	\$ 8,967,212	\$ 8,835,140

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Legal Debt Margin

June 30, 2008

Assessed Valuations - 2008 Levy	<u>\$ 4,352,242,300</u>
Debt Limit, 2.875 Percent of Assessed Valuation	<u>\$ 125,126,966</u>
Indebtedness:	
Capital Leases	423,424
Debt Certificates	<u>7,800,000</u>
Total Indebtedness	<u>8,223,424</u>
Legal Debt Margin	<u>\$ 116,903,542</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Student Enrollment and Full-Time Equivalency
At Tenth Day

Year Ended June 30, 2008
(Unaudited)

School Quarter	<u>Student Enrollment</u>	<u>Full-Time Equivalency</u> <u>Semester</u>
Summer 2007	5,138	1,648
Fall 2007	9,429	5,778
Spring 2008	<u>9,016</u>	<u>5,589</u>
Semester Average (Exclusive of Summer School)	<u><u>9,223</u></u>	<u><u>5,684</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
Fiscal Year Ended June 30, 2008

	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, 2007	\$ 8,564,440	\$ 1,672,962	\$ 272,640	\$ -	\$ 468,660	\$ 105,209	\$ 7,600,000	\$ 73,949	\$ 1,431,078	\$ 20,188,938
Revenues:										
Local Tax Revenue	10,726,459	4,125,910	2,061,984	-	-	-	-	80,399	2,405,099	19,399,851
All Other Local Revenue	3,322,514	-	-	-	-	-	-	-	-	3,322,514
ICCB Grants	7,567,832	-	-	-	60,600	1,268,529	-	-	-	8,896,961
All Other State Revenue	1,727,554	1,052,170	-	-	-	2,439,449	-	-	-	5,219,173
Federal Revenue	95,763	-	-	-	-	15,409,220	-	-	-	15,504,983
Student Tuition and Fees	21,167,313	-	-	-	763,963	-	-	-	-	21,931,276
All Other Revenue	949,410	742,038	4,819,510	-	5,348,326	473,830	304,783	86	7,630	12,645,613
Total Revenue	45,556,845	5,920,118	6,881,494	-	6,172,889	19,591,028	304,783	80,485	2,412,729	86,920,371
Expenditures:										
Instruction	22,945,948	-	-	-	-	575,035	-	-	-	23,520,983
Academic Support	4,595,356	-	-	-	329,819	3,075,467	-	-	-	8,000,642
Student Services	3,891,862	-	-	-	-	577,029	-	-	-	4,468,891
Public Service/Continuing Education	764,817	-	-	-	849,763	235,731	-	-	-	1,850,311
Auxiliary Services	-	-	-	-	5,366,339	10,800	-	-	-	5,377,139
Operations and Maintenance	-	5,334,706	5,750,273	-	-	-	-	-	1,348,421	12,433,400
Institutional Support	10,083,646	-	-	-	-	-	-	62,074	1,080,094	11,225,814
Scholarships, Student Grants, & Waivers	-	-	-	-	-	14,789,845	-	-	-	14,789,845
Total Expenditures	42,281,629	5,334,706	5,750,273	-	6,545,921	19,263,907	-	62,074	2,428,515	81,667,025
Net Transfers	(470,217)	309,715	-	-	775,000	(309,715)	(304,783)	-	-	-
Fund Balance, June 30, 2008	\$ 11,369,439	\$ 2,568,089	\$ 1,403,861	\$ -	\$ 870,628	\$ 122,615	\$ 7,600,000	\$ 92,360	\$ 1,415,292	\$ 25,442,284

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
Fiscal Year Ended June 30, 2008

	Fixed Asset/Debt Account Groups			June 30, 2008
	July 1, 2007	Additions	Deletions	
Fixed Assets:				
Land	\$ 721,745	\$ 720,000	\$ -	\$ 1,441,745
Land Improvements	8,769,502	1,757,489	-	10,526,991
Buildings, Additions, and Improvements	51,088,089	2,973,442	-	54,061,531
Equipment	1,652,216	932,339	(242,751)	2,341,804
Other Fixed Assets	665,085	3,791,034	(1,757,489)	2,698,630
Accumulated Depreciation	(26,269,073)	(2,135,385)	242,751	(28,161,707)
Net Fixed Assets	<u>\$ 36,627,564</u>	<u>\$ 8,038,919</u>	<u>\$ (1,757,489)</u>	<u>\$ 42,908,994</u>
Fixed Debt:				
Debt Certificates	\$ -	\$ 7,800,000	\$ -	\$ 7,800,000
Early Retirement Benefits	1,635,744	204,215	(574,797)	1,265,162
Capital Lease Obligation	17,892	246,151	(17,892)	246,151
Total Fixed Liabilities	<u>\$ 1,653,636</u>	<u>\$ 8,250,366</u>	<u>\$ (592,689)</u>	<u>\$ 9,311,313</u>

	Outstanding			June 30, 2008
	July 1, 2007	Issued	Redeemed	
Education Fund:				
Tax Anticipation Warrants	\$ -	\$ -	\$ -	\$ -
Tax Anticipation Notes	-	-	-	-
Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Bond and Interest Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Audit Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Liability, Protection, and Settlement Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Rental Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
PBC Operations and Maintenance Fund:				
Tax Anticipation Warrants	-	-	-	-
Tax Anticipation Notes	-	-	-	-
Total Anticipation Warrants and Notes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2008

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 10,726,459	\$ 4,125,910	\$ 14,852,369
Chargeback Revenue	322,514	-	322,514
Debt Certificate Revenue	3,000,000	-	3,000,000
Total Local Government	<u>14,048,973</u>	<u>4,125,910</u>	<u>18,174,883</u>
<i>State Government</i>			
ICCB Base Operating Grant	5,235,116	-	5,235,116
ICCB Equalization Grant	2,332,716	-	2,332,716
CPPRT	1,484,764	1,052,170	2,536,934
Department of Corrections	242,790	-	242,790
Total State Government	<u>9,295,386</u>	<u>1,052,170</u>	<u>10,347,556</u>
<i>Federal Government</i>			
Other	95,763	-	95,763
Total Federal Government	<u>95,763</u>	<u>-</u>	<u>95,763</u>
<i>Student Tuition and Fees</i>			
Tuition	19,818,590	-	19,818,590
Fees	1,348,723	-	1,348,723
Total Tuition and Fees	<u>21,167,313</u>	<u>-</u>	<u>21,167,313</u>
<i>Other Sources</i>			
Sales and Service Fees	348,688	-	348,688
Facilities Revenue	-	677,896	677,896
Investment Revenue	468,495	64,070	532,565
Other	132,227	72	132,299
Total Other Sources	<u>949,410</u>	<u>742,038</u>	<u>1,691,448</u>
Total Operating Revenues	45,556,845	5,920,118	51,476,963
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	(322,514)	-	(322,514)
Adjusted Operating Revenue	<u>\$ 45,234,331</u>	<u>\$ 5,920,118</u>	<u>\$ 51,154,449</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Fiscal Year Ended June 30, 2008

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 22,945,948	\$ -	\$ 22,945,948
Academic Support	4,595,356	-	4,595,356
Student Services	3,891,862	-	3,891,862
Public Service/Continuing Education	764,817	-	764,817
Organized Research	-	-	-
Auxiliary Services	-	-	-
Operations and Maintenance	-	5,334,706	5,334,706
Institutional Support	10,083,646	-	10,083,646
Scholarships, Grants, Waivers	-	-	-
Total Operating Expenditures by Program	42,281,629	5,334,706	47,616,335
Less: Non-Operating Items			
Tuition Chargeback	(48,551)	-	(48,551)
Adjusted Operating Expenditures by Program	\$ 42,233,078	\$ 5,334,706	\$ 47,567,784
Operating Expenditures by Object:			
Salaries	\$ 29,264,935	\$ 1,537,076	\$ 30,802,011
Employee Benefits	5,057,250	446,383	5,503,633
Contractual Services	498,354	515,267	1,013,621
General Materials and Supplies	3,760,406	510,262	4,270,668
Conference and Meeting Expenses	560,457	3,155	563,612
Fixed Charges	452,484	107,392	559,876
Utilities	8,553	1,982,989	1,991,542
Capital Outlay	1,042,644	232,182	1,274,826
Other	1,636,546	-	1,636,546
Total Operating Expenditures by Object	42,281,629	5,334,706	47,616,335
Less: Non-Operating Items			
Tuition Chargeback	(48,551)	-	(48,551)
Adjusted Operating Expenditures by Object	\$ 42,233,078	\$ 5,334,706	\$ 47,567,784

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, 2008

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Workforce Development-Business/Industry Grants	\$ 91,447
ICCB - P-16 Initiative Grants	47,249
ICCB - Special Initiatives Grants	144,062
ICCB - Program Improvement Grants	33,177
ICCB - Adult Education	427,264
ICCB - Career and Technical Education	20,000
ICCB - Perkins	455,838
ICCB - Tech Prep	8,637
ICCB - Manufacturing Innovation	35,355
ICCB - Regional Collaboration	5,500
Illinois State Board of Education	2,111,988
Illinois Student Assistance Commission	185,500
Other	141,961
Total State Government	<u>3,707,978</u>
 <i>Federal Government</i>	
Department of Education	15,129,238
Department of Health & Human Services	2,291
Other	277,691
Total Federal Government	<u>15,409,220</u>
 <i>Other Sources</i>	
Other	473,830
Total Other Sources	<u>473,830</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 19,591,028</u></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, 2008

	<u>Restricted Purposes Fund</u>
Expenditures by Program:	
Instruction	\$ 575,035
Academic Support	3,075,467
Student Services	577,029
Public Service/Continuing Education	235,731
Auxiliary Services	10,800
Scholarships, Student Grants, and Waivers	14,789,845
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 19,263,907</u>
Expenditures by Object:	
Salaries	\$ 1,068,349
Employee Benefits	164,937
Contractual Services	1,812,523
General Materials and Supplies	429,407
Travel & Conference/Meeting Expenses	222,723
Fixed Charges	280,194
Utilities	69,419
Capital Outlay	311,813
Scholarships, Grants, Waivers	14,789,845
Other	114,697
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 19,263,907</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, 2008

Instruction:	
Instructional Programs	<u>\$ 23,520,983</u>
Academic Support:	
Library Center	1,082,061
Academic Computing Support	1,301,581
Academic Administration and Planning	119,295
Other	<u>5,497,705</u>
Total Academic Support	<u>8,000,642</u>
Student Services Support:	
Admissions and Records	901,612
Counseling and Career Services	1,458,188
Financial Aid Administration	565,175
Other	<u>1,543,916</u>
Total Student Services Support	<u>4,468,891</u>
Public Service/Continuing Education:	
Community Education	91,447
Community Services	<u>1,758,864</u>
Total Public Service/Continuing Education	<u>1,850,311</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, 2008

Auxiliary Services	<u>5,377,139</u>
Operations and Maintenance of Plant:	
Maintenance	1,068,581
Custodial Services	1,343,975
Grounds	589,006
Campus Security	1,249,107
Transportation	25,628
Utilities	2,041,337
Administration	323,033
Other	42,460
Total Operations and Maintenance of Plant	<u>6,683,127</u>
Institutional Support:	
Executive Management	461,638
Fiscal Operations	976,541
Community Relations	107,219
Board of Trustees	102,208
General Institutional	1,447,029
Institutional Research	307,340
Administrative Data Processing	1,021,162
Other	6,802,677
Total Institutional Support	<u>11,225,814</u>
Scholarships, Student Grants, and Waivers	<u>14,789,845</u>
Total Current Funds Expenditures	<u><u>\$ 75,916,752</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Certificate of Chargeback Reimbursement

For Fiscal Year 2009

All Fiscal Year 2008 Non-Capital Audited Operating Expenditures from
the Following Funds:

Education	\$ 41,238,985
Operations and Maintenance Fund	5,102,524
Restricted Purposes Fund	18,952,094
Audit Fund	62,074
Liability, Protection and Settlement Fund	2,368,152
Total Non-Capital Expenditures	67,723,829

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds	3,022,340
Total Costs Included	70,746,169

Total Certified Semester Credit Hours for Year 2008 178,446

Per Capita Cost 396.46

All Fiscal Year 2008 State and Federal Operating Grants
for Non-Capital Expenditures, Except ICCB Grants 20,481,366

Fiscal Year 2008 State and Federal Grants Per Semester Credit Hour 114.78

District's Average ICCB Grant Rate for Fiscal Year 2009 29.62

District's Student Tuition and Fee Rate Per Semester
Credit Hour for Fiscal Year 2009 87

Chargeback Reimbursement Per Semester Credit Hour \$ 165.06

Approved: _____
Chief Fiscal Officer

Approved: _____
Chief Executive Officer



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AUDITORS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR
WORKFORCE DEVELOPMENT-BUSINESS/INDUSTRY, P-16 INITIATIVE, CAREER
AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT, ADULT EDUCATION
AND FAMILY LITERACY, AND TECHNICAL PREPARATION SUPPORT GRANTS

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

We have audited the balance sheets of the Workforce Development, P-16 Initiative, Career and Technical Education-Program Improvement, Adult Education and Family Literacy, and Technical Preparation Support Grants of Parkland Community College, Community College District #505 (the College) as of June 30, 2008, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of the Workforce Development, P-16 Initiative, Career and Technical Education-Program Improvement, Adult Education and Family Literacy, and Technical Preparation Support grants of Parkland Community College, Community College District #505 at June 30, 2008, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 33) is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

Marta; Hood, Friese & Associates, LLC

Champaign, Illinois
October 23, 2008

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

Balance Sheet

June 30, 2008

ASSETS

Cash	\$ -
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LIABILITIES AND FUND BALANCE

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

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

Statement of Revenues, Expenditures,
and Changes in Fund Balance

For the Year Ended June 30, 2008

	<u>Actual</u>
Revenues	
ICCB Grant	<u>\$ 91,447</u>
Expenditures	
Current Year's Grant	
Salaries	11,487
Employee Benefits	-
Contractual Services	-
Materials and Supplies	-
Conference and Meeting Expense	-
Utilities	10,577
Rent	69,383
Other Expenditures	-
Total Expenditures	<u>91,447</u>
Excess of Revenues Over Expenditures	-
Other Financing Uses	
Operating Transfers, Net	<u>-</u>
Excess of Revenues Over Expenditures and Other Financing Uses	-
Fund Balance, June 30, 2007	<u>-</u>
Fund Balance, June 30, 2008	<u><u>\$ -</u></u>
Original Allocation	<u><u>\$ 91,447</u></u>
Minimum Expenditure Requirement	<u><u>\$ 45,724</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Workforce Development (Business/Industry)
Component Grant Program

ICCB Compliance Statement for Workforce Development -
Business/Industry Grant

For the Year Ended June 30, 2008

Expenditures	<u>General</u>	<u>Operation of Workforce Development Office</u>	<u>Total</u>
Personnel (Salaries and Benefits)	\$ 11,487	\$ -	\$ 11,487
Contractual Services	-	-	-
Instructional Materials	-	-	-
Instructional Equipment	-	-	-
Promotional Materials	-	-	-
Staff Development	-	-	-
Conference and Meeting Expense	-	-	-
Travel	-	-	-
Cost of Operating a Workforce Development Office:			
Office Equipment	-	-	-
Utilities and Telephone	-	10,577	10,577
Consumable Supplies	-	-	-
Duplicating	-	-	-
Facility Rental	-	69,383	69,383
Total Expenditures	<u>\$ 11,487</u>	<u>\$ 79,960</u>	<u>\$ 91,447</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

P-16 Initiative Grant Program

Balance Sheet

June 30, 2008

ASSETS

Cash	<u>\$ 23</u>
------	--------------

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -
Deferred Revenue	-
Total Liabilities	<u>-</u>

Fund Balance - Unreserved	<u>23</u>
---------------------------	-----------

Total Liabilities and Fund Balance	<u>\$ 23</u>
------------------------------------	--------------

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

P-16 Initiative Grant Program

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2008

	<u>Actual</u>
Revenues	
ICCB Grant	\$ 47,249
Expenditures	
Tuition and Fees	<u>47,226</u>
Excess of Revenues over Expenditures	23
Fund Balance, June 30, 2007	<u>-</u>
Fund Balance, June 30, 2008	<u><u>\$ 23</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Balance Sheet

June 30, 2008

ASSETS

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

LIABILITIES AND FUND BALANCE

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

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

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2008

	ACTUAL			
	State Basic	Public Assistance	Performance	Total
Revenues				
ICCB Grant	\$ 109,648	\$ 35,820	\$ 102,693	\$ 248,161
Expenditures				
Instructional Student Services:				
Instruction	69,213	29,269	25,998	124,480
Social Work Services	6,533	1,510	-	8,043
Guidance Services	9,927	1,812	9,506	21,245
Assistive and Adaptive Equipment	-	-	-	-
Assessment and Testing	7,121	-	24,484	31,605
Student Transportation Services	3,000	-	3,000	6,000
Literacy Services	-	-	300	300
Childcare Services	-	-	-	-
Total Instructional Student Services	<u>95,794</u>	<u>32,591</u>	<u>63,288</u>	<u>191,673</u>
Program Support:				
Improvement of Instructional Services	-	-	9,250	9,250
General Administration	6,014	1,417	9,240	16,671
Operation and Maintenance of Plant Services	-	-	-	-
Workforce Coordination	-	-	4,700	4,700
Data and Information Services	7,840	1,812	16,215	25,867
Approved Indirect Costs	-	-	-	-
Total Program Support	<u>13,854</u>	<u>3,229</u>	<u>39,405</u>	<u>56,488</u>
Total Expenditures	<u>109,648</u>	<u>35,820</u>	<u>102,693</u>	<u>248,161</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

ICCB Compliance Statement for the
Adult Education and Family Literacy Grant

Expenditure Amounts and Percentages for
ICCB Grant Funds Only

For the Year Ended June 30, 2008

	<u>Audited Expenditure (Dollars)</u>	<u>Actual Expenditure (Percentage)</u>
State Basic		
Instruction (45 Percent Minimum Required)	\$ 69,213	63.12%
General Administration (9 Percent Maximum Allowed)	6,014	5.48%
State Public Assistance		
Instruction (45 Percent Minimum Required)	29,269	81.71%
General Administration (9 Percent Maximum Allowed)	1,417	3.96%
State Performance		
General Administration (9 Percent Maximum Allowed)	9,240	9.00%

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Career and Technical Education -
Program Improvement

Balance Sheet

June 30, 2008

ASSETS

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

LIABILITIES AND FUND BALANCE

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

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Career and Technical Education - Program Improvement

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2008

	Actual
Revenue	
ICCB Grant	\$ 33,177
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	-
Instructional Materials	33,177
Staff Development	-
Instructional Equipment	-
Total Expenditures	33,177
Excess of Revenues Over Expenditures	-
Fund Balance June 30, 2007	-
Fund Balance June 30, 2008	\$ -

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Technical Preparation Support

Balance Sheet

June 30, 2008

ASSETS

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

LIABILITIES AND FUND BALANCE

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

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Technical Preparation Support

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2008

	<u>Actual</u>
Revenues	
ICCB Grant	<u>\$ 8,637</u>
Expenditures	
Salaries	1,645
Employee Benefits	-
Contractual Services	-
Instructional Materials	6,992
Staff Development	-
Instructional Equipment	-
Total Expenditures	<u>8,637</u>
Excess of Revenues Over Expenditures	-
Fund Balance June 30, 2007	<u>-</u>
Fund Balance June 30, 2008	<u><u>\$ -</u></u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to ICCB Grant Financial Statements

June 30, 2008

The Workforce Development, P-16 Initiative, Career and Technical Education Program Improvement, Adult Education and Family Literacy, and Technical Preparation Support 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, 2008. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Budgets and Budgetary Accounting

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

Capital Outlay

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

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



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

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

We have audited the schedule of enrollment data and other bases upon which claims are filed of Parkland Community College, Community College District #505 for the year ended June 30, 2008. 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, 2008 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 39 through 43 is presented for purposes of additional analysis as required by the Illinois Community College Board. Such information has been subjected to the auditing procedures applied in the audit of the schedule of enrollment data and other bases upon which claims are filed and, in our opinion, is fairly stated, in all material respects, in relation to that schedule taken as a whole.

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

Martin Hood Friese & Associates, LLC

Champaign, Illinois
October 23, 2008



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

For the Year Ended June 30, 2008

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		
Baccalaureate	15,789.0	7.0	47,272.0	143.0	47,118.0	187.0	110,179.0	337.0
Business Occupational	582.0	35.0	3,138.0	92.0	3,030.0	69.0	6,750.0	196.0
Technical Occupational	1,744.5	-	11,714.0	-	12,335.5	-	25,794.0	-
Health Occupational	1,433.0	-	5,284.0	-	5,207.0	-	11,924.0	-
Remedial Developmental	1,055.0	-	8,592.0	-	5,899.0	-	15,546.0	-
Adult Basic/Secondary Education	84.0	755.0	201.0	3,075.0	201.0	3,404.0	486.0	7,234.0
TOTAL CREDIT HOURS CERTIFIED	20,687.5	797.0	76,201.0	3,310.0	73,790.5	3,660.0	170,679.0	7,767.0

Attending
Out-of-
District on
Chargeback

Attending
In-District

133,669.2

238.0

Dual
Credit

2,105.5

Dual
Enrollment

628.0

Total

133,907.2

Reimbursable Semester Credit Hours (All Terms)

Reimbursable Semester Credit Hours (All Terms)

District 2007 Equalized Assessed Valuation

\$ 4,352,242,300

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

Signatures:

Chief Executive Officer (CEO)

Chief Financial Officer (CFO)

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

For the Year Ended June 30, 2008

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	110,179.0	110,179.0	-	337.0	337.0	-
Business Occupational	6,750.0	6,750.0	-	196.0	196.0	-
Technical Occupational	25,794.0	25,794.0	-	-	-	-
Health Occupational	11,924.0	11,924.0	-	-	-	-
Remedial Developmental	15,546.0	15,546.0	-	-	-	-
Adult Basic / Secondary Education	486.0	486.0	-	7,234.0	7,234.0	-
Total Credit Hours Certified	<u>170,679.0</u>	<u>170,679.0</u>	<u>-</u>	<u>7,767.0</u>	<u>7,767.0</u>	<u>-</u>

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	133,669.2	133,669.2	-
Out-of-District on Chargeback or Contractual Agreement	238.0	238.0	-
Total	<u>133,907.2</u>	<u>133,907.2</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	2,105.5	2,105.5	-
Dual Enrollment	628.0	628.0	-
Total	<u>2,733.5</u>	<u>2,733.5</u>	<u>-</u>

Reconciliation of Total Correctional Semester Credit Hours

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Documentation of Residency Verification Steps

For the Year Ended June 30, 2008

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

Applicants

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

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

Students

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

Returned Mail

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Background Information on State Grant Activity

Unrestricted Grants

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

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

Restricted Grants/Special Initiatives

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

P-16 Initiative Grants Grant funding is intended to allow community colleges to address the need to strengthen student preparation within the P-16 education spectrum by 1) expanding their service to high school students desiring to take college-level classes prior to receiving their high school diploma to accelerate their college coursework (formerly known as the Accelerated College Enrollment Grant) and 2) implementing and/or expanding programs and services that relate to teacher preparation (certification) and professional development (recertification). The intent is to allow colleges to enhance or expand current activities.

Career and Technical Education-Program Improvement 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.

Technical Preparation Grants Grant funding is intended to provide support to the federal Perkins Grant program.

Statewide Initiatives

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

Restricted Adult Education Grants/State

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

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

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Findings and Questioned Costs – ICCB Grant Compliance

For the Year Ended June 30, 2008

Findings – ICCB Grant Compliance

No findings were noted.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Prior Audit Findings – ICCB Grant Compliance

For the Year Ended June 30, 2008

Findings – ICCB Grant Compliance

ICCB-07-01: Credit Hours

Condition

An instructor's salary was paid using restricted funds; however, the credit hours for the associated course were claimed for reimbursement under the unrestricted credit hours claim. Following the identification of the error during the audit, management of the College reclassified the salary expense for the instructor in question to an unrestricted funding source.

Auditors' Recommendation

Management should review the coding of course funding.

Status

Our audit procedures for the current year did not identify a similar instance of non-compliance. All salaries tested were claimed under the correct funding source.

ICCB-07-02: P-16 Initiative Grant

Condition

A high school student was mistakenly not awarded aid for taking college courses during the Spring 2007 semester.

Auditors' Recommendation

Management should review the listing of students eligible for funding under the P-16 Initiative Grant provided by the Student Information System in comparison to the actual funded participants and address any discrepancies.

Status

Our audit procedures for the current year did not identify a similar instance of non-compliance. All students tested received the awarded amount of aid for the periods tested.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture			
<i>Passed through the Illinois State Board of Education (ISBE)</i>			
Child & Adult Care Food Program	10.558	N/A	\$ 25,667
Department of State/Bureau of Educational and Cultural Affairs			
<i>Passed through the Kirkwood Community College</i>			
Community College Summer Initiative Program	N/A	S-ECAAS-07-CA-039(CS)	256,882
National Science Foundation			
<i>Passed through the University of Illinois</i>			
NSF Grants	47.070	CNS-0420468	18,925
<i>Direct Awards</i>			
Education and Human Resources	47.076	N/A	960
Total National Science Foundation			19,885
Department of Education			
<i>Student Financial Aid Cluster</i>			
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	N/A	165,766
Federal Work Study (FWS)	84.033	N/A	145,004
Pell Grant Program	84.063	N/A	5,609,728
Federal Direct Loans	84.268	N/A	8,593,726
Academic Competitiveness Grant	84.375	N/A	111,900
Total Student Financial Aid			14,626,124 *
<i>Other Programs</i>			
Title III	84.031a	N/A	262,910
Trio Student Support Services	84.042a	N/A	273,062
<i>Passed through the Illinois Community College Board (ICCB)</i>			
Adult Education - Basic	84.002a	N/A	115,211
EL/Civics Program	84.002a	N/A	63,892
V.E. Perkins IIC Special Populations and Other	84.048	N/A	475,838
Total Department of Education			15,817,037
Department of Health & Human Services			
<i>Passed through the Illinois Department of Children and Family Services (DCFS)</i>			
Scholarships for Disadvantaged Students	93.925	N/A	2,291
Total Expenditures of Federal Awards			\$ 16,121,762

* - Denotes a major program.

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

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 44) includes the federal grant activity of the Parkland Community College (the College) for the year ended June 30, 2008. It is presented in conformity with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the College.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2008.

3. Property and Equipment

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

4. Loans Outstanding

The College has the following loan balances at June 30, 2008. These loan balances are not included in the federal expenditures presented in the schedule.

	<u>CFDA Number</u>	<u>Outstanding Balance June 30, 2008</u>
Perkins Loans	84.038	<u>\$ 189,169</u>

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2008

1. Summary of Auditors' Results

- (i) Type of audit report issued on the financial statements: Unqualified
- (ii) The audit disclosed a material weakness in internal control.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements.
- (iv) The audit did not disclose significant deficiencies in internal control over major federal awards.
- (v) Type of report issued on compliance for major programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster – Unqualified
- (vi) The audit did not disclose findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- (vii) Major programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster
 - CFDA # 84.007
 - CFDA # 84.033
 - CFDA # 84.038
 - CFDA # 84.063
 - CFDA # 84.268
 - CFDA # 84.375
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$483,653.
- (ix) The College does not qualify as a low risk auditee.

2. Findings – Financial Statement Audit

08-01: Material Adjusting Journal Entries Identified as a Result of Procedures Applied by the College's External Auditors

Material Weakness

Criteria

Management is responsible for the preparation of financial statements. Part of this responsibility is the identification, calculation, and recording of all material adjusting journal entries required to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

Conditions

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

Questioned Costs

None

Population and Items Tested

Our audit procedures identified nine adjusting journal entries to correct errors in the financial statements that had not previously been identified by the College's internal controls.

Cause of Conditions

No specific cause noted.

Effect of Conditions

The College's financial statements as of and for the year ended June 30, 2008 were materially misstated prior to the application of auditing procedures by the College's external auditors.

Auditors' Recommendation

1. The College's management should record all adjusting journal entries necessary to report the account balances and transactions of the College prior to providing the trial balance summarization to the auditor for use in the annual financial statement audit.
2. If there are adjusting journal entries that management knowingly leaves for the auditor to calculate and record as part of the audit, this fact should be made clear to the auditor at the outset of the engagement. In addition, a member of management possessing the necessary accounting skills, knowledge, or experience must review the adjusting journal entries and the supporting documentation and provide specific approval of the calculation and the drafted adjusting journal entry.

View of Responsible Official

Management makes a concerted effort to have all necessary and material journal entries identified and recorded prior to giving a trial balance to the auditors. However, the timing of the audit process dictates that entries, some material, will not be known until after the process has begun. There are also entries management knowingly leaves for the auditors to calculate and record as part of the audit process. These are entries that are generally only required at year end, such as the recording of capital leases. Some audit entries are made as a result of analysis and discussions with the auditors. Management is confident that is aware of all material entries that needed to be made during the audit process. Management also concurs with and approves all entries made as a result of the audit process. In the future management will continue its efforts to communicate all needed entries as early as possible in the process.

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

None noted

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Schedule of Prior Audit Findings for Federal Awards

For the Year Ended June 30, 2008

07-02: Vocational Education Perkins IIC Special Populations - CFDA #84.048
Equipment and Real Property Management

Non-Compliance and Significant Deficiency

Conditions

During the testing of expenditures associated with the Vocation Education grant, it was noted that capital assets were purchased using grant funding. Upon inquiry, it was determined that no physical inventory of capital assets had been taken during the past two fiscal years.

Status

The finding has not been addressed by the College's management.

07-03: Federal Direct Student Loans - CFDA #84.268
Special Tests and Provisions

Non-Compliance and Significant Deficiency

Conditions

The College disbursed loan funds to two first-time borrowers without performing the necessary entrance counseling.

Status

All first-time borrowers received the proper entrance counseling and this was properly documented. This finding has been corrected.

07-04: Pell Grants - CFDA #84.063
Reporting

Non-Compliance

Conditions

Pell disbursements made by the College on September 8, 2006 were reported to DOE through COD on October 19, 2006, which is forty-one days after the disbursements. As explained below, the delay in reporting appears to have been beyond the control of the College's management; however, the College's management did not communicate the problem to DOE within the thirty day reporting period.

Status

All reporting to the Department of Education through COD was completed on time. This finding has been corrected.

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, 2008, which collectively comprise Parkland Community College's basic financial statements and have issued our report thereon dated October 23, 2008. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the College's internal control. We consider the deficiency (Finding 08-01) described in the accompanying schedule of findings and questioned costs (Schedule 45) to be a material weakness.

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*.

We noted certain other matters that we reported to management of the College in a separate letter dated October 23, 2008.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs (Schedule 45). We did not audit management's response and, accordingly, we express no opinion on it.

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

Marta; Hood, Friese & Associates, LLC

Champaign, Illinois
October 23, 2008

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

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

Compliance

We have audited the compliance of Parkland Community College, Community College District #505 (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. The College's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (Schedule 45). Compliance with the requirements of laws, regulations, contracts, and grant applicable to its major federal program 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 its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Marta; Hood, Frazier & Associates, LLC

Champaign, Illinois
October 23, 2008

INDEPENDENT AUDITORS' REPORT

Board of Trustees of
Parkland Community College, and
To the Illinois Board of Higher Education

We have audited the Statement of Revenues and Expenditures of the Illinois Cooperative Work Study Program Grant Fund of Parkland Community College (the College) for the period March 27, 2007 through June 30, 2008. The Statement is the responsibility of the College's management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and guidelines for the Illinois Cooperative Work Study Program Grant issued by the Illinois Board of Higher Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Revenues and Expenditures was prepared for the purpose of complying with the terms of the Illinois Cooperative Work Study Program Grant and is not intended to be a complete presentation of the College's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois Cooperative Work Study Program Grant for the period March 27, 2007 through June 30, 2008, in conformity with accounting principles generally accepted in the United States of America. Pursuant to the terms of the grant referred to above, funds were expended for the project in the grant agreement and grant funds were not used for sectarian purposes.

This report is intended solely for the information and use of the Board of Trustees and management of Parkland Community College and the Illinois Board of Higher Education. However, this report is a matter of public record and its distribution is not limited.

Marta; Hood, Friese & Associates, LLC

October 23, 2008

Illinois Department of Professional Regulation
License Number 066-003144

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Statement of Revenues and Expenditures
Illinois Board of Higher Education
Cooperative Work Study Program Grant

For the Grant Period March 27, 2007 through June 30, 2008

	<u>Budget</u>	<u>Actual</u>
Revenues		
Cooperative Work Study Program Grant	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Expenditures		
Work Study Stipends	9,000	9,000
Audit Fees	<u>1,000</u>	<u>1,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>
Excess of Revenues Over Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this Statement.

PARKLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #505

Illinois Board of Higher Education Cooperative Work Study Program

Notes to Financial Statement for
IBHE Cooperative Work Study Program Grant

For the Grant Period Ended June 30, 2008

1. Program Background

The Illinois Cooperative Work Study Program is an internship program which provides undergraduate students from Parkland Community College (the College) with opportunities to work with business and industry. The objective of the program is to recruit approximately 25 undergraduate students of the College into a summer internship program and to place these students in businesses, government agencies, or community organizations, which will agree to pay at least fifty percent of each intern's stipend.

2. Organization

The Illinois Cooperative Work Study Program is funded by a grant from the Illinois Board of Higher Education and matching funds from businesses, government agencies, and community organizations that participated in the program. The books and records are maintained as a separate fund of the College.

3. Basis of Presentation

The financial statement is presented on the modified accrual basis of accounting. Grants are recorded as revenue when cash is received from the State of Illinois and expenditures are recorded when incurred or when obligations are established by executing purchase orders or firm contracts as of June 30, 2008. Expenditures must be paid or liquidated within 90 days after the close of the program year.