

Danville Area Community College

Community College District No. 507

Danville, IL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Years Ended

June 30, 2019 and 2018



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**Prepared by:
Finance and Administration Office**

**Tammy L. Betancourt
Chief Financial Officer/Treasurer**

MISSION STATEMENT

Danville Area Community College is committed to providing quality, innovative, and accessible learning experiences which meet the lifelong academic, cultural and economic needs of our diverse communities and the world we share.

NON-DISCRIMINATION STATEMENT:

Danville Area Community College does not discriminate on the basis of race, color, national origin, sex, disability or age in its programs and activities. Inquiries may be directed to Jill A. Cranmore, Vice President, Human Resources, Affirmative Action Officer, Title IX Coordinator, and Section 504/ADA Coordinator, Danville Area Community College, 2000 E. Main St., Martin Luther King Memorial Way, Danville, IL 61832-5199, 217-443-8756, or jcranmore@dacc.edu.

TABLE OF CONTENTS

| | <u>PAGE(S)</u> |
|---|-----------------------|
| Table of Contents | i-v |
| INTRODUCTORY SECTION | |
| Transmittal Letter | 1-12 |
| Principal Officials | 13 |
| Certificate of Achievement of Excellence in Financial Reporting | 14 |
| Organization Chart | 15 |
| FINANCIAL SECTION | |
| Independent Auditors' Report | 16 - 18 |
| Management's Discussion and Analysis | 19 - 26 |
| Basic Financial Statements: | |
| Statements of Net Position | 27 |
| Statements of Revenues, Expenses and Changes in Net Position | 28 |
| Statements of Cash Flows | 29 - 30 |
| Component Unit: | |
| Statements of Financial Position | 31 |
| Statements of Activities | 32 |
| Statement of Functional Expenses | 33 |
| Notes to Financial Statements | 34 - 60 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Share of Net Pension Liability | 61 |
| Schedule of Pension Contributions | 62 |
| Schedule of Share of Net OPEB Liability | 63 |
| Schedule of the OPEB Contributions | 64 |
| Notes to Required Supplementary Information | 65 |

TABLE OF CONTENTS (Continued)

| STATISTICAL SECTION | TABLE | <u>PAGE(S)</u> |
|---|--------------|-----------------------|
| Statistical Section (Unaudited) | | 66 |
| Net Position by Component | A | 67 |
| Changes in Net Position | B | 68 |
| Assessed Value and Estimated Actual Value of Taxable Property | C | 69 |
| Property Tax Rates – Direct and Overlapping Governments | D | 70 – 73 |
| Computation of Direct and Overlapping Bond Debt | E | 74 |
| Principal Property Taxpayers Current and Ten Years Ago | F | 75 |
| Schedule of Property Tax Rates, Extensions and Collections | G | 76 |
| Property Tax Levies and Collections | H | 77 |
| Enrollment, Tuition and Fee Rates, Credit Hours and Tuition and Fee Revenues Generated | I | 78 |
| Legal Debt Margin Information | J | 79 |
| Ratios of Outstanding Debt by Type | K | 80 |
| Ratios of General Bonded Debt Outstanding | L | 81 |
| Demographic and Economic Statistics | M | 82 |
| Principal Employers – Current and Eight Years Ago | N | 83 |
| Capital Asset Statistics | O | 84 |
| Operating Information and Employees | P | 85 |
| Operating Statistics | Q | 86 |

TABLE OF CONTENTS (Continued)

| | <u>PAGE(S)</u> |
|---|-----------------------|
| SPECIAL REPORTS SECTION | |
| Combining Balance Sheet – All Funds | 87 - 89 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – All Fund Types | 90 - 92 |
| Statement of Receipts, Disbursements and Changes in Fund Balance (Budgetary Basis) Budget Compared to Actual – Operating Funds (Education/Operations and Maintenance) | 93 |
| Uniform Financial Statements | 94 - 102 |
| Certification of Chargeback Reimbursement for Fiscal Year 2020 | 103 |
| Independent Auditors’ Report on the Adult Education and Family Literacy Grants | 104 - 105 |
| State Adult Education – Restricted Funds (State Basic and Performance) Statement of Net Position | 106 |
| Statement of Revenues, Expenditures and Changes in Net Position | 107 |
| ICCB Compliance Statement for the State Adult Education Restricted Funds | 108 |
| Background Information on State Grant Activity | 109 |
| Notes to Financial Statements | 110 |
| Independent Accountants’ Report on Enrollment Data and Other Bases Upon Which Claims are Filed | 111 |
| Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed | 112 |
| Verification of Student Residency (Unaudited) | 113 |
| Independent Auditors’ Report on the Illinois Cooperative Work Study Program Grant | 114 - 115 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | 116 |
| Notes to Financial Statement | 117 |

TABLE OF CONTENTS (Continued)

| | <u>PAGE(S)</u> |
|---|-----------------------|
| FEDERAL REPORTING SECTION | |
| Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 118 - 119 |
| Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance | 120 - 121 |
| Schedule of Expenditures of Federal Awards | 122 |
| Notes to Schedule of Expenditures of Federal Awards | 123 |
| Schedule of Findings and Questioned Costs | 124 - 125 |
| Summary Schedule of Prior Audit Findings | 126 |

INTRODUCTORY SECTION



October 30, 2019

Members of the Board of Trustees, and
Citizens of Danville Area Community College District No. 507:

The Comprehensive Annual Financial Report (CAFR) of Danville Area Community College, Community College District No. 507 (the College), Counties of Vermilion, Edgar, Iroquois, Champaign, and Ford, State of Illinois, for the fiscal year ended June 30, 2019, is hereby submitted. The CAFR provides a snap shot of the College's financial performance and major initiatives as well as an overview of trends in the local economy. Above all, the report represents the College's commitment to inform members of the community about the College's finances.

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, of this report rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

The CAFR is presented in six sections: Introductory, Financial, Required Supplementary Information, Statistical, Special Reports, and Federal Reporting. The Introductory Section includes this transmittal letter, the College's principal officials, Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association, and an organization chart. The Financial Section includes the report of the independent auditors, management's discussion and analysis, basic financial statements, and notes to the financial statements. The Required Supplementary Information Section includes various schedules related to pension and other post-employment retirement benefits and their corresponding notes. The Statistical Section includes selected unaudited financial and demographic information presented on a multi-year basis. The Special Reports Section includes a Combining Balance Sheet and Schedule of Changes in Net Position for all funds, a Statement of Receipts, Disbursements and Changes in Fund Balance (Budgetary Basis) Budget Compared to Actual for the Operating Funds (Education/Operations and Maintenance), various schedules required by the ICCB and the Illinois Board of Higher Education, together with the related auditor's reports and notes. The Federal Reporting Section includes all of the required schedules and notes required by Government Auditing Standards and federal Uniform Guidance.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (MD&A), which immediately follows the independent auditors' report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and focuses on current activities, accounting changes, and currently known facts.

2000 East Main Street

*Martin Luther King
Memorial Way*

Danville, IL 61832

217-443-DACC (3222)

PROFILE OF THE COLLEGE

Danville Area Community College is a comprehensive community college operating in accordance with the provisions of the Illinois Public Community College Act and is recognized by the Illinois Community College Board (ICCB).

The College is accredited by the Higher Learning Commission. In addition, various health professions programs (i.e. Nursing, Radiologic Technology, and Health Information Technology) are also accredited through their respective accrediting bodies.

While the campus is located in Danville, with an extension center in Hoopston, the College District encompasses high school districts in Vermilion, Edgar, Iroquois, Ford and Champaign counties with an estimated population of approximately 84,000.

MISSION, VISION AND CORE VALUES

Danville Area Community College is committed to student success. The College represents a vital and progressive community resource. Our mission:

Danville Area Community College is committed to providing quality, innovative, and accessible learning experiences which meet the lifelong academic, cultural and economic needs of our diverse communities and the world we share.

Our vision is to continue to be a nationally recognized leader in student success and an active partner in building and maintaining academic excellence and the economic vitality of the communities it serves.

Our core values:

Integrity – Trusting relationships and an ethical reputation with those we serve (students, faculty, employees, community, business, other educational institutions, government).

- Being respectful
- Being honest and sincere
- Being fair and reasonable
- Acting responsibly by meeting commitments and obligations
- Remaining true to the academic disciplines

Excellence – Consistently achieving exceptional results that delight those we serve.

- Being accountable through the evaluation and adjustment of our services, processes and programs as needed to assure timeliness, quality, effectiveness, and financial stability
- Providing superior learning experiences and services
- Being learner focused to meet the needs of those we serve
- Encouraging continuous improvement and lifelong learning, growth
- Being innovative and proactive

Communication – Positive and productive relationships and environment for those we serve.

- Openly exchanging thoughts, messages, information and ideas throughout our college and community
- Fostering an environment of belonging, acceptance
- Encouraging participation, involvement and collaboration
- Demonstrating spirit, sound teamwork principles and practices
- Empowering others by enabling them to make decisions, take actions that match their capabilities

Adaptability – Continuously meeting the changing needs of those we serve.

- Providing relevant, meaningful educational services
- Being flexible and willing to change
- Developing and demonstrating the competencies, as well as versatility needed for continuing success
- Anticipating and capitalizing on opportunities for growth, success
- Taking appropriate risks that contribute to learning, growth, or ultimate success

Diversity – Providing a safe and secure learning environment for the personal and intellectual growth of those we serve, preparing them to participate in an increasingly changing world.

- Promoting and upholding our vision that all are treated with equality, fairness, dignity, and respect.
- Delivering a curriculum and services which are inclusive of global considerations and which value the voices, experiences, and worth of a variety of cultural perspectives.
- Fostering educational practices which support the learning styles of each unique human being.

FINANCIAL INFORMATION

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental and Financial Accounting Standards Board (GASB and FASB), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). The ICCB requires accounting by funds so that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes of the financial statements expand and explain the financial statements and the accounting principles applied.

Internal Controls:

Management of the College is responsible for establishing and maintaining internal controls designed to protect the assets of the College, prevent loss from theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls:

The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The annual budget includes the following funds:

| <u>Fund</u> |
|---------------------------------------|
| Education |
| Operations and Maintenance |
| Operations and Maintenance Restricted |
| Bond and Interest |
| Auxiliary Enterprises |
| Restricted Purposes |
| Working Cash |
| Trust and Agency |
| Audit |
| Liability, Protection, and Settlement |
| Board Restricted |

The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are only re-authorized as part of the following year's budget when funds are available and with appropriate administrative approvals. As demonstrated by the statements and schedules included in the financial section of the report, the College continues to meet its responsibility of sound financial management.

ECONOMIC CONDITION AND OUTLOOK

The College's financial position remains strong in spite of the current weakened economy in the State. This is attributed to a growing, diverse tax base, low debt burden, sound reserves and financial planning, a long-term strategic financial plan, and reducing expenditures during times of decreasing enrollment and reduced state funding. Over the last ten years, excluding the net position related to OPEB, the College's net position has remained stable, in spite of significantly reduced funding from the State of Illinois during an almost two year budget impasse.

District Economy

The Danville Area Community College district is an important business and agricultural region in east central Illinois, supported by several large manufacturers, distribution centers, healthcare providers, and other service providers, as well as a significant agricultural economy, real estate, education, wind farm, and retail. Some of the largest employers in the district are Vermilion County Public Schools, Department of Veterans Affairs Illiana Healthcare System, ThyssenKrupp (Crankshaft and Presta), Danville School District No. 118, McLane Midwest Company, OSF Healthcare Sacred Heart Medical Center, Vermilion County Government, Blue Cross/Blue Shield of Illinois, Quaker Food and Beverages, and KIK Custom Products. The addition of wind farms over the last several years has also substantially boosted the tax base and represent over 3.0% of the College's equalized assessed valuation (EAV) for all counties.

With the approval at the state level of gaming bill which identified Danville as one of the new authorized casino hosts, the economy in the next few years is expected to experience significant growth through the creation of new jobs, an influx of new residents, an increase in tourism, new homes, hotels, and restaurants. Not only is this expected to boost the overall economy of the area, but is also expected to increase enrollment at the College through various programs and partnerships with the casino. The College hopes to provide not only specific training for casino employees such as card dealers, callers, and wheel spinners, but also a wide range of supervisors, cashiers, computer programmers, attendants, clerks, hosts, surveillance officers, and uniformed security. New associate-degree programs could include culinary arts, hospitality management, and food-service management, as well as transferable associate of science degrees such as psychosocial rehabilitation and addictions counseling.

Unemployment in the Danville Metropolitan Statistical Area has been declining over the last several years to the lowest rate in 10 years of 6.2%. This is almost 50% lower than the highest rate of 12.1% in 2011. Per capita income has also increased steadily even though population has been decreasing, which would be a result of the lower unemployment rate, as well as the increase in the property tax base from the additional wind farms. Typically as unemployment decreases, enrollment also decreases, which has been the case for the College the last several years. Full-time equivalent (FTE) enrollment is also the lowest in the last 10 years (1,529 compared to 2,382 in 2010). FTE was at its highest of 2,382 in 2010 when the unemployment rate was at one of its highest of 11.4%. The College continues to actively pursue enrollment in areas such as dual credit, on-line, program review, and student retention.

Tax Base:

The District's fiscal year 2018 tax levy base of \$1,086,140,806 experienced an approximate 4.2% increase over the 2017 tax levy base. This increase is primarily attributable to continued increases in farm property. However, over the last several years, residential property has also been steadily increasing with a significantly large increase in this past year, which reflects an improving economy in the area.

The tax base is diverse, with the ten largest taxpayers making up less than 6.0% of the EAV. The 2018 EAV was comprised of 43% residential, 32% farm, 16% commercial, 4% industrial and 5% railroad and mineral (includes wind farms). Local property taxes will continue to be a significant source of revenue to the College. During fiscal year 2019, local property taxes accounted for approximately 29% of total operating funds receipts.

Net Position and Liquidity:

Net position decreased from \$39.3 million at the end of fiscal year 2018 to \$37.6 million at the end of 2019. This decrease is attributable to a combination of a decrease in net tuition and fees due to decreasing enrollment and an increase in operating expenses, including an increase in state on-behalf payments, salary increases for all classes of employees and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

Liquidity is strong, with \$15.7 million of cash and cash equivalents at year end. An additional indicator of financial strength is the College's Moody's rating. The College's Moody's rating was reviewed in June, 2019, and while it retained its rating of A1, the negative outlook was removed. The rating action, according to the Moody's report, *"reflects the college's moderately sized tax base, below average demographic profile, healthy reserves, limited expenditure flexibility with a high reliance on the State of Illinois for operating revenue and a low debt burden."* This rating is considered "upper-medium grade" and is the highest rating in that category.

College Enrollment:

While enrollment continues to steadily decline, primarily as a result of the declining unemployment rate and a shrinking population base, strategic initiatives to counteract that decline continue, such as expanding baccalaureate partnerships with universities, including “3 + 1” programs that enable students to take three years at DACC and a fourth online to earn a bachelor’s degree. Other initiatives include “bonus classes,” which encourage students who have registered for 12 credits to take an additional class for free. Bonus classes are low-enrolled course sections that the college can offer at no additional cost. The student-service benefit is that bonus classes can keep students on track toward graduation.

Additional initiatives to maintain stable enrollment are increased marketing for dual credit and on-line courses, expanding waivers for in-district student athletes and those who excel academically, and the addition of ½ tuition waivers for students in a music ensemble. In addition, the College will again be offering vocational programs at the Danville Correctional Center.

The College is actively focusing on student retention as well. Recently, the College added eSports to its selection of student clubs in an attempt to better engage students in the College experience with the expectation it will increase retention, thereby increasing enrollment. Another retention effort is focused on full-time African-American male students who are new to the College by implementing a program entitled “Toolbox: Building Bridges to Success.” In this program, College employees visit incoming students within the week prior to the start of the Fall semester to make a connection and these students attend a weekly “Toolbox” meeting. For attending the weekly meeting, these students earn \$25 a week. Each meeting provides students with an opportunity to offer “progress reports” as they talk about the recent DACC experiences and receive needed information through a different “information segment” each week.

While the fiscal year 2019 budget was predicated on an overall 4% decrease in credit hours over fiscal 2018, a universal fee increase of \$5 was made in summer of 2019 to counter the decline in enrollment as well as to generate additional revenue. With this tuition increase the College’s current per credit hour in-district tuition and fees rate of \$160 is comparable to many other community colleges. Fortunately, the decrease in revenue generating credit hours (10th day) at the end of FY18 was only slightly less than budgeted at 3.2%.

State of Illinois:

The State of Illinois fully funded the College’s budget for both FY19 and FY20. These appropriations will assist the College in rebuilding the reserves that have been utilized over the last two years. However, the fiscal stability of the State of Illinois remains uncertain at best. The State pension crisis continues to grow and revenues at the State level continue to fall short of planned expenditures. As a result, the future of State funding for the College continues to be a significant concern. Pension reform, if and when implemented, could also have a deleterious financial impact on the College, specifically if the employer cost is shifted from the State to the College. Strategies that have already been developed for addressing funding shortages continue and new ones are being implemented regularly.

Foundation:

The College's Foundation continues to support the mission of the College and the students. During the past five years, the Foundation has provided significant funds for scholarships, technology support, and support of operating the College Library. A record number of scholarships were awarded for FY19; 506 scholarships were awarded for over \$665,000. The Foundation Board is determined to grow its resources in order to maintain and enhance their level of support to the College and to students through scholarship awards and program enhancements. A \$3 million fundraising campaign is scheduled for the upcoming year.

STUDENT SUCCESS

The College continues to increase graduation rates. The graduation rate for the cohort graduating in May, 2019 was an overall rate of 41%. This is a three percent (3%) increase over last year's graduation rate and more than 15% higher than the total from eight (8) years ago. Faculty and staff interaction with students through initiatives such as mandatory advising and the mentoring program are believed to be the key to DACC's success.

STUDENT SUCCESS – ACHIEVING THE DREAM

For more than a decade, DACC has valued its affiliation with the national Achieving the Dream (ATD) movement. Together with over 250 colleges and universities nationwide, DACC has received recognition as a Leader College as a result of its College-wide and collaborative commitment to student success and addressing equity gaps.

As an ATD institution, DACC develops its annual strategic plan ("The Matrix") so that priority is given to student completion, retention, and persistence. These strategies reflect the best thinking of faculty and staff participating in College-wide governance.

The student-success plan operates according to three main principles: 1) Students will be given information upfront concerning all services and processes needed to reach their individual educational goals; 2) Students will feel engaged in classes, welcome on campus and have at least one person on campus with whom they connect; and 3) Students will have an educational goal to strive for, an academic plan to keep them on track toward this goal, and an easy, accessible way to view their progress each semester until they reach their goal.

As a result, DACC has improved three major student-performance metrics since embracing ATD principles. With regard to completion for both part-time and full-time students, the graduation rate was a little over 24 percent in 2008. Since becoming an ATD institution, the rate rose by more than 9 percent over the next three years. The College achieved a 41 percent completion rate this past year, which places DACC's graduation rate in the top 15 percent nationally among community colleges.

Concomitant to completion is student retention. Over the past four years, student retention of the overall student population has steadily increased, from just over 41 percent from Fall 2011 to Fall 2012 to more than 47 percent three years later. During this past year, the fall-to-fall retention rate reached another impressive milestone in passing above 50 percent.

Persistence among DACC students has also grown steadily. Full-time student persistence has increased 38 percent during the 2011-12 academic year to 52 percent in the 2015-16 academic year. Part-time student persistence has also risen, from 17 percent to 27 percent in the same time frame.

DACC can point to a number of successful programs that have resulted in improved student-success metrics. One way of these is an initiative called “Operation Graduation.” The Admissions and Records Department tracks all first-time, full-time fall-semester students to ensure that they are on target to achieve their graduation goals. To get new fall students off on the right foot, the Counseling and Advisement office engages in “intrusive intervention,” which involves regular contact with this cohort of students throughout a semester and prior to registering for the next semester’s classes. For students who are experiencing difficulty with their studies or are facing struggles in their life, advisers “intrude” where possible, providing help that has ranged from tutoring for a difficult class to financial and social-service support either through the College Foundation or the College-managed American Job Center.

Two other successful programs are the Mandatory Advisement project and the “How Close Are You?” initiative. The former ensures that part-time students as well as full-time students are on track toward achieving their goals. The program requires new, part-time students to meet with an advisor to create an academic plan before their first semester at DACC. The latter program identifies both current and former students who have completed a significant number of credits toward achieving a degree and yet have not achieved their academic goals. DACC advisers contact these students to develop action plans to help these students achieve their original or revised goals.

STUDENT SUCCESS – TRIO

The TRIO Student Support Services (SSS) Program is a competitive, five-year grant funded by the United States Department of Education. TRIO SSS offers academic support services and interventions to increase college retention, degree completion, and transfer rates to four-year institutions among first-generation, low-income students and students with documented learning and physical disabilities. Danville Area Community College’s TRIO SSS grant application has been consistently funded for over 20 years.

TRIO services include:

- Academic advisement and course selection
- Professional tutoring- in person and online
- Financial aid counseling
- Financial literacy
- Transfer counseling
- Assistance with applications to four-year universities and colleges transfer visits
- Assistance with scholarship searches and applications
- Computer lab access
- Academic Success Workshops

STUDENT SUCCESS – HIGH SCHOOL INITIATIVES

Middle College: Middle College is a collaborative effort with local High Schools which provides select students alternative learning opportunities on Campus including mentoring support. Transfer and career courses are included in this program that is designed for juniors and seniors with a history of academic success who have barriers to high school completion.

College Express: College Express, now in its fifteenth year, experienced steady enrollment in FY19, enrolling over 400 high school students. This program provides high school students with career specific dual enrollment opportunities, typically vocational in nature, at the College. Students enrolled in one of these programs can expect to earn up to sixteen (16) credit hours toward an associate degree or certificate. This program is successful due to the strong partnership with the Regional Office of Education, high schools in our district, Vermilion Vocational Educational Delivery System, and the College.

Traditional Dual Credit: In the traditional dual credit program, both university transfer and career courses are included. There is no limit on the number of credit hours a student may earn. Courses are either at the High School, at the College, or online. Enrollment in this has increased by nearly 10 percent in each of the past two years, as high school students and their parents are increasingly coming to understand the value of earning college credits during their final two high-school years.

Project Lead the Way: This program is comprised of four courses taken in sequence that satisfy some transfer and some career degree requirements. Students may earn up to fourteen (14) credit hours in pre-engineering courses designed to encourage interest in the engineering and applied engineering fields.

STUDENT SUCCESS – OTHER LEARNING OPPORTUNITIES

The College also provides life-long learning through our Adult Education and Corporate and Community Education Divisions. Adult Education provides literacy training, basic education, GED review, English as a second language, American citizenship and basic skills for Math, English and Reading.

Corporate Education serves the business community by providing customized training for incumbent workers or job seekers either on-site or on the DACC campus. In the past year, Corporate Education generated nearly \$425,000 in gross revenue.

Community Education is dedicated to enhancing and improving the lives of community members by offering courses, workshops, seminars, tours, conferences, and other activities that expand their area of knowledge. Community Education is focused on providing experiences, knowledge, and information to the general public at an affordable cost and is geared toward all ages and educational levels. The goal of Community Education is to provide opportunities for individuals to explore new areas of interest, brush up on skills, and to develop employable skills that are needed and desired by employers.

WORKFORCE DEVELOPMENT AND THE AMERICAN JOB CENTER

The College is the One-Stop Operator for the Local Workforce Area's American Job Center, serving job seekers by managing partner agencies that provide other "wrap around" services and providing the public with seamless services ranging from basic-skills instruction and occupational training to job preparation and placement. Examples of partner agencies include Vermilion County Works, Illinois Department of Employment Security, Department of Human Services, Department of Rehabilitation Services, and the Housing Authority of the City of Danville. As part of this initiative, the College will undergo a merging of services to share resources in adult education and literacy, high-school equivalency, career services, civics and citizenship, and corporate education.

DANVILLE CORRECTIONAL CENTER VOCATIONAL PROGRAM

Due to the State budget impasse in FY15 and FY16, the vocational program at the State of Illinois Department of Correction's (DOC) Danville Correctional Center (DCC) was suspended. With the passing of recent and current State budgets, an agreement between the College and the DOC was reached to reinstate vocational programs at the DCC beginning with the Spring 2019 semester. Initial programming will include Auto Technology, Construction Occupations, Custodial Maintenance and Career Technology. Vocational training in prisons is believed to impact recidivism by providing inmates with specific skills needed to find employment after release. This programming will also help to increase enrollment.

STRATEGIC INITIATIVES

Other initiatives and program enhancements completed and/or planned for the future are:

- Expanded the 3 + 1 Nursing program with the addition of Illinois State University and Iowa Wesleyan University
- Expanded the 3 + 1 program with the addition of an articulation agreement with Indiana Wesleyan University for accounting students to achieve a bachelor's degree and the hours needed to take the CPA exam and with the reciprocity agreement between Indiana and Illinois, can take the CPA exam in either state
- Expanded the 3 + 1 program with Iowa Wesleyan University in business administration, criminal justice, and human services
- Continued the "bonus course" program to offer select classes free-of-charge for students who register for at least 12 credit hours
- Addition of night classes at Georgetown-Ridge Farm High School
- Focus on assessment of student learning outcomes
- Addition of a General Education Core Curriculum Credential which allows students to obtain 41 credits in general education courses that are guaranteed to transfer to every Illinois four-year university and most major American universities
- Implement the DACC Mobile App to provide students with a single point of entry into what they need to be successful
- Continue the implementation a Nursing Simulation Lab
- Implementation of the "Toolbox" program to help boost the success of African-American males
- Continued the Second Chance Scholarship Program (a retroactive scholarship) to provide a path for students with past due balances to attend the College; increased marketing efforts for the program in an attempt to increase participation
- Partnered with East Central Illinois Community Action Agency to continue the operation of the Volunteer Income Tax Assistance (VITA) program
- Continued emphasis on institutional effectiveness and assessment activities
- A strategic plan matrix for FY20 was created
- Reviewed Bookstore operations and extended the contract with Follett for three years
- Completed our accreditation visit by the Higher Learning Commission, tentatively receiving accreditation for another ten (10) years

These programs, projects, and initiative are examples of the College's emphasis on meeting the needs of the community, ensuring quality of student learning, attempting to maintain enrollment levels, and improving student retention and success.

FACILITIES

To continue to meet the increasing demand for hire-ready students in high-demand fields, the College's Master Plan was updated and adopted by the Board of Trustees in February, 2012. It includes over \$11 million of building additions, remodeling, parking lot repairs, roof repairs, building maintenance and the construction of a new storage facility.

Several projects were completed during the fiscal year including a Protection, Health, and Safety project to replace the 50-ton chiller located on the roof of the Technology Center, the conversion of HVAC pneumatic controls to digital in several buildings, upgrade the sound system in Bremer Theater and sealed and striped five parking lots.

Upcoming projects include; an Illinois Capital Development Board project to replace four, fifty year old heating units serving the Mary Miller Gymnasium with two energy efficient heating and cooling units, replace the roof on the Child Development Center, renovate Jacobs Hall Carnegie Library, convert HVAC pneumatic controls to digital in Cannon Hall, and other projects included on the deferred maintenance list that will be funded through bond proceeds.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli LLP was selected by the College's Board of Trustees. Wipfli LLP, Certified Public Accountants, have issued an unmodified (clean) opinion on Danville Area Community College, Community College District No. 507's CAFR for the year ended June 30, 2019. The independent auditors' report on the financial statements and schedules is included in the financial section of this report.

The College was also subject to the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Wipfli LLP, Certified Public Accountants, have issued unmodified (clean) opinions on both "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" and "Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance." The required auditors' reports on compliance are included in the federal reporting section of this report.

Awards for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Danville Area Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the seventh consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the stringent program requirements for the Certificate of Achievement Program's requirements and we are submitting it the GFOA to determine its eligibility for another certificate.

Acknowledgements: Thanks are to be extended to the Board of Trustees for its continued interest and support in planning and conducting the financial operations of the College with fiscal integrity. In addition, the timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Business Office led by the College's Controller, Mrs. Debra Knight. Each member of the Business Office has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

/s/Dr. Stephen Nacco

Dr. Stephen Nacco
President

/s/Tammy L. Betancourt

Tammy L. Betancourt
Vice President of Finance and Chief Financial Officer/Treasurer

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
LIST OF PRINCIPAL OFFICIALS**

BOARD OF TRUSTEES

| <u>Name</u> | <u>Position</u> | <u>Term Ends</u> |
|-----------------------|-----------------|------------------|
| Mr. David W. Harby | Chair | 2023 |
| Dr. Ronald E. Serfoss | Vice-chair | 2021 |
| Mr. William B. Black | Trustee | 2021 |
| Mr. Terry T. Hill | Trustee | 2023 |
| Ms. Tracy Cherry | Trustee | 2025 |
| Mr. John Spezia | Trustee | 2023 |
| Mr. Greg Wolfe | Trustee | 2025 |
| Ms. Holly Hambleton | Student Trustee | 2020 |

OFFICERS OF THE COLLEGE

| <u>Name</u> | <u>Position</u> |
|--------------------------|--|
| Dr. Stephen Nacco | President |
| Mrs. Tammy L. Betancourt | Board Treasurer/Vice President of Finance and Chief Financial Officer |
| Mrs. Kerri Thurman | Vice President of Operations/Secretary to Board |
| Mr. Dave Kietzmann | Executive Vice President of Instruction and Student Services |

OFFICIAL ISSUING REPORT

| | |
|--------------------------|--|
| Mrs. Tammy L. Betancourt | Board Treasurer/Vice President of Finance and Chief Financial Officer |
|--------------------------|--|

DIVISION ISSUING REPORT

Finance and Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Danville Area Community College
Community College District No. 507
Illinois

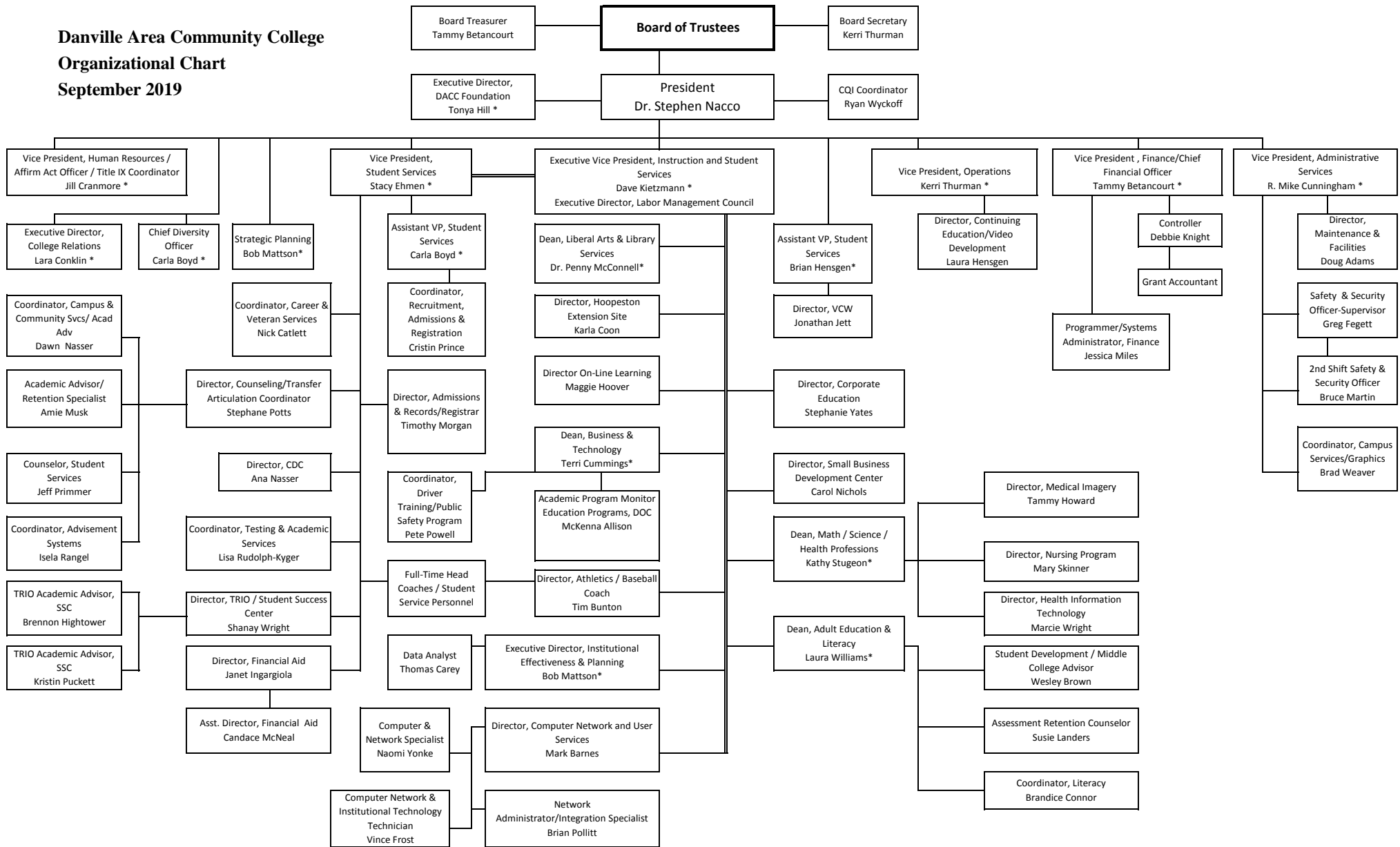
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Danville Area Community College
Organizational Chart
September 2019



* Member of College Cabinet

FINANCIAL SECTION



Independent Auditors' Report

Board of Trustees
Danville Area Community College
Community College District No. 507
Danville, Illinois

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and discretely presented component unit of Danville Area Community College, Community College District No. 507 (College) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Danville Area Community College Foundation, a discretely presented component unit, which represents 100 percent of the assets, net assets, and revenue of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us and, in our opinion, insofar as it relates to the amounts included for Danville Area Community College Foundation, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government 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 from material misstatement. The financial statements of Danville Area Community College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Danville Area Community College, Community College District No. 507 as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis, Schedule of Share of Net Pension Liability, Schedule of Pension Contributions, Schedule of Share of Net OPEB Liability, and Schedule of OPEB Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The Supplemental Financial Information, Uniform Financial Schedules, the Certification of Chargeback Reimbursement, the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Supplemental Financial Information, Uniform Financial Schedules, the Certification of Chargeback Reimbursement, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Supplemental Financial Information, Uniform Financial Schedule, the Certification of Chargeback Reimbursement, the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2019 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

Wipfli LLP

Danville, Illinois
October 30, 2019

Introduction

This section of Danville Area Community College's Audit Report presents the College's financial information in a condensed financial presentation format for the current and previous two fiscal years. It is designed to provide an overview about the changes in financial activities over a three-year period. This discussion should be read in conjunction with the transmittal letter and the College's basic financial statements. Responsibility for the completeness and fairness of this information rests with the College.

The discussion and analysis contains financial activities of Danville Area Community College. The component unit, Danville Area Community College Foundation, has separately issued audited financial statements which should be referenced for detailed information.

The three financial statements discussed are: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements are designed to emulate corporate presentation models whereby all College financial activities are consolidated into one total.

Financial Highlights

The College's financial position at June 30, 2019 shows assets at \$56.9 million, deferred outflows at \$0.6 million, liabilities at \$18.4 million, deferred inflows at \$1.5 million and net position at \$37.6 million. Net position represents the balance in the College's assets and deferred outflows after liabilities and deferred inflows are deducted.

For the year ended June 30, 2019, the College recorded total operating revenue of \$4.9 million which is defined as net tuition and fees, and auxiliary revenues. The total operating expenses are \$33.2 million. This difference produced an operating loss of \$28.2 million. Net non-operating revenue is \$26.5 million, which includes the major categories of government grants and contracts, and local property taxes. Including capital contributions, the resulting overall decrease in net position was \$1.7 million.

This \$1.7 million decrease is a combination of a decrease in net tuition and fees and an increase in operating expenses, which includes an increase in on-behalf payments from the State of \$0.7 million.

Operating revenue accounted for 15.6% of the College's total revenue, while non-operating revenues, including capital contributions, accounted for the remaining 84.4% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, which totaled \$3.8 million and auxiliary enterprise and miscellaneous revenues which totaled \$1.1 million. Non-operating revenue included local property taxes and personal property replacement taxes of \$7.1 million, state appropriations of \$4.4 million, on-behalf payments from the state of \$8.6 million, federal grants and local contracts of \$5.6 million, and other miscellaneous revenue of \$0.8 million.

Statement of Net Position

The Statement of Net Position presents the assets and deferred outflows, liabilities and deferred inflows and net position of the College at fiscal year-end, June 30, 2019. The purpose of this statement is to present a snapshot of the financial condition of the College and classifies assets and liabilities into current and non-current categories. Total net position, which is the difference between total assets and deferred outflows and total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between current and non-current. The difference is current assets and liabilities mature or become payable within the 12 month accounting or operating cycle as compared to non-current which mature or become payable after 12 months. The College's current assets consist primarily of cash, property taxes receivable, and student accounts receivable. Non-current assets consist of capital assets, which are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

Net position is presented in three major categories. The first is net investment in capital assets, which is a \$30.1 million net investment in property, plant, and equipment after deducting the outstanding technology and equipment funding bond principal obligations and capital lease obligations. This represents approximately 80.2% of the total net position. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The second category is restricted net position. These assets, \$10.5 million, are funds that are limited in terms of the purpose and time for which they can be spent. Restricted net position is further categorized between expendable and non-expendable. Restricted expendable net position is available to be spent by the College with adherence to externally imposed rules and regulations. This category includes the funds restricted for the 25% matching share of implementing the Campus Master Plan; the Protection, Health, Safety Projects; the principal and interest payments for the Technology/Equipment Bonds and Construction Bonds; the various federal and state grants awarded to the College; the Working Cash principal; the funds provided for the annual audit; and the Tort Liability Settlement Fund.

The third category is unrestricted net position. These assets of (\$3.0 million), comprised of assets of \$9.5 million available for any lawful purpose that supports the mission of the College and (\$12.5) related to Other Postretirement Benefits (OPEB). Included in this amount are internal Board Restricted Funds reserved for specific purposes in the amount of \$4.6 million. The major accounts in the reserves provide additional funding support for one-time future expenditures such as the support for the Campus Master Plan, support for the Management Information System, building and grounds repair and maintenance, SURS/Retirement cost support, and equipment replacement. The net position related to OPEB is the result of recording the College's proportionate share of the collective OPEB amounts for OPEB benefits provided to members through the Community College Health Insurance Security Fund (CCHISF) as required under GASB Statement No. 75.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

The following chart is a summary of the College's net position at June 30, 2019, 2018 and 2017.

| | (In Millions) | | |
|--|---------------|---------------|---------------|
| | FY 2019 | FY 2018 | FY 2017 |
| Current assets | \$21.4 | \$22.0 | \$18.9 |
| Noncurrent assets - Capital assets, net of depreciation | 35.5 | 36.3 | 37.5 |
| Total assets | 56.9 | 58.3 | 56.4 |
| Deferred outflows | 0.6 | 0.2 | 0.1 |
| Current liabilities | 2.2 | 3.3 | 2.1 |
| Noncurrent liabilities | 16.2 | 15.0 | 4.9 |
| Total liabilities | 18.4 | 18.3 | 7.0 |
| Deferred inflows | 1.5 | 0.9 | 0.0 |
| Net investment in capital assets | 30.1 | 31.5 | 31.9 |
| Restricted: | | | |
| Expendable | 10.5 | 9.6 | 9.9 |
| Unrestricted | (3.0) | (1.8) | 7.7 |
| Total net position | \$37.6 | \$39.3 | \$49.5 |

Fiscal Year 2019 compared to 2018

The value of net position was \$1.7 million less at the end of FY19 as compared to the prior year. This \$1.7 million decrease is a combination of a decrease in net tuition and fees, due to decreasing enrollment and an increase in operating expenses, which includes an increase in state on-behalf payments of \$0.7 million, salary increases for all classes of employees and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

Fiscal Year 2018 compared to 2017

The value of net position was \$10.2 million less at the end of FY18 as compared to the prior year. Of this \$10.2 million decrease, a decrease of \$11.7 million is a result of the implementation of GASB Statement No. 75 and the recognition of the proportionate OPEB liabilities, deferred inflows and deferred outflows. The remaining \$1.5 million increase is due to the increase in current assets, specifically cash.

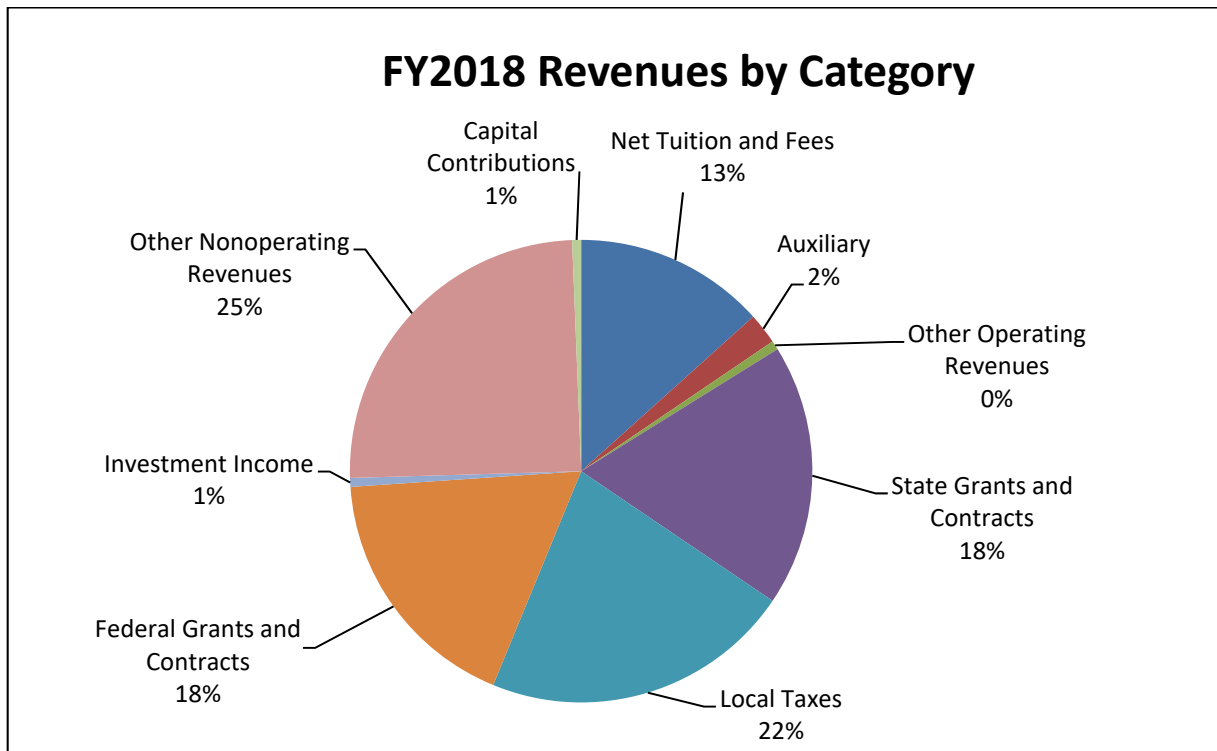
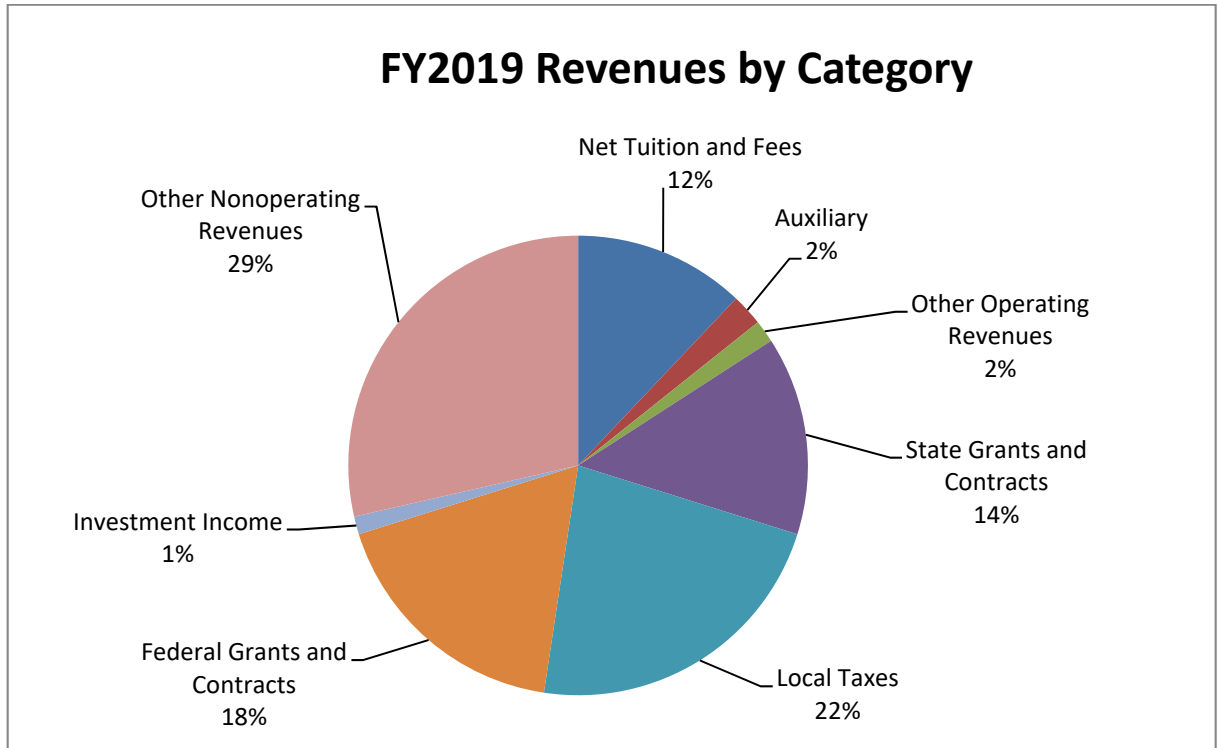
Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenue earned and expense incurred during the year. Activities are reported as either operating or nonoperating. The primary operating revenues are tuition and fees, which are stated net of scholarship waivers, and auxiliary revenues. The auxiliary revenues are commissions from the externally operated bookstore operations and service fees charged by the Child Development Center. Other operating revenue also includes fees for continuing education and corporate training.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

The major components of *nonoperating* revenues include government grants and contracts, and local property tax revenues. The reporting model classifies these revenues as *nonoperating* since no direct exchange of goods and services are received by the government or local taxpayers, respectively. Therefore, the College's dependency on government grants and local property tax revenues, which are both classified as *nonoperating*, will result in operating deficits.



Danville Area Community College - Community College District No. 507
Management Discussion and Analysis

The following schedule is a summary of the College's operating results for fiscal years 2019, 2018, and 2017.

Summary of Operating Results

| | (In Millions) | | |
|---|---------------|---------------|---------------|
| | FY 2019 | FY 2018 | FY 2017 |
| Operating revenues: | | | |
| Net tuition and fees | \$3.8 | \$4.3 | \$4.1 |
| Auxiliary | 0.6 | 0.7 | 0.6 |
| Other | 0.5 | 0.2 | 0.0 |
| Total operating revenue | 4.9 | 5.2 | 4.7 |
| Less operating expenses (see detail in following table) | 33.2 | 31.8 | 29.7 |
| Net operating loss | (28.2) | (26.6) | (25.0) |
| Nonoperating revenue | | | |
| State grants and contracts | 4.4 | 5.9 | 2.3 |
| Local taxes | 7.1 | 7.0 | 6.8 |
| Federal grants and contracts | 5.6 | 5.7 | 5.4 |
| Investment income | 0.4 | 0.2 | 0.1 |
| Other | 9.0 | 8.1 | 7.8 |
| Total nonoperating revenue | 26.5 | 26.9 | 22.4 |
| Capital contributions | 0.0 | 0.2 | 0.0 |
| Change in net position | (1.7) | 0.5 | (2.6) |
| Net position, beginning of year | 39.3 | 49.5 | 52.1 |
| Cumulative effect of GASB 75 (OPEB) | 0.0 | (10.7) | 0.0 |
| Net position, end of year | \$37.6 | \$39.3 | \$49.5 |

Detail of Operating Expenditures by Classification and Function

| | FY 2019 | FY 2018 | FY 2017 |
|---|---------------|---------------|---------------|
| Operating expenditures by classification: | | | |
| Salaries and benefits | \$24.8 | \$23.7 | \$22.2 |
| Supplies and other services | 3.8 | 4.0 | 3.4 |
| Scholarships | 1.9 | 1.5 | 1.4 |
| Depreciation | 1.9 | 1.8 | 1.9 |
| Utilities | 0.8 | 0.8 | 0.8 |
| Total operating expenditures | \$33.2 | \$31.8 | \$29.7 |

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

| | FY 2019 | FY 2018 | FY 2017 |
|-------------------------------------|---------------|---------------|---------------|
| Operating expenditures by function: | | | |
| Instruction | \$8.8 | \$8.1 | \$7.9 |
| Academic support | 1.1 | 0.8 | 1.0 |
| Student services | 2.2 | 2.3 | 2.0 |
| Public service | 1.0 | 1.1 | 1.1 |
| Auxiliary expense | 0.8 | 0.8 | 0.5 |
| Operation and maintenance of plant | 2.1 | 2.4 | 2.2 |
| Institutional support | 4.0 | 3.9 | 4.0 |
| Scholarships | 1.9 | 1.7 | 1.6 |
| On-behalf payments | 8.6 | 7.9 | 7.5 |
| Other | 0.8 | 1.0 | 0.0 |
| Depreciation | 1.9 | 1.8 | 1.9 |
| Total operating expenditures | \$33.2 | \$31.8 | \$29.7 |

The majority of the expenditures of the College are classified as operating expenses. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the costs of an asset over its expected useful life. Therefore, the purchase cost of fixed assets which exceed the capitalization threshold policy is not included as an expense.

Fiscal Year 2019 compared to 2018

Operating revenues decrease slightly by \$0.3 million due primarily to a decrease in net tuition and fees which is a result of decreased enrollment and an increase in tuition and fee waivers. Nonoperating revenue reflects a slight decrease, which is primarily due to receiving full state appropriations for FY18 as well as a portion of the FY17 appropriations being recognized in FY18, while there is only one fiscal year allocation in FY19. Other nonoperating revenue line items remained relatively stable.

Operating Expenses increased \$1.4 million in FY2019. The primary reason for the increase was the addition of approximately \$0.7 million expense related to the increase of On-behalf payments from the state, salary increases for all classes of employees and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$1.7 million to a level of \$37.6 million at June 30, 2019.

Fiscal Year 2018 compared to 2017

Nonoperating revenue reflects an increase of \$4.5 million, which is primarily due to receiving full state appropriations for FY18 as well as a portion of the FY17 appropriations were recognized in FY18. Other nonoperating revenue line items remained relatively stable.

Operating Expenses increased \$2.1 million in FY2018. The primary reason for the increase was the addition of approximately \$2.0 million expense related to the implementation of GASB Statement No. 75 and the recognition of current year OPEB expense and on behalf payments from the state. While health insurance premiums decreased as a result of exiting the Community College Insurance Cooperative, salary increases were provided for all classes of employees. In addition, several positions that had previously been eliminated due to the state budget crises were re-instated. Supplies and other services increased primarily due to various construction projects. Essential spending guidelines remained in place.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$10.2 million to a level of \$39.3 million at June 30, 2018.

Statement of Cash Flows

The Statement of Cash Flows identifies the sources and uses of cash by the major categories of operating, noncapital financing, capital and related financing, and investing activities. This statement also emphasizes the College's dependence on government grants and local property taxes. The following is a summary of the statement of cash flows for the year ended June 2019, June 2018, and June 2017.

Statement of Cash Flows

| | FY 2019 | FY 2018 | FY 2017 |
|--|----------|----------|----------|
| Cash provided (used) by: | | | |
| Operating activities | (\$17.0) | (\$15.7) | (\$15.8) |
| Noncapital financing activities | 20.9 | 19.0 | 15.2 |
| Capital and related financing activities | (1.8) | (0.6) | (1.3) |
| Investing activities | 0.2 | 0.2 | 0.1 |
| | | | |
| Net increase/(decrease) in cash | 2.3 | 2.9 | (1.8) |
| | | | |
| Cash, beginning of year | 13.4 | 10.5 | 12.3 |
| | | | |
| Cash, end of year | \$15.7 | \$13.4 | \$10.5 |

Fiscal Year 2019 compared to 2018

The \$2.3 million increase in cash and cash equivalents at the end of FY19 as compared to FY18 was due primarily to an early distribution of property tax receipts.

Fiscal Year 2018 compared to 2017

The \$2.9 million increase in cash and cash equivalents at the end of FY18 as compared to FY17 was due primarily to the issuance of \$1.0 million in debt certificates and the increase in state grants and contracts of \$3.5 million due to receiving full appropriations from the State of Illinois.

Capital Assets

FY2019

As of June 30, 2019, the College had recorded \$83.7 million invested in capital assets, \$48.2 million in accumulated depreciation and \$35.5 million in net capital assets. During FY2019, capital assets decreased by \$0.8 million. The decrease is due to less asset additions in the current year, along with a depreciation expense of \$1.9 million. See Note 3 for additional information.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

FY2018

As of June 30, 2018, the College had recorded \$82.6 million invested in capital assets, \$46.3 million in accumulated depreciation and \$36.3 million in net capital assets. During FY2018, capital assets decreased by \$1.2 million. The decrease is due to less asset additions in the current year, along with a depreciation expense of \$1.8 million. See Note 3 for additional information.

Additional information on capital assets can be found in Note 3 of the financial statements.

Debt Administration

The total balance outstanding at June 30, 2019 for all of the College's various Working Cash, Technology/Equipment and Construction Bonds is \$5,035,000.

During fiscal year 2019 the College issued \$1,000,000 in General Obligation Funding Bonds to provide continuing funding of the four to five year recycling plan of updating existing technology, new or updated instructional equipment and funds for deferred maintenance capital projects.

In previous fiscal years the College issued two separate Working Cash bond issues for a total of \$2,000,000, increasing the Working Cash Fund to almost \$5.5 million, which should provide sufficient cash balances to weather any unforeseen cash flow issues.

The College's rating of "**A1**" with a negative outlook from Moody's Investor Services for bonds issued in fiscal year 2013 was reviewed in June of 2019 and while Moody's affirmed the rating, the negative outlook was removed. The rating action, according to the Moody's report, *"reflects the college's moderately sized tax base, below average demographic profile, healthy reserves, limited expenditure flexibility with a high reliance on the State of Illinois for operating revenue and a low debt burden. The removal of the negative outlook reflects an improved reserve position."*

Additional information on long-term debt activity can be found in Note 4 of the financial statements.

Contacting the College's Financial Management

This financial report is designed to provide our constituents and other interested parties with a general overview of the College's finances and to demonstrate accountability for the resources we receive, both financial and those non-financial in nature. For further information regarding this report contact Tammy L. Betancourt, Vice President of Finance and Chief Finance Officer/Treasurer, at Danville Area Community College, Community College No. 507, 2000 East Main Street, Danville, IL 61832.

Danville Area Community College - Community College District No. 507

Statements of Net Position

June 30, 2019 and 2018

| ASSETS | 2019 | 2018 |
|---|--------------|--------------|
| Current assets: | | |
| Cash | \$15,744,517 | \$13,430,993 |
| Investments | 155,129 | 0 |
| Property taxes receivable | 3,411,736 | 6,329,395 |
| Student tuition and fees, net of allowance 2019 \$1,995,105 and 2018 \$1,877,451 | 1,104,102 | 1,076,998 |
| Government claims receivable | 711,725 | 844,613 |
| Other accounts receivable | 101,869 | 144,424 |
| Prepaid expenses | 178,612 | 158,209 |
| Total current assets | 21,407,690 | 21,984,632 |
| Noncurrent assets: | | |
| Capital assets, net of accumulated depreciation, 2019 \$48,183,893 and 2018 \$46,318,772 | 35,459,048 | 36,293,646 |
| Total assets | 56,866,738 | 58,278,278 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in the current year | 63,957 | 61,429 |
| Subsequent year's other postemployment benefit expense related to contributions in the current year | 547,559 | 158,492 |
| Total deferred outflows of resources | 611,516 | 219,921 |
| Total assets and deferred outflows of resources | 57,478,254 | 58,498,199 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 296,883 | 404,558 |
| Accrued expenses | 424,834 | 349,301 |
| Deposits held in custody for other | 86,758 | 143,246 |
| Unearned tuition revenue | 354,747 | 313,467 |
| Unearned grant revenue | 17,856 | 21,034 |
| Debt certificates payable | 0 | 1,000,000 |
| Bonds payable, current maturities | 714,000 | 765,000 |
| Capital lease obligations, current maturities | 67,902 | 11,150 |
| Accrued compensated absences, current | 264,000 | 257,000 |
| Total current liabilities | 2,226,980 | 3,264,756 |
| Noncurrent liabilities: | | |
| Bonds payable, less current maturities | 4,321,000 | 4,035,000 |
| Capital lease obligations, less current maturities | 224,942 | 0 |
| Net other postemployment benefit liabilities | 11,563,940 | 10,923,478 |
| Accrued compensated absences | 85,025 | 63,472 |
| Total noncurrent liabilities | 16,194,907 | 15,021,950 |
| Total liabilities | 18,421,887 | 18,286,706 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Other postemployment benefits | 1,473,669 | 940,948 |
| Total liabilities and deferred inflows of resources | 19,895,556 | 19,227,654 |
| NET POSITION | | |
| Net investment in capital assets | 30,131,204 | 31,482,497 |
| Restricted - expendable: | | |
| Capital projects | 2,105,044 | 1,217,062 |
| Working cash | 5,429,723 | 5,429,723 |
| Debt service | 1,015,844 | 1,074,550 |
| Grant purposes | 862,148 | 843,372 |
| Audit purposes | 46,705 | 48,443 |
| Liability insurance | 1,025,873 | 957,415 |
| Unrestricted | (3,033,843) | (1,782,517) |
| Total net position | \$37,582,698 | \$39,270,545 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2019 and 2018

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Operating revenues: | | |
| Student tuition and fees, net of scholarship allowances of \$2,664,025 and \$2,889,972, respectively | \$3,810,069 | \$4,307,077 |
| Auxiliary enterprises revenue | 647,961 | 730,402 |
| Other operating revenues | 538,939 | 158,239 |
| Total operating revenue | 4,996,969 | 5,195,718 |
| Operating expenses: | | |
| Instruction | 8,843,999 | 8,149,799 |
| Academic support | 1,061,446 | 786,882 |
| Student services | 2,177,494 | 2,278,768 |
| Public services | 1,013,695 | 1,067,489 |
| Auxiliary enterprises expense | 821,876 | 752,014 |
| Operation and maintenance of plant | 2,146,072 | 2,404,679 |
| Institutional support | 4,029,300 | 3,878,478 |
| Scholarships | 1,863,400 | 1,701,431 |
| On-behalf payments | 8,567,738 | 7,915,506 |
| Other postemployment benefits | 784,116 | 983,559 |
| Depreciation | 1,908,487 | 1,849,668 |
| Total operating expenses | 33,217,623 | 31,768,273 |
| Operating loss | (28,220,654) | (26,572,555) |
| Nonoperating revenues and (expenses): | | |
| State grants and contracts | 4,405,902 | 5,946,734 |
| Local property tax revenues | 6,547,752 | 6,444,604 |
| Personal property replacement tax | 570,826 | 513,965 |
| Federal grants and contracts | 5,616,297 | 5,690,901 |
| Local grants and contracts | 8,370 | 40,705 |
| Investment income | 353,590 | 216,908 |
| On-behalf payments | 8,567,738 | 7,913,860 |
| Other non-operating revenues | 708,110 | 224,899 |
| (Loss) on disposal of assets | (63,889) | 0 |
| Interest expense | (223,025) | (180,737) |
| Net nonoperating revenues and (expenses) | 26,491,671 | 26,811,839 |
| Capital contributions - Capital contributions | 41,136 | 237,000 |
| Change in net position | (1,687,847) | 476,284 |
| Net position, beginning of year, as previously reported | 39,270,545 | 49,516,636 |
| Cumulative effect of adoption of GASB 75 for OPEB | 0 | (10,722,375) |
| Net position, beginning of year, as restated | 39,270,545 | 38,794,261 |
| Net position, end of year | \$37,582,698 | \$39,270,545 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Cash Flows

For the years ended June 30, 2019 and 2018

| | 2019 | 2018 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$3,866,800 | \$4,438,986 |
| Payments to suppliers | (5,595,318) | (4,323,951) |
| Payments to employees and benefits paid | (15,372,872) | (14,789,529) |
| Payments for financial aid and scholarships | (1,117,392) | (1,701,431) |
| Auxiliary enterprise charges - bookstore and childcare | 647,960 | 730,402 |
| Other operating | 538,939 | 158,239 |
| Net cash used in operating activities | (17,031,883) | (15,487,284) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Local property taxes | 9,473,782 | 6,214,015 |
| State grants and contracts | 4,998,943 | 6,623,380 |
| Federal grants and contracts | 5,748,172 | 5,495,834 |
| Other nonoperating | 737,564 | 502,608 |
| Direct lending receipts | 0 | 869,968 |
| Direct lending payments | 0 | (869,968) |
| Net cash provided by noncapital financing activities | 20,958,461 | 18,835,837 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchases of capital assets | (1,150,489) | (640,794) |
| Principal paid on bonds payable/capital debt | (1,765,000) | (715,000) |
| Principal paid on capital lease obligations | (70,330) | (53,144) |
| Interest paid on bonds payable/capital debt | (177,734) | (213,162) |
| Proceeds from bonds issued | 1,000,000 | 1,000,000 |
| Proceeds from capital lease | 352,024 | 0 |
| Net cash used in capital and related financing activities | (1,811,529) | (622,100) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | (155,129) | 0 |
| Interest received | 353,604 | 216,908 |
| Net cash provided by investing activities | 198,475 | 216,908 |
| Net increase (decrease) in cash and cash equivalents | 2,313,524 | 2,943,361 |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 13,430,993 | 10,487,632 |
| End of year | \$15,744,517 | \$13,430,993 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Cash Flows (Continued)

For the years ended June 30, 2019 and 2018

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED | | |
| IN OPERATING ACTIVITIES: | | |
| Operating loss | (\$28,220,654) | (\$26,572,555) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 1,908,487 | 1,849,668 |
| State on-behalf payments | 8,567,738 | 7,913,860 |
| Changes in deferred outflows and inflows of resources | 141,126 | 784,102 |
| Changes in assets and liabilities: | | |
| Receivables | 15,451 | 129,111 |
| Other assets | (20,403) | (19,859) |
| Accounts payable | (169,970) | 230,184 |
| Accrued liabilities | 64,599 | (5,696) |
| Net other postemployment benefit liabilities | 640,462 | 201,103 |
| Unearned revenue | 41,281 | 2,798 |
| Net cash used in operating activities | (\$17,031,883) | (\$15,487,284) |
| NONCASH INVESTING, CAPITAL, AND FINANCIAL: | | |
| Acquisition of capital assets with capital contributions | \$41,136 | \$237,000 |
| Loss on disposal of assets | \$76,600 | \$0 |
| STATE ON-BEHALF PAYMENTS | \$8,567,738 | \$7,913,860 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statements of Financial Position

June 30, 2019 and 2018

| ASSETS | 2019 | 2018 |
|---|---------------------|---------------------|
| Assets: | | |
| Cash and cash equivalents | \$1,019,606 | \$321,733 |
| Investments | 11,842,127 | 11,564,502 |
| Beneficial interests in trusts | 1,138,378 | 1,121,106 |
| Land held for investment | 2,851,509 | 2,851,509 |
| Total assets | \$16,851,620 | \$15,858,850 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities - | | |
| Accounts payable and accrued expenses | \$76,068 | \$21,746 |
| Net assets: | | |
| Without donor restrictions: | | |
| General operating | 611,304 | 440,514 |
| Board designated endowment | 2,159,401 | 2,000,007 |
| | 2,770,705 | 2,440,521 |
| With donor restrictions: | | |
| Purpose restricted: | | |
| Scholarship | 5,880,626 | 5,755,820 |
| Library | 915,353 | 961,996 |
| Frontline 2000 | 62,966 | 62,966 |
| Total purpose restrictions | 6,858,945 | 6,780,782 |
| Perpetual in nature: | | |
| Endowment: | | |
| Faculty | 308,045 | 307,845 |
| Scholarship | 5,699,479 | 5,186,850 |
| Total endowment | 6,007,524 | 5,494,695 |
| Trust | 1,138,378 | 1,121,106 |
| Total perpetual in nature | 7,145,902 | 6,615,801 |
| Total net assets | 16,775,552 | 15,837,104 |
| Total liabilities and net assets | \$16,851,620 | \$15,858,850 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statements of Activities

For the years ended June 30, 2019 and 2018

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Changes in net assets without donor restrictions: | | |
| Revenues, gains and other support: | | |
| Contributions | \$13,350 | \$28,082 |
| Investment income | 430,646 | 116,996 |
| Net assets released from prior year's restrictions | 984,266 | 1,231,350 |
| Total revenue, gains, and other support | 1,428,262 | 1,376,428 |
| Expenses and losses: | | |
| Program service expenses: | | |
| Scholarships, awards and projects | 444,781 | 776,558 |
| Library | 65,000 | |
| Greenhouse renovations | 50,000 | |
| Instructional equipment | 146,539 | |
| Hoopston extension site | 5,000 | |
| Other program services | 178,767 | 312,849 |
| | 890,087 | 1,089,407 |
| Supporting services: | | |
| Management and general | 147,990 | 145,288 |
| Fundraising | 60,001 | 62,808 |
| | 207,991 | 208,096 |
| Total expenses | 1,098,078 | 1,297,503 |
| Increase in unrestricted net assets | 330,184 | 78,925 |
| Changes in net assets with donor restrictions - purpose restricted: | | |
| Contributions | 673,464 | 704,266 |
| Investment income | 315,336 | 677,027 |
| Other income | 88,128 | 88,724 |
| Donor-Restricted income transfer | (14,499) | 0 |
| Net assets released from prior year's restrictions | (984,266) | (1,231,350) |
| Increase in net assets with donor restrictions - purpose restricted | 78,163 | 238,667 |
| Changes in net assets with donor restrictions - perpetual in nature: | | |
| Contributions | 498,330 | 210,403 |
| Investment income | 17,272 | 37,039 |
| Donor-Restricted income transfer | 14,499 | 0 |
| Increase in net assets with donor restrictions - perpetual in nature | 530,101 | 247,442 |
| Increase in net assets | 938,448 | 565,034 |
| Net assets, beginning of year | 15,837,104 | 15,272,070 |
| Net assets at end of year | \$16,775,552 | \$15,837,104 |

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statement of Functional Expenses

For the year ended June 30, 2019

| | Program Services | Management and General | Fundraising | Total Expenses |
|-------------------------|-----------------------------|-----------------------------------|--------------------|---------------------------|
| Salaries and benefits | \$0 | \$84,080 | \$56,054 | \$140,134 |
| Professional fees | 0 | 50,562 | 0 | 50,562 |
| Printing and postage | 0 | 1,211 | 0 | 1,211 |
| Office expense | 0 | 4,838 | 0 | 4,838 |
| Events and campaigns | 0 | 0 | 48 | 48 |
| Seminar and dues | 0 | 4,749 | 0 | 4,749 |
| Insurance | 0 | 2,055 | 0 | 2,055 |
| Promotion | 0 | 0 | 3,899 | 3,899 |
| Grants and scholarships | 890,087 | 0 | 0 | 890,087 |
| Certificates and awards | 0 | 495 | 0 | 495 |
| Total expenses | \$890,087 | \$147,990 | \$60,001 | \$1,098,078 |

See Notes to Financial Statements.

Note 1 Organization and Summary of Significant Accounting Policies

Danville Area Community College, Community College District No. 507 (College) is an accredited public two-year community college providing higher education opportunities for youth and adults in East Central Illinois. Established initially as an extension center of the University of Illinois in 1946, the College became a public junior college named Danville Community College under Danville Public Schools in 1949. In 1951, the name was changed to Danville Junior College. In June of 1966, the College separated from Danville School District No. 118 under provisions of the Public Junior College Act and became an independent two-year area college under the control of the Board of Trustees of Junior College District No. 507. The name Danville Junior College was changed to Danville Area Community College on July 1, 1979, to be more reflective of the services rendered. The College district encompasses high school districts in Vermilion, Edgar, Iroquois, Ford, and Champaign counties with an estimated population of 85,000.

The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

Reporting Entity

Danville Area Community College, Community College District No. 507 is governed by an elected eight-member Board of Trustees. As required by generally accepted accounting principles, these basic financial statements present the financial position and results of operations of Danville Area Community College, Community College District No. 507 (the primary government).

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Danville Area Community College Foundation (Foundation).

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and consists of local professionals and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

During the fiscal year ended June 30, 2019, the Foundation distributed \$303,105 to students attending the College and gave \$168,665 in direct support to the College. In addition, the College provided the Foundation with \$52,719 of in-kind services.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard's Board (FASB) Accounting Standards Codification (ASC). Most significant to the Foundation's operations and reporting models is FASB ASC 958 related to accounting for contributions received and financial reporting for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. However, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. Financial statements for the Foundation can be obtained by calling the Foundation at (217) 443-8843.

The economic resources held by the College do not directly benefit any organizations which would be considered a primary government. The College is not financially integrated or closely related to another governmental entity. In addition, the College is not aware of any entity which would be financially accountable for the College. Based on this criteria, the College is not considered to be a component entity of another entity.

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's basic financial statements have been presented using the economic resources measurement focus and the 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 and intra-fund transactions have been eliminated. Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in 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, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

Use of Estimates

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

Cash and Cash Equivalents

Cash includes deposits held at banks plus small amounts maintained for change funds. Cash equivalents are defined as short-term highly liquid investments readily converted to cash.

Investments

Investments, which consist of Illinois Funds, are stated at cost, which approximates market. These investments are not subject to the fair value hierarchy disclosures.

Accounts Receivable

Accounts receivable includes uncollateralized student obligations, which generally require payment by the first day of class. Accounts receivable are stated at the invoice amount.

Account balances that are not on a payment plan and are unpaid at the end 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 student's remittance advise or, if unspecified, to the earliest unpaid invoices.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Accounts Receivable (continued)

The carrying amount of accounts receivable 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 specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the 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.

Accounts receivable also includes outstanding balances due from federal and state funding sources and other miscellaneous items.

Prepaid Expenses

Prepaid expenses represent current expenditures which benefit future periods.

Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Pursuant to Board of Trustees resolution, property tax levies passed in December 2018 were allocated to fiscal year 2019. Property taxes and personal property replacement tax are recorded on the accrual basis.

Property taxes are certified on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors in the District who, in turn, remit to the College its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the College normally made within thirty days of collection.

The College is permitted, by the Illinois Community College Board, to levy up to \$.75 per \$100 of equalized assessed valuation for educational purposes, and \$.10 per \$100 of equalized assessed valuation for operations, building and maintenance purposes. However, a local referendum allows a maximum total of only \$0.45 per \$100 of equalized assessed valuations for these two purposes. The statutory maximum tax rates and the respective rates for the December 31, 2018 and 2017 tax levies, per \$100 of assessed valuation, are reflected in the following table.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Property Taxes (continued)

| | Statutory Maximum | 2019 Rate | 2018 Rate |
|---|------------------------------|----------------------|----------------------|
| Education | \$0.3729 | \$0.3678 | \$0.3729 |
| Operations and maintenance | 0.0750 | 0.0740 | 0.0745 |
| Workers compensation | - | 0.0070 | 0.0078 |
| Social security | - | 0.0144 | 0.0162 |
| Tort liability, protection | - | 0.0584 | 0.0576 |
| Audit | 0.0050 | 0.0042 | 0.0048 |
| Operations and maintenance (Restricted) | | | |
| Protection, Health and Safety | 0.0500 | 0.0070 | 0.0076 |
| Bond and interest | - | <u>0.0742</u> | <u>0.0836</u> |
| | | <u>\$0.6070</u> | <u>\$0.6255</u> |

Capital Assets

Capital assets include property, movable equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives (See Note 3 for further detail).

| Assets | Years |
|----------------------------|--------------|
| Land improvements | 10 to 20 |
| Buildings and improvements | 40 to 60 |
| Equipment | 5 to 10 |
| Technology equipment | 3 to 5 |
| Vehicles | 3 to 5 |

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Impairment of Assets

The College reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Outflows of Resources

The College reports decrease in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The College has two types of items, one of which occurs related to pension expense and the other which occurs related to other postemployment benefits other than pensions. Employer paid contribution made subsequent to the liability measurement date are recorded as deferred outflows of resources.

Unearned Revenue

Unearned revenue includes amounts received which represents payment for services to be provided in future periods for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. These amounts consist primarily of: 1) amounts received or accrued for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and 2) amounts received from grant and contract sponsors that have not been earned.

Non-Current Liabilities

Non-current liabilities include: estimated amounts of accrued compensated absences; and bond and capital lease obligations that will not be paid within the next fiscal year.

The College records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit of up to one year for unused sick leave towards years of service in the State Universities Retirement System pension plan.

Deferred Inflows of Resources

The College's financial statements report a separate section for deferred inflows of resources. These financial statement elements reflect an increase in net position or fund equity that applies to a future period. The College will not recognize the related revenue until a future event occurs. The College has one type of item which occurs related to the difference between expected and actual results and changes in assumptions related to postemployment benefits other than pensions.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Pensions

Financial reporting information pertaining to the College's participation in the State Universities Retirement System of Illinois (SURS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

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

Other Post-Employment ("OPEB") Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan ("CIP") and additions to/deductions from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Net Position

The College's net position is classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation and net of related debt.

Note 1 Organization and Summary of Significant Accounting Policies (continued)

Net Position (continued)

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

Unrestricted net position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are 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.

Classification of Revenues and Expenses

The College has classified its revenues and expenses as either Operating or Non-Operating. Operating revenue and expenses include activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances (b) sales and services of auxiliary enterprises, (c) salaries and benefits and (d) materials and supplies. Non-operating revenue and expenses include activities that have the characteristics of non-exchange transactions, such as (a) local property taxes, (b) state appropriations, (c) most Federal, state, and local grants and contracts and Federal appropriations, and (d) gifts and contributions.

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Student Support Services and Federal Direct Student Loan programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Note 2 Cash and Investments

The Board of Trustees has authorized the College to invest funds in accordance with the Illinois Community College Act and the Public Funds Investment Act. In general, the College may invest in obligations of the United States of America or its agencies (or guaranteed by the full faith and credit of same) and certain time deposits and short-term obligations as defined in the Public Fund Investment Act.

The College's cash throughout the year and at year-end consisted of demand deposit accounts and money markets.

Cash as of June 30, 2019 and 2018 consist of the following:

| | Carrying Amount | |
|--------------------------------------|------------------------|---------------------|
| | 2019 | 2018 |
| Cash on hand | \$1,500 | \$1,500 |
| Deposits with financial institutions | 15,743,017 | 13,429,493 |
| Total | \$15,744,517 | \$13,430,993 |

Note 2 Cash and Deposits (continued)

Custodial Credit Risk. 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 FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third-party institution in the name of the College. As of June 30, 2019 and 2018, deposits were collateralized with securities held by the pledging financial institution. Therefore, none of the College's bank balance was exposed to custodial risk.

Investments at June 30, 2019 and 2018 comprise the following at fair value:

| | 2019 | 2018 |
|----------------------------------|-----------|------|
| Local Government Investment Pool | \$155,129 | \$0 |

As of June 30, 2019, the College had the following investments with stated maturities.

| | Fair Value | Investment Maturities (In Years) | | | |
|----------------------------------|---------------|----------------------------------|-----|------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Local Government Investment Pool | \$155,129 | \$155,129 | \$0 | \$0 | \$0 |

As of June 30, 2018, the College had the following investments with stated maturities.

| | Fair Value | Investment Maturities (In Years) | | | |
|----------------------------------|---------------|----------------------------------|-----|------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Local Government Investment Pool | \$0 | \$0 | \$0 | \$0 | \$0 |

As of June 30, 2019, the College had the following investments with stated ratings.

| | Total | Investment Ratings by Standard & Poor's | | | |
|----------------------------------|-----------|---|-----|-----|---------|
| | | AAA | AA | A | Unrated |
| Local Government Investment Pool | \$155,129 | \$155,129 | \$0 | \$0 | \$0 |

As of June 30, 2018, the College had the following investments with stated ratings.

| | Total | Investment Ratings by Standard & Poor's | | | |
|----------------------------------|-------|---|-----|-----|---------|
| | | AAA | AA | A | Unrated |
| Local Government Investment Pool | \$0 | \$0 | \$0 | \$0 | \$0 |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 2 Cash and Deposits (continued)

Credit Risk. Credit risk is the risk that the issuer or other counterparty to a debt investment will not fulfill its obligations. The College's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general, avoid speculative instruments.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2019 and 2018, there are no investments with custodial credit risk.

Concentration Risk. Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College's investment policy limits its concentration risk by not allowing investments that are not secured by the U.S. Government. The College has no investments that represent 5 percent or more of the total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College's investment policy does not permit investment that are not secured by the U.S. Government. The College does not have any investments with foreign currency risk exposure.

Note 3 Capital Assets

The following tables present the changes in various capital asset categories for fiscal years 2019 and 2018.

At June 30, 2019 and 2018, the College had several uncompleted construction contracts in the Capital Projects Fund. The remaining commitment on these construction contracts was approximately \$82,172 and \$38,400, respectively.

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 |
|---|--------------------------|----------------|---------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in process | \$85,400 | \$173,996 | \$76,600 | \$182,796 |
| Land | 911,931 | 0 | 0 | 911,931 |
| Total capital assets not being depreciated | 997,331 | 173,966 | 76,600 | 1,094,727 |
| Capital assets being depreciated: | | | | |
| Land improvements | 5,494,951 | 68,233 | 0 | 5,563,184 |
| Buildings | 18,288,110 | 0 | 0 | 18,288,110 |
| Building improvements | 41,797,872 | 0 | 0 | 41,797,872 |
| Campus lighting | 40,955 | 0 | 0 | 40,955 |
| Equipment | 15,993,199 | 908,260 | 43,366 | 16,858,093 |
| Total capital assets being depreciated | 81,615,087 | 976,493 | 43,366 | 82,548,214 |

Danville Area Community College - Community College District No. 507
Notes to Financial Statements

Note 3 Capital Assets (continued)

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 |
|---------------------------------------|--------------------------|--------------------|-----------------|--------------------------|
| Less accumulated depreciation: | | | | |
| Land improvements | 2,938,626 | 155,166 | 0 | 3,093,792 |
| Buildings | 9,626,328 | 345,749 | 0 | 9,972,077 |
| Building improvements | 18,306,408 | 879,190 | 0 | 19,185,598 |
| Campus lighting | 40,054 | 450 | 0 | 40,504 |
| Equipment | 15,407,356 | 527,932 | 43,366 | 15,891,922 |
| Total accumulated depreciation | 46,318,772 | 1,908,487 | 43,366 | 48,183,893 |
| Net capital assets | \$36,293,646 | (\$757,988) | \$76,600 | \$35,459,048 |

Construction in progress represents costs incurred to renovate Jacobs Hall Carnegie Library, replace the roof on the Child Development Center, convert HVAC pneumatic controls to digital in Cannon Hall, investigate the acquisition of the Army Reserve Center, and install new HVAC in the Mary Miller Gymnasium. Total costs for all projects are estimated to be \$3,586,789 of which \$2,000,000 is expected to be donated by a donor for Jacobs Hall and \$178,390 will be paid by a capital grant from the Illinois Capital Development Board. Costs paid by the Capital Development Board as of June 30, 2019 total \$24,378.

The College deposited \$459,070 in a trust account for its share of project costs. Disbursements from this account are authorized by the Illinois Capital Development Board. The balance of this account as of June 30, 2019 was \$465,796.

| | Balance June 30, 2017 | Additions | Deletions | Balance June 30, 2018 |
|---|--------------------------|----------------------|------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in process | \$142,008 | \$85,400 | \$142,008 | \$85,400 |
| Land | 891,384 | 20,547 | 0 | 911,931 |
| Total capital assets not being depreciated | 1,033,392 | 105,947 | 142,008 | 997,331 |
| Capital assets being depreciated: | | | | |
| Land improvements | 5,255,197 | 239,754 | 0 | 5,494,951 |
| Buildings | 18,288,110 | 0 | 0 | 18,288,110 |
| Building improvements | 41,797,872 | 0 | 0 | 41,797,872 |
| Campus lighting | 40,955 | 0 | 0 | 40,955 |
| Equipment | 15,556,098 | 437,101 | 0 | 15,993,199 |
| Total capital assets being depreciated | 80,938,232 | 676,855 | 0 | 81,615,087 |
| Less accumulated depreciation: | | | | |
| Land improvements | 2,782,336 | 156,290 | 0 | 2,938,626 |
| Buildings | 9,256,873 | 369,455 | 0 | 9,626,328 |
| Building improvements | 17,423,433 | 882,975 | 0 | 18,306,408 |
| Campus lighting | 39,604 | 450 | 0 | 40,054 |
| Equipment | 14,966,858 | 440,498 | 0 | 15,407,356 |
| Total accumulated depreciation | 44,469,104 | 1,849,668 | 0 | 46,318,772 |
| Net capital assets | \$37,502,520 | (\$1,066,866) | \$142,008 | \$36,293,646 |

Danville Area Community College - Community College District No. 507
Notes to Financial Statements

Note 4 Long-Term Debt

| | Balance 6/30/18 | Additional Obligations | Retirements | Balance 6/30/19 | Due Within One Year |
|---|----------------------------|-----------------------------------|--------------------|----------------------------|--------------------------------|
| 2013 Technology bonds | \$230,000 | \$0 | \$230,000 | \$0 | \$0 |
| 2013A Construction bonds | 2,995,000 | 0 | 0 | 2,995,000 | 0 |
| 2015 Technology bonds | 670,000 | 0 | 410,000 | 260,000 | 260,000 |
| 2016 Technology and maintenance bonds | 905,000 | 0 | 125,000 | 780,000 | 255,000 |
| 2018A Technology and maintenance bonds | 0 | 1,000,000 | 0 | 1,000,000 | 199,000 |
| Debt certificate | 1,000,000 | 0 | 1,000,000 | 0 | 0 |
| Accrued compensated absences | 320,472 | 292,117 | 263,564 | 349,025 | 264,000 |
| Capital lease obligations | 11,150 | 352,024 | 70,330 | 292,844 | 67,902 |
| Total | \$6,131,622 | \$1,644,141 | \$2,098,894 | \$5,676,869 | \$1,045,902 |

| | Balance 6/30/17 | Additional Obligations | Retirements | Balance 6/30/18 | Due Within One Year |
|---|----------------------------|-----------------------------------|--------------------|----------------------------|--------------------------------|
| 2010 technology bonds | \$350,000 | \$0 | \$350,000 | \$0 | \$0 |
| 2013 technology bonds | 395,000 | 0 | 165,000 | 230,000 | 230,000 |
| 2013A construction bonds | 2,995,000 | 0 | 0 | 2,995,000 | 0 |
| 2015 technology bonds | 775,000 | 0 | 105,000 | 670,000 | 410,000 |
| 2016 technology and maintenance bond | 1,000,000 | 0 | 95,000 | 905,000 | 125,000 |
| Debt certificate | 0 | 1,000,000 | 0 | 1,000,000 | 1,000,000 |
| Accrued compensated absences | 305,121 | 272,069 | 256,718 | 320,472 | 257,000 |
| Capital lease obligations | 64,294 | 0 | 53,144 | 11,150 | 11,150 |
| Total | \$5,884,415 | \$1,272,069 | \$1,024,862 | \$6,131,622 | \$2,033,150 |

General Obligation Bonds

Series 2010 Technology Bonds: On December 1, 2010 the College issued bonds in the amount of \$500,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2011, with interest payable semiannually at 3.80% - 3.90%. Maturity date was December 1, 2017.

Series 2013 Technology Bonds: On January 1, 2013 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2013, with interest payable semiannually at 0.50% - 2.50%. Maturity date was December 1, 2018.

Danville Area Community College - Community College District No. 507
Notes to Financial Statements

Note 4 Long-Term Debt (continued)

Series 2013A Construction Bonds: On October 11, 2013 the College issued bonds in the amount of \$2,995,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the construction and equipment of a 10,000 square foot addition to the Technology Center (the "Project"). Serial retirement interest began on July 1, 2014, with interest payable semiannually at 4.25%. A lump sum principal payment will be due upon maturity. Maturity date is January 1, 2028. A donor has committed to contribute \$3,000,000, within 60 days of his death, to the Foundation to be used for the Project. The College expects to use such contribution, if and when received, to pay the bonds. In addition, the donor has committed to contribute to the Foundation \$100,000 per year after the date the construction started. The College will use such money to pay a portion of the yearly interest on the Bonds and to abate annually at a minimum a portion of the pledged taxes attributable to the donor's contribution. Remaining principal and interest payments to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|--------------------|--------------------|--------------------|
| 2020 | \$0 | \$127,287 | \$127,287 |
| 2021 | 0 | 127,288 | 127,288 |
| 2022 | 0 | 127,287 | 127,287 |
| 2023 | 0 | 127,288 | 127,288 |
| 2024 | 0 | 127,287 | 127,287 |
| 2025-2028 | 2,995,000 | 509,150 | 3,504,150 |
| Total | \$2,995,000 | \$1,145,587 | \$4,140,587 |

Series 2015 Technology Bonds: On January 8, 2015 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2015, with interest payable semiannually at 2.30%. Maturity date is June 1, 2020. Remaining principal and interest payments to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|-----------------|--------------|
| 2020 | \$260,000 | \$2,990 | \$262,990 |

Series 2016 Technology and Maintenance Bonds: On February 11, 2017 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of deferred maintenance projects and technological and instructional equipment. Serial retirement of principal and interest begins on December 1, 2018, with interest payable semiannually at 2.35%. Maturity date is December 1, 2020. Remaining principal and interest payments to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|-----------------|------------------|
| 2020 | \$255,000 | \$15,334 | \$270,334 |
| 2021 | 525,000 | 6,913 | 531,169 |
| Total | \$780,000 | \$21,503 | \$801,503 |

Note 4 Long-Term Debt (continued)

Series 2018A Technology and Maintenance Bonds: On July 2, 2018 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of deferred maintenance projects and technological and instructional equipment. Serial retirement of principal and interest begins on December 1, 2019, with interest payable semiannually at 3.75% - 4.00%. Maturity date is December 1, 2020. Remaining principal and interest payments to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|--------------------|------------------|--------------------|
| 2020 | \$199,000 | \$67,582 | \$266,582 |
| 2021 | 243,000 | 25,481 | 268,481 |
| 2022 | 274,000 | 15,788 | 289,788 |
| 2023 | 284,000 | 5,325 | 289,325 |
| Total | \$1,000,000 | \$114,176 | \$1,114,176 |

Capital Lease Obligations

Copiers: The College is leasing copy machines under a capital lease which expires June 2023. The equipment is capitalized and depreciated over its estimated productive life. Total cost on the equipment was \$352,024. Accumulated depreciation on the equipment as of June 30, 2019 was \$70,405, respectively.

Amortization of leased machinery and equipment under capital assets is included with depreciation expense.

Annual debt service requirements to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|-----------------|------------------|
| 2020 | \$67,902 | \$9,167 | \$77,069 |
| 2021 | 70,318 | 6,752 | \$77,070 |
| 2022 | 72,819 | 4,251 | \$77,070 |
| 2023 | 75,408 | 1,661 | \$77,069 |
| 2023 | 6,397 | 26 | \$77,069 |
| Total | \$292,844 | \$21,857 | \$314,701 |

Note 5 Contingencies and Commitments

Grant Contingencies

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. College management believes disallowances, if any, will be immaterial.

Note 5 Contingencies and Commitments (continued)

Litigation

As of June 30, 2019, the College is involved in various litigated issues. Possible judgments in these cases cannot be predicted at this time nor any damages, if any, reasonably estimated.

Construction Commitments

In fiscal year 2019, the College entered into a contract with the Illinois Capital Development Board for the replacement of four, fifty year old heating units serving the Mary Miller Gymnasium with two energy efficient heating and cooling units with an estimated total cost of approximately \$775,000. The contract states that the Capital Development Board is to pay \$178,390 and the College's portion is \$597,010. Of the College's portion, \$459,070 has been put in a trust account. As of June 30, 2019, the balance of the College's trust account was \$465,796. The total remaining project costs as of June 30, 2019 was \$750,772, of which the College portion is \$597,010. The project is expected to be completed in 2020.

Note 6 Risk Management

The College is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters, for which the College carries commercial insurance.

Until January 1, 2018, the College was a member of the Community College Insurance Cooperative (CCIC), a public entity risk pool currently operating as a common risk management and insurance program for independent organizations. CCIC was dissolved on December 31, 2017. While a member, the College paid an annual premium to CCIC for its medical insurance coverage under a retrospectively rated policy (the initial premium is adjusted based on actual experience of the group during the period of coverage). The Agreement for Formation of CCIC provides that CCIC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured individual.

Effective January 1, 2018, the College became fully insured for its health, dental and vision benefits, utilizing the services of various commercial providers.

The College continues to carry commercial insurance for all other risks of loss, including general liability, property and workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Note 7 Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. Danville Area Community College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) 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 Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions. The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2018 respectively, was 12.29% and 12.46% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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

Note 7 Defined Benefit Pension Plans (continued)

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2018 and 2017. SURS reported a net pension liability (NPL) of \$27,494,556,682 at June 30, 2018 and \$25,481,105,995 at June 30, 2017.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for Danville Area Community College at both fiscal years ended June 30, 2019 and 2018 was \$-0-. The proportionate share of the State's net pension liability associated with Danville Area Community College at June 30, 2018 and 2017 was \$79,651,731 or 0.2897% and \$73,512,991 or 0.2885%, respectively. These amounts should not be recognized in the financial statements. The net pension liability and total pension liability as of June 30, 2018 and June 30, 2017 were determined based on the June 30, 2017 and 2016 actuarial valuations rolled forward, respectively. The basis of allocation used in the proportionate share of net pension liability for each year is the actual reported pensionable contributions made to SURS during fiscal years 2018 and 2017, respectively.

Pension Expense

For the years ended June 30, 2018 and 2017, SURS reported a collective net pension expense of \$2,685,322,700 and \$2,412,918,129, respectively.

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal years 2018 and 2017, respectively. As a result, Danville Area Community College recognized on-behalf revenue and pension expense of \$7,779,380 and \$6,961,269, respectively, for the fiscal years ended June 30, 2019 and 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

Note 7 Defined Benefit Pension Plans

SURS Collective Deferred Outflows and Deferred Inflows of Resources

| Fiscal Year Ended June 30, 2018 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$65,521,614 | \$181,032,053 |
| Changes in assumptions | 1,286,257,095 | 123,218,306 |
| Net difference between projected and actual | | |
| Earnings on pension plan investments | 26,810,634 | 0 |
| Total | \$1,378,589,343 | \$304,250,359 |

| Fiscal Year Ended June 30, 2017 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$139,193,227 | \$1,170,771 |
| Changes in assumptions | 205,004,315 | 259,657,577 |
| Net difference between projected and actual | | |
| Earnings on pension plan investments | 94,620,827 | 0 |
| Total | \$438,818,369 | \$260,828,348 |

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses:

| Year ending June 30 | Net Deferred Outflows of Resources |
|---------------------|---------------------------------------|
| 2019 | \$763,171,084 |
| 2020 | 540,443,042 |
| 2021 | (192,612,398) |
| 2022 | (36,662,744) |
| 2023 | 0 |
| Thereafter | 0 |
| Total | \$1,074,338,984 |

Employer Deferral of Fiscal Year 2019 Pension Expense

The College paid \$63,957 and \$61,429 in federal, trust or grant contributions for the fiscal years ended June 30, 2019 and 2018, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2019 and 2018.

Note 7 Defined Benefit Pension Plans (continued)

Assumptions and Other Inputs

Actuarial Assumptions. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.25 percent |
| Salary increases | 3.25 to 12.25 percent, including inflation |
| Investment rate of return | 6.75 percent beginning with the actuarial valuation as of June 30, 2018 |

Mortality rates were based on the RP-2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|--------------------------|---|
| U.S. Equity | 23% | 5.00% |
| Private Equity | 6% | 8.50% |
| Non-U.S. Equity | 19% | 6.45% |
| Global Equity | 8% | 6.00% |
| Fixed Income | 19% | 1.50% |
| Treasury-Inflation Protected Securities | 4% | 0.75% |
| Emerging Market Debt | 3% | 3.65% |
| Real Estate REITS | 4% | 5.45% |
| Direct Real Estate | 6% | 4.75% |
| Commodities | 2% | 2.00% |
| Hedged Strategies | 5% | 2.85% |
| Opportunity Fund | 1% | 7.00% |
| Total | 100% | 4.55% |
| Inflation | | <u>2.75%</u> |
| Expected Arithmetic Return | | 7.30% |

Discount Rate. A single discount rate of 6.65% and 7.09% at June 30, 2018 and 2017, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and 7.25% at June 30, 2018 and 2017, and a municipal bond rate of 3.62% and 3.56% at June 30, 2018 and 2017, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve).

Note 7 Defined Benefit Pension Plans (continued)

The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.65% and 7.09% for June 30, 2018 and 2017, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

| June 30, 2018 | | |
|------------------------------|--|------------------------------|
| 1% Decrease 5.65% | Current Single Discount Rate Assumption 6.65% | 1% Increase 7.65% |
| \$33,352,188,584 | \$27,494,556,682 | \$22,650,651,520 |
| June 30, 2017 | | |
| 1% Decrease 6.09% | Current Single Discount Rate Assumption 7.09% | 1% Increase 8.09% |
| \$30,885,142,279 | \$25,481,105,995 | \$20,997,457,586 |

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

Note 8 Postemployment Benefits Other Than Pension (OPEB)

General Information about the OPEB Plan

Plan administration. The College participates in the State of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP"). CIP is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the state of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

Note 8 Postemployment Benefits Other Than Pension (OPEB) (continued)

Plan membership. All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

Benefit provisions. A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

Benefits provided. CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

Contributions. The Act requires every active contributor of SURS, who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires a special funding situation whereby the State makes an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The Act requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the College to CIP and the College's contributions for the years ended June 30, 2019 and 2018 were \$55,442 and \$52,595, respectively.

Net OPEB Liability. The net OPEB liability was measured as of June 30, 2018 and June 30, 2017. CIP reported a net OPEB liability at June 30, 2017 of \$1,885,251,764 and at June 30, 2017 of \$1,823,636,957.

Employer Proportionate Share of Net OPEB Liability. The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2018 is \$11,563,940 or 0.6134%, and for fiscal year 2017 it was \$10,923,478 or 0.5990%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0144%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2018 and June 30, 2017 was \$11,563,940 or 0.6134% and \$10,779,309 or 0.5911%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2018 and June 30, 2017 was \$23,127,880 and \$21,703,087, respectively. The net OPEB liability and total OPEB liability as of June 30, 2018 was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2018.

Note 8 Postemployment Benefits Other Than Pension (OPEB) (continued)

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

OPEB Expense. At June 30, 2018 and June 30, 2017, CIP reported a collective net OPEB expense of \$125,287,478 and \$169,446,479, respectively.

Employer Proportionate Share of OPEB Expense. The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2018 and 2017, respectively. As a result, the College recognized on-behalf revenue of \$56,888 and \$53,566 for the fiscal years ended June 30, 2019 and June 30, 2018, respectively. Additionally, the College recognized OPEB expense (and revenue) of \$731,470 and \$952,591 for the fiscal years ended June 30, 2019 and June 30, 2018. For the year ended June 30, 2019 and 2018, the College recognized OPEB expense of \$784,116 and 983,559, respectively, for its proportionate share of the OPEB expense.

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|---|---|--|---|
| <i>Deferred Amounts to be recognized in OPEB expense in future Periods</i> | | | |
| Differences between expected and actual experience | \$169,962 | \$25,327 | (\$144,635) |
| Changes of assumptions | 0 | 1,447,464 | 1,447,464 |
| Net difference between projected and actual investment earnings on OPEB plan investments | 0 | 380 | 380 |
| Changes in proportion and differences between employer contributions and share of contributions | 322,155 | 498 | (321,657) |
| Total deferred amounts to be recognized in OPEB expenses | | | |
| In future period | 492,117 | 1,473,669 | 981,552 |
| OPEB contributions made subsequent to the measurement date | 55,442 | 0 | (55,442) |
| Total deferred amounts related to OPEB | \$547,559 | \$1,473,669 | \$926,110 |

Note 8 Postemployment Benefits Other Than Pension (OPEB) (continued)

The College reported \$55,442 and \$52,595 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting years ended June 30, 2020 and June 30, 2019, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

| <u>Year ended June 30:</u> | <u>Net Deferred Inflows of Resources</u> |
|----------------------------|--|
| 2020 | \$163,592 |
| 2021 | 163,592 |
| 2022 | 163,592 |
| 2023 | 163,592 |
| 2024 | 163,592 |
| Thereafter | 163,592 |
| Total | \$981,552 |

Actuarial assumptions and other inputs.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

| | |
|-----------------------------|--|
| Inflation | 2.75% |
| Salary increases | Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption. |
| Investment rate of return | 0%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Actual trend used for fiscal year 2018 based on premium increases. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax. |
| Asset Valuation Method | Market value |

Note 8 Postemployment Benefits Other Than Pension (OPEB) (continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 Whited Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.56% to 3.62% caused the total OPEB liability to decrease by approximately \$16.5 million from 2017 to 2018.

Sensitivity of the College’s Proportionate Share of the Net OPEB Liability to Changes in the Single Discount Rate

The following presents the College’s proportionate share of the net OPEB liability, calculated using a Single Discount Rate of 3.62%, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

| Sensitivity of the College’s Proportional Share of the Net OPEB Liability As of June 30, 2018 to the Single Discount Rate Assumption | | | |
|---|------------------------------|--|------------------------------|
| | 1% Decrease 2.62% | Current Single Discount Rate Assumption 3.62% | 1% Increase 4.62% |
| Net OPEB liability | \$13,402,306 | \$11,563,940 | \$10,033,872 |

| Sensitivity of the College’s Proportional Share of the Net OPEB Liability As of June 30, 2017 to the Single Discount Rate Assumption | | | |
|---|------------------------------|--|------------------------------|
| | 1% Decrease 2.56% | Current Single Discount Rate Assumption 3.56% | 1% Increase 4.56% |
| Net OPEB liability | \$12,492,756 | \$10,923,478 | \$9,570,551 |

Note 8 Postemployment Benefits Other Than Pension (OPEB) (continued)

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.5% in 2028 for Medicare coverage.

**Sensitivity of the College's Proportional Share of the Net OPEB Liability
As of June 30, 2018 to the Healthcare Cost Trend Rate Assumption**

| | 1% Decrease | Healthcare Cost Trend Rate Assumption | 1% Increase |
|--------------------|-------------|---|--------------|
| Net OPEB liability | \$9,586,430 | \$11,563,940 | \$14,166,643 |

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

**Sensitivity of the College's Proportional Share of the Net OPEB Liability
As of June 30, 2017 to the Healthcare Cost Trend Rate Assumption**

| | 1% Decrease | Healthcare Cost Trend Rate Assumption | 1% Increase |
|--------------------|-------------|---|--------------|
| Net OPEB liability | \$9,062,130 | \$10,923,478 | \$13,617,062 |

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

Note 9 Operating Leases

On July 1, 2014, the College entered into an agreement with Follett Higher Education Group, Inc. (Follett) to operate and provide services for the bookstore of the College. The agreement expired June 30, 2019. On July 1, 2019, the College entered into the First Amendment to the original agreement. The amendment expires June 30, 2022, but will continue year-to-year unless terminated by either party pursuant to the terms of the agreement. Follett will receive all revenue generated from sales and will pay the College the applicable percentage of the bookstores' gross revenue. The percentage of gross revenue is 8.1% of all gross revenue up to \$1,000,000 and 9.6% of all gross sales over \$1,000,000. If in the first full contract year during the term of the agreement, calculated commission payments are less than \$50,000 ("Guaranteed Annual Income"), Follett will pay the College an additional amount necessary to bring the total payments to the College for that year up to the Guaranteed Annual Income. Follett will provide a Guaranteed Annual Income in all future years of this agreement that will be an amount equal to ninety percent (90%) of the calculated commission on Commissionable Sales of the immediately preceding year. In the original agreement, Follett also agreed to spend up to \$228,000 in store improvements. If the contract is terminated, the College has the obligation to pay Follett the value of inventory on hand and the unamortized book value of the store improvements. During the years ended June 30, 2019 and 2018, the College received \$98,297 and \$134,139, respectively, from Follett which is included as operating revenue in the Auxiliary Enterprises Fund.

The College leases vehicles and building space for the American Job Center under operating leases expiring through 2022. Future minimum lease payments under these leases are as follows:

| | |
|------|-----------|
| 2020 | \$124,260 |
| 2021 | 126,748 |
| 2022 | 76,512 |
| | <hr/> |
| | \$327,520 |
| | <hr/> |

The College's expense under operating leases was \$123,660 and \$123,118 for 2019 and 2018, respectively.

Note 10 Impact of Pending Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

Note 10 Impact of Pending Accounting Pronouncements (continued)

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

Note 11 Prior Year Restatement

As a result of the implementation of GASB Statement No. 75 for the year ended June 30, 2018, the business-type activities beginning net position was restated as follows:

| | Business-Type Activities |
|---|-------------------------------------|
| Balance at July 1, 2017, as previously reported | \$49,516,636 |
| Subtract beginning net OPEB liability | (10,722,375) |
| Balance at July 1, 2017, as restated | <u>\$38,794,261</u> |

REQUIRED SUPPLEMENTARY INFORMATION

Danville Area Community College - Community College District No. 507

Schedule of Share of Net Pension Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------|--------------|--------------|--------------|--------------|------|------|------|------|------|
| Proportion percentage of the collective net pension liability | 0% | 0% | 0% | 0% | 0% | | | | | |
| Proportion amount of the collective net pension liability | \$0 | \$0 | \$0 | \$0 | \$0 | | | | | |
| Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College | \$79,651,731 | \$73,512,991 | \$76,320,380 | \$68,062,674 | \$63,586,595 | | | | | |
| College DB covered payroll | \$10,385,095 | \$10,219,702 | \$10,649,612 | \$10,466,182 | \$10,591,044 | | | | | |
| Proportion of collective net pension liability associated with the College as a percentage of covered-employee payroll | 766.98% | 719.33% | 716.65% | 650.31% | 600.38% | | | | | |
| SURS plan net position as a percentage of total pension liability | 41.27% | 42.04% | 39.57% | 42.37% | 44.39% | | | | | |

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Danville Area Community College - Community College District No. 507

Schedule of Pension Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------|
| Federal, trust, grant and other contribution | \$63,957 | \$61,429 | \$63,075 | \$64,668 | \$63,187 | \$61,599 | | | | |
| Contribution in relation to required contribution | 63,957 | 61,429 | 63,075 | 64,668 | 63,187 | 61,599 | | | | |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| College covered payroll | \$11,435,132 | \$10,548,446 | \$10,219,702 | \$10,649,612 | \$10,466,182 | \$10,591,044 | | | | |
| Contribution as a percentage of covered- employee payroll | 0.56% | 0.58% | 0.62% | 0.61% | 0.60% | 0.58% | | | | |

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information

Danville Area Community College - Community College District No. 507

Schedule of Share of Net OPEB Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2016)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------------|--------------|--------------|------|------|------|------|------|------|------|
| Proportion percentage of the collective net OPEB liability | 0.61% | 0.60% | 0.59% | | | | | | | |
| Proportion amount of the collective net OPEB liability | \$11,563,940 | \$10,923,478 | \$10,774,342 | | | | | | | |
| Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College | \$11,563,940 | \$10,779,609 | \$11,381,335 | | | | | | | |
| Total collective net OPEB liability associated with the College | \$23,127,880 | \$21,703,087 | \$22,155,677 | | | | | | | |
| College covered payroll | \$10,548,446 | \$10,219,702 | \$10,649,612 | | | | | | | |
| Proportion of collective net OPEB liability associated with the College as a percentage of covered-employee payroll | 219.25% | 212.37% | 208.04% | | | | | | | |
| College insurance plan net position as a percentage of total OPEB liability | -3.54% | -2.87% | -2.15% | | | | | | | |

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information

Danville Area Community College - Community College District No. 507

Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|--------------|------|------|------|------|------|------|------|------|
| Statutorily required contribution | \$55,442 | \$52,595 | | | | | | | | |
| Contribution in relation to the required statutory | 55,442 | 52,595 | | | | | | | | |
| Contribution deficiency (excess) | \$0 | \$0 | | | | | | | | |
| College covered-employee payroll | \$11,435,132 | \$10,548,446 | | | | | | | | |
| Contribution as a percentage of covered payroll | 0.48% | 0.50% | | | | | | | | |

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information

Note 1 Changes of Pension Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2018.

Note 2 Changes of Pension Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019.)
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in the rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2018.

Note 4. Changes of OPEB Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2010 to June 30, 2014, resulting in the adoption of new assumptions as of June 30, 2017.

- Healthcare cost trend rates. Change from actual trend used for fiscal year 2017 to actual trend used for fiscal year 2018 based on premium increases. Change the additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax for fiscal year 2017 to additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax for fiscal year 2018.

STATISTICAL SECTION

This part of the College's Statistical section of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the College's overall financial health.

PAGE

Contents

Financial Trends

67-68

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity

69-73

These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax, and tuition and fees data.

Debt Capacity

74-81

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Demographic and Economic Information

82-84

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Operating Information

85-86

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Danville Area Community College - Community College District No. 507

Net Position by Component

Last Ten Fiscal Years

Table A

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$30,131,204 | \$31,482,497 | \$31,923,227 | \$32,954,847 | \$35,099,459 | \$35,944,120 | \$37,411,102 | \$36,990,036 | \$34,407,305 | \$34,535,138 |
| Restricted | | | | | | | | | | |
| Capital projects | 2,105,044 | 1,217,062 | 1,668,655 | 1,636,621 | 1,038,308 | 2,642,071 | 590,986 | 1,259,018 | 1,131,319 | 1,154,526 |
| Working cash | 5,429,723 | 5,429,723 | 5,429,723 | 5,179,723 | 4,854,723 | 4,119,723 | 3,824,723 | 3,588,091 | 5,432,211 | 4,432,604 |
| Debt service | 1,015,844 | 1,074,550 | 758,848 | 766,898 | 767,757 | 873,702 | 908,937 | 917,584 | 887,405 | 887,553 |
| Grant purposes | 862,148 | 843,372 | 1,073,262 | 1,194,007 | 1,023,344 | 359,153 | 463,566 | 398,368 | 364,321 | 304,985 |
| Audit purposes | 46,705 | 48,443 | 42,754 | 35,348 | 29,726 | 36,910 | 57,021 | 53,402 | 52,654 | 45,336 |
| Liability insurance | 1,025,873 | 957,415 | 939,510 | 1,015,161 | 1,054,830 | 1,183,036 | 1,293,686 | 1,308,966 | 1,317,034 | 1,306,283 |
| Unrestricted | (3,033,843) | (1,782,517) | 7,680,658 | 9,277,526 | 11,953,430 | 12,069,991 | 12,724,662 | 12,109,615 | 8,260,717 | 7,298,076 |
| Total net position | \$37,582,698 | \$39,270,545 | \$49,516,637 | \$52,060,131 | \$55,821,577 | \$57,228,706 | \$57,274,683 | \$56,625,080 | \$51,852,966 | \$49,964,501 |

Source: College's Annual Financial Reports

Danville Area Community College - Community College District No. 507

Changes in Net Position

Last Ten Fiscal Years

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Table B | | | | | | | | | | |
| Operating revenues | | | | | | | | | | |
| Student tuition and fees, net of scholarship allowances | \$3,810,069 | \$4,307,077 | \$4,123,692 | \$3,795,210 | \$3,640,226 | \$3,797,592 | \$3,444,023 | \$3,529,368 | \$3,166,396 | \$2,604,979 |
| Auxiliary enterprise revenue | 647,961 | 730,402 | 554,770 | 583,445 | 611,917 | 1,572,107 | 1,635,844 | 1,756,952 | 1,921,512 | 1,939,795 |
| Other operating revenue | 538,939 | 158,239 | 36,450 | 16,913 | 5,332 | 90,872 | 96,297 | 133,112 | 741,019 | 944,984 |
| Total operating revenues | 4,996,969 | 5,195,718 | 4,714,912 | 4,395,568 | 4,257,475 | 5,460,571 | 5,176,164 | 5,419,432 | 5,828,927 | 5,489,758 |
| Operating expenses | | | | | | | | | | |
| Instruction | 8,843,999 | 8,149,799 | 7,891,261 | 8,153,578 | 8,282,774 | 8,172,747 | 7,677,960 | 7,639,489 | 7,467,535 | 7,403,529 |
| Academic support | 1,061,446 | 786,882 | 968,749 | 1,091,578 | 1,059,757 | 1,115,259 | 1,078,947 | 1,012,435 | 945,905 | 888,490 |
| Student services | 2,177,494 | 2,278,768 | 2,029,366 | 1,955,524 | 1,941,911 | 1,909,172 | 1,872,718 | 1,865,047 | 1,958,784 | 1,976,642 |
| Public service | 1,013,695 | 1,067,489 | 1,099,860 | 1,044,724 | 1,515,176 | 1,165,666 | 1,192,022 | 1,872,594 | 1,918,203 | 2,299,354 |
| Auxiliary enterprise | 821,876 | 752,014 | 461,973 | 507,939 | 527,600 | 1,411,733 | 1,544,480 | 1,637,358 | 1,706,388 | 1,737,761 |
| Operation and maintenance of plant and capital outlay | 2,146,072 | 2,404,679 | 2,176,315 | 2,218,289 | 2,394,952 | 2,335,408 | 2,213,157 | 2,303,366 | 2,295,187 | 2,101,191 |
| Institutional support | 4,029,300 | 3,878,478 | 4,004,008 | 3,795,615 | 3,980,444 | 3,806,755 | 3,703,532 | 3,428,496 | 3,550,541 | 3,634,350 |
| Scholarships | 1,863,400 | 1,701,431 | 1,610,882 | 1,421,511 | 1,423,858 | 1,734,556 | 1,888,823 | 1,890,898 | 2,354,805 | 2,354,034 |
| On-behalf payments | 8,567,738 | 7,915,506 | 7,544,386 | 5,658,291 | 4,752,538 | 3,869,867 | 3,502,084 | 2,434,534 | 1,952,143 | 1,712,963 |
| Other postemployment benefits | 784,116 | 983,559 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 1,908,487 | 1,849,668 | 1,879,879 | 1,974,482 | 2,117,550 | 1,897,870 | 1,773,702 | 1,671,260 | 1,684,228 | 1,708,656 |
| Total operating expenses | 33,217,623 | 31,768,273 | 29,666,679 | 27,821,531 | 27,996,560 | 27,419,033 | 26,447,425 | 25,755,477 | 25,833,719 | 25,816,970 |
| Operating (loss) | (28,220,654) | (26,572,555) | (24,951,767) | (23,425,963) | (23,739,085) | (21,958,462) | (21,271,261) | (20,336,045) | (20,004,792) | (20,327,212) |
| Nonoperating revenues (expenses) | | | | | | | | | | |
| State grants and contracts | 4,405,902 | 5,946,734 | 2,267,118 | 1,438,607 | 4,998,816 | 5,064,905 | 5,876,838 | 8,824,366 | 5,164,358 | 4,699,816 |
| Local property tax revenues | 6,547,752 | 6,444,604 | 6,215,639 | 6,111,782 | 5,880,830 | 5,649,735 | 5,705,172 | 5,743,885 | 5,835,858 | 5,866,645 |
| Personal property replacement tax | 570,826 | 513,965 | 622,143 | 564,193 | 616,276 | 573,034 | 566,452 | 554,398 | 602,653 | 464,716 |
| Federal grants and contracts | 5,616,297 | 5,690,901 | 5,433,046 | 5,590,168 | 5,992,094 | 5,887,239 | 6,137,625 | 7,289,525 | 8,344,384 | 8,712,832 |
| Local grants and contracts | 8,370 | 40,705 | 13,922 | 68,183 | 5,500 | 70,374 | 65,400 | 65,000 | 0 | 0 |
| Investment income earned | 353,590 | 216,908 | 110,319 | 73,257 | 61,757 | 66,504 | 106,496 | 119,977 | 94,869 | 74,236 |
| On-behalf payments | 8,567,738 | 7,913,860 | 7,542,793 | 5,716,032 | 4,815,725 | 3,869,867 | 3,502,084 | 2,434,534 | 1,952,143 | 1,712,963 |
| Other nonoperating revenues (expenses) | 708,110 | 224,899 | 409,688 | 310,111 | 184,604 | 449,161 | 14,349 | 12,875 | (500) | (500) |
| Gain (loss) on disposal of assets | (63,889) | 0 | 0 | 7,000 | 0 | 0 | 0 | (44,665) | (964) | 0 |
| Interest expense | (223,025) | (180,737) | (206,395) | (214,816) | (223,646) | (205,334) | (126,848) | (147,387) | (148,234) | (145,501) |
| Net nonoperating revenues | 26,491,671 | 26,811,839 | 22,408,273 | 19,664,517 | 22,331,956 | 21,425,485 | 21,847,568 | 24,852,508 | 21,844,567 | 21,385,207 |
| Capital contributions | | | | | | | | | | |
| Capital contributions | 41,136 | 237,000 | 0 | 0 | 0 | 487,000 | 73,296 | 255,651 | 48,690 | 0 |
| Increase (decrease) in net position | (\$1,687,847) | \$476,284 | (\$2,543,494) | (\$3,761,446) | (\$1,407,129) | (\$45,977) | \$649,603 | \$4,772,114 | \$1,888,465 | \$1,057,995 |

Source: College's Annual Financial Reports

Danville Area Community College - Community College District No. 507

Changes in Net Position

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Table C

| Tax Levy Year | Residential Property | Farm Property | Commercial Property | Industrial Property | Railroad Property | Mineral Property | Other Property | Unallocated TIF | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---------------|----------------------|---------------|---------------------|---------------------|-------------------|------------------|----------------|-----------------|------------------------------|-----------------------|--------------------------------|--|
| 2018 | \$472,120,795 | \$344,275,185 | \$169,683,597 | \$44,063,755 | \$18,378,148 | \$37,619,325 | \$0 | \$0 | 1,086,140,805 | 0.6069 | 3,291,335,773 | 33.00% |
| 2017 | 456,343,411 | 324,656,986 | 168,034,210 | 42,388,721 | 17,372,077 | 34,185,529 | 0 | 0 | 1,042,980,934 | 0.6255 | 3,160,548,285 | 33.00% |
| 2016 | 448,435,619 | 306,362,629 | 167,583,423 | 41,146,758 | 17,675,061 | 34,834,496 | 0 | 0 | 1,016,037,986 | 0.6235 | 3,078,902,988 | 33.00% |
| 2015 | 439,319,200 | 289,791,685 | 164,119,648 | 40,813,423 | 18,705,613 | 33,337,250 | 0 | 0 | 986,086,819 | 0.6185 | 2,988,141,876 | 33.00% |
| 2014 | 433,762,886 | 297,447,603 | 168,042,132 | 40,933,844 | 5,253,911 | 1,046,825 | 11,764,747 | 0 | 958,251,948 | 0.6185 | 2,903,793,782 | 33.00% |
| 2013 | 436,829,009 | 278,541,423 | 161,675,354 | 41,564,120 | 5,277,629 | 1,047,838 | 8,097,541 | 0 | 933,032,914 | 0.6127 | 2,827,372,467 | 33.00% |
| 2012 | 451,283,044 | 238,494,724 | 162,443,020 | 41,140,807 | 4,908,504 | 1,048,813 | 12,190,641 | 0 | 911,509,553 | 0.6307 | 2,762,150,161 | 33.00% |
| 2011 | 466,219,117 | 221,309,760 | 171,295,781 | 49,576,083 | 4,765,082 | 1,044,806 | 12,108,841 | 0 | 926,319,470 | 0.6233 | 2,807,028,697 | 33.00% |
| 2010 | 487,878,257 | 207,929,367 | 184,385,440 | 52,861,063 | 4,178,329 | 2,446,380 | 10,829,212 | 0 | 950,508,048 | 0.6193 | 2,880,327,418 | 33.00% |
| 2009 | 505,530,753 | 195,406,987 | 191,621,902 | 56,779,351 | 3,773,743 | 2,199,814 | 9,482,586 | 0 | 964,795,136 | 0.6122 | 2,923,621,624 | 33.00% |

Source: College's Business Office; County Clerk's Offices

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

| Taxing Bodies | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Overlapping Property Tax Rates: | | | | | | | | | | |
| Vermilion County | | | | | | | | | | |
| Airport Authority | .10614 | .10927 | .11077 | .11031 | .10589 | .10480 | .09730 | .09000 | .10250 | .11630 |
| Catlin Cemetery | .07546 | .07913 | .08212 | .08120 | .08172 | .08481 | .08620 | .08780 | .08700 | .08720 |
| Georgetown Cemetery | .06392 | .06559 | .06718 | .06754 | .06252 | .06071 | .05820 | .06070 | .05750 | .05590 |
| Pilot Cemetery | .05563 | .05411 | .05211 | .05009 | .04539 | .04835 | .05030 | .03510 | .03350 | .03120 |
| Rossville/South Ross Cemetery | .08947 | .19216 | .19908 | .19999 | .14964 | .14617 | .14500 | .15310 | .15420 | .15360 |
| Vermilion County | 1.42073 | 1.40926 | 1.44450 | 1.48477 | 1.44616 | 1.47315 | 1.44860 | 1.41420 | 1.37220 | 1.34150 |
| Conservation District | .12435 | .12846 | .13167 | .12344 | .12058 | .12132 | .12420 | .12130 | .11680 | .11420 |
| Blount Water | .00961 | .01030 | .01039 | .01051 | .01158 | .01172 | .01230 | .01200 | .01150 | .01190 |
| South Ross Water | .02942 | .03151 | .03292 | .03455 | .03652 | .03889 | .04160 | .04960 | .05000 | .05030 |
| City of Allerton | .47298 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| City of Alvin | .45065 | 1.01646 | .02481 | .47619 | .26380 | .25000 | .24890 | .25000 | .25000 | .25000 |
| City of Belgium | .31061 | .31819 | .35800 | .35800 | .35800 | .35800 | .35730 | .34420 | .33340 | .32750 |
| City of Bismarck | .27817 | .27767 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| City of Catlin | .78283 | .79262 | .79252 | .71322 | .73532 | .74163 | .73870 | .71060 | .71190 | .68940 |
| City of Danville | 2.27346 | 2.24598 | 2.04299 | 2.08259 | 2.05525 | 2.06604 | 1.99890 | 1.97950 | 1.97490 | 1.98560 |
| City of Fairmount | .74946 | .79504 | .75516 | .73696 | .67281 | .62460 | .59350 | .62670 | .57230 | .55360 |
| City of Fithian | .81899 | .79929 | .76927 | .79817 | .77158 | .73980 | .69050 | .64300 | .57770 | .52410 |
| City of Georgetown | 1.04290 | 1.07701 | 1.12495 | 1.13842 | .94365 | .92516 | .85160 | .84870 | .77490 | .72620 |
| City of Henning | .33774 | .33845 | .32302 | .31588 | .31169 | .29612 | .31050 | .56790 | .52050 | .48580 |
| City of Hoopeston | 2.82191 | 2.75227 | 2.61117 | 2.51197 | 2.60635 | 2.44469 | 2.21840 | 2.03630 | 1.90970 | 1.93640 |
| City of Indianola | .29723 | .32371 | .30947 | .34199 | .36600 | .36057 | .35890 | .36910 | .34570 | .32740 |
| City of Muncie | .27646 | .26307 | .25628 | .24873 | .25000 | .25000 | .25000 | .23720 | .25000 | .25000 |
| City of Potomac | 1.05740 | 1.12091 | 1.07765 | 1.04390 | 1.04121 | .95004 | .88280 | .90530 | .83780 | .76880 |
| City of Rankin | .81806 | .81109 | .80693 | .73564 | .78472 | .78117 | .75900 | .80200 | .74910 | .71160 |
| City of Ridge Farm | 2.61055 | 2.76764 | 2.69661 | 2.69345 | 2.69383 | 2.57688 | 2.46490 | 2.41950 | 2.17590 | 2.01230 |
| City of Rossville | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 |
| City of Sidell | .66836 | .66362 | .63572 | .64228 | .66453 | .63396 | .61600 | .64050 | .60990 | .58380 |
| City of Tilton | .00000 | 1.86187 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| Allerton Fire | .26352 | .26426 | .26006 | .25768 | .25392 | .26129 | .26460 | .26950 | .28360 | .28420 |
| Bismarck Fire | .52933 | .55464 | .54901 | .53528 | .34508 | .33638 | .33840 | .33400 | .33070 | .32750 |
| Blue Grass Fire | .54237 | .54118 | .55213 | .55605 | .52767 | .51590 | .58480 | .59480 | .58470 | .57700 |
| Catlin Fire | .32585 | .32808 | .33015 | .33457 | .34069 | .33804 | .33650 | .34070 | .33930 | .32930 |
| Carroll Fire | .47816 | .48169 | .49734 | .51229 | .51759 | .53011 | .54350 | .60600 | .56440 | .56740 |
| FMC Fire | .15513 | .15781 | .15477 | .15120 | .14969 | .10142 | .15410 | .15940 | .16370 | .16590 |
| Georgetown Fire | .64177 | .70810 | .59571 | .61354 | .55809 | .53746 | .51290 | .52740 | .48470 | .46840 |
| Grant Township Fire | .07964 | .08438 | .00000 | .40000 | .10088 | .10739 | .11230 | .11690 | .11980 | .12240 |

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

| Taxing Bodies | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|
| Overlapping Property Tax Rates: | | | | | | | | | | |
| Homer Fire | .36706 | .39646 | .41247 | .40788 | .38831 | .40104 | .41200 | .41520 | .40230 | .39750 |
| Kickapoo Fire | .40762 | .41997 | .18747 | .18522 | .18667 | .18021 | .17940 | .17290 | .16550 | .16400 |
| Lynch Fire | .61642 | .63574 | .67156 | .67976 | .69074 | .69286 | .68800 | .68330 | .63790 | .61370 |
| Oakwood Fire | .29481 | .30445 | .29532 | .30062 | .30121 | .31243 | .33160 | .25600 | .24930 | .23930 |
| Ogden/Royal Fire | .16279 | .15592 | .15815 | .16321 | .16219 | .16214 | .20270 | .21400 | .22060 | .23640 |
| Rankin Fire | .41941 | .43765 | .44317 | .44509 | .46694 | .46506 | .42360 | .56350 | .53430 | .54690 |
| Ridge Farm Fire | .47994 | .49151 | .49733 | .51004 | .30661 | .31937 | .32030 | .33640 | .40020 | .40670 |
| Rossville Fire | .49818 | .52723 | .53735 | .56219 | .63496 | .63286 | .64990 | .64620 | .66120 | .66800 |
| Sidell Fire | .29351 | .29428 | .28602 | .28275 | .27791 | .27605 | .27410 | .28370 | .28120 | .27460 |
| Westville Fire | .33456 | .39779 | .41704 | .42277 | .41754 | .42604 | .40760 | .40410 | .39930 | .37600 |
| Catlin Library | .21851 | .21827 | .21798 | .21635 | .20950 | .20746 | .20630 | .20500 | .20350 | .20110 |
| Elwood Library | .30926 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| Hoopeston Library | .20514 | .22524 | .22439 | .22661 | .22663 | .22668 | .22580 | .22620 | .22380 | .22010 |
| Oakwood Library | .24964 | .26386 | .26851 | .28072 | .28989 | .28593 | .28390 | .28070 | .26450 | .24760 |
| Potomac Library | .19521 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| Sidell Library | .17499 | .17509 | .17138 | .17856 | .18318 | .18549 | .21570 | .22270 | .21930 | .21880 |
| Westville Library | .27717 | .27593 | .28021 | .28118 | .27944 | .27990 | .26800 | .26190 | .25720 | .25320 |
| Carroll/Elwood MTA | .00352 | .06406 | .06512 | .06727 | .06914 | .07921 | .08190 | .08290 | .07530 | .07320 |
| Grant/Butler MTA | .14362 | .15031 | .15600 | .15634 | .18076 | .19350 | .20280 | .20040 | .20750 | .20430 |
| Georgetown/Love/McKendree MT, | .03509 | .03594 | .03866 | .04031 | .03939 | .03989 | .03880 | .04110 | .03980 | .03890 |
| Jamaica/Vance MTA | .03320 | .03316 | .03222 | .03147 | .03157 | .03335 | .03470 | .03560 | .03530 | .03750 |
| Middlefork Pilot MTA | .04079 | .04247 | .04157 | .04051 | .03974 | .04033 | .04230 | .03610 | .03460 | .03290 |
| Rossville Park | .09103 | .00000 | .07995 | .08456 | .09133 | .09295 | .09410 | .09700 | .09820 | .09960 |
| Blount Road & Bridge | .43361 | .43624 | .43599 | .43147 | .44226 | .44270 | .44350 | .42140 | .40120 | .38880 |
| Butler Road & Bridge | .63748 | .68314 | .71180 | .74745 | .97631 | .96020 | .98390 | 1.02660 | .99530 | .97460 |
| Carroll Road & Bridge | .52986 | .53768 | .51417 | .51484 | .51207 | .47042 | .47160 | .47900 | .45400 | .45450 |
| Catlin Road & Bridge | .41435 | .42662 | .42641 | .43147 | .43307 | .44052 | .43710 | .44700 | .43120 | .44580 |
| Danville Road & Bridge | .41847 | .47859 | .47506 | .47373 | .47257 | .45748 | .45200 | .43350 | .41110 | .39010 |
| Elwood Road & Bridge | .43915 | .44950 | .44607 | .45101 | .45768 | .45547 | .45320 | .45460 | .43990 | .42780 |
| Georgetown Road & Bridge | .31306 | .33674 | .36049 | .36966 | .35965 | .35528 | .34200 | .35600 | .27980 | .33380 |
| Grant Road & Bridge | .44062 | .46422 | .53057 | .55321 | .48408 | .48541 | .48060 | .46970 | .46280 | .46340 |
| Jamaica Road & Bridge | .81046 | .82876 | .82822 | .82724 | .78550 | .79253 | .79690 | .82490 | .82610 | .82370 |
| Love Road & Bridge | .48851 | .49280 | .52124 | .51901 | .50251 | .50861 | .50570 | .52110 | .52980 | .52860 |
| Mc Kendree Road & Bridge | .50460 | .51323 | .52412 | .52363 | .50211 | .49129 | .47670 | .48510 | .46060 | .44090 |
| Middlefork Road & Bridge | .54154 | .58721 | .58644 | .59343 | .62755 | .62340 | .63070 | .64710 | .63540 | .62900 |
| Newell Road & Bridge | .27968 | .27144 | .26106 | .25824 | .24558 | .24226 | .25000 | .25000 | .24600 | .24200 |
| Oakwood Road & Bridge | .45575 | .46931 | .44544 | .45000 | .45000 | .45000 | .45000 | .45000 | .45000 | .44810 |

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

| Taxing Bodies | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Overlapping Property Tax Rates: | | | | | | | | | | |
| Pilot Road & Bridge | .31039 | .31057 | .31088 | .31047 | .29775 | .30014 | .32560 | .31880 | .31880 | .31750 |
| Rossville Road & Bridge | .19886 | .20893 | .21451 | .22482 | .24603 | .24673 | .24710 | .25000 | .25000 | .25000 |
| Sidell Road & Bridge | .52351 | .52997 | .53355 | .53803 | .53750 | .54315 | .54430 | .56140 | .57120 | .57770 |
| South Ross Road & Bridge | .20517 | .20930 | .20824 | .20816 | .20950 | .20603 | .20990 | .24840 | .24840 | .24530 |
| Vance Road & Bridge | .44742 | .44650 | .41917 | .41667 | .40329 | .40865 | .40450 | .41150 | .40460 | .39910 |
| Westville/Belgium Sanitary | .07208 | .07731 | .08056 | .08217 | .08133 | .08021 | .07540 | .07760 | .07440 | .07140 |
| Danville Special Service | 1.63872 | 1.50581 | 1.53153 | 1.54626 | 1.54947 | 1.54883 | 1.47640 | 1.77520 | 1.63960 | 1.77350 |
| Grant Special Service | .01898 | .02012 | .02123 | .02303 | .02408 | .02500 | .02500 | .02500 | .02500 | .02500 |
| North Fork Special Service 01 | .00000 | .06765 | .06991 | .07332 | .08245 | .08534 | .08780 | .08870 | .08810 | .08400 |
| North Fork Special Service 02 | .00000 | .06550 | .06550 | .06550 | .06550 | .06550 | .06550 | .06350 | .06100 | .05580 |
| North Fork Special Service 03 | .00000 | .05270 | .05260 | .05277 | .05199 | .05070 | .04890 | .04840 | .04770 | .04490 |
| Ross Special Service Amb 01 | .12000 | .12000 | .12000 | .12000 | .12000 | .12000 | .12000 | .11930 | .11760 | .11620 |
| Ross Special Service Amb 02 | .01070 | .01130 | .00038 | .02500 | .01674 | .01763 | .01850 | .01950 | .02000 | .02080 |
| Blount Township | .20596 | .21769 | .21320 | .20906 | .21759 | .20813 | .20560 | .18750 | .17070 | .16970 |
| Butler Township | .52381 | .56133 | .55888 | .58147 | .90106 | .92612 | .94830 | .98260 | .94510 | .93750 |
| Carroll Township | .63896 | .61511 | .59973 | .61647 | .61505 | .62468 | .63830 | .65370 | .58750 | .58850 |
| Catlin Township | .18691 | .19411 | .19648 | .19886 | .20015 | .20187 | .20870 | .22180 | .22070 | .22830 |
| Danville Township | .56318 | .54842 | .54173 | .53552 | .50618 | .48114 | .45140 | .43260 | .41110 | .39280 |
| Elwood Township | .34576 | .51702 | .54322 | .52861 | .55959 | .54974 | .53480 | .54830 | .51630 | .48990 |
| Georgetown Township | .28465 | .30378 | .31632 | .32915 | .30566 | .30654 | .29280 | .39700 | .29640 | .28720 |
| Grant Township | .25645 | .29008 | .30051 | .33594 | .32697 | .31609 | .32690 | .30270 | .28320 | .28570 |
| Jamaica Township | .35935 | .36957 | .36070 | .35791 | .35709 | .38065 | .38330 | .42130 | .42200 | .41940 |
| Love Township | .60444 | .63479 | .64059 | .64295 | .62311 | .63442 | .63080 | .65070 | .66190 | .67000 |
| Mc Kendree Township | .39713 | .42264 | .45224 | .47557 | .47728 | .47853 | .47660 | .49530 | .47100 | .47100 |
| Middlefork Township | .53485 | .58288 | .58002 | .59386 | .61798 | .61089 | .60530 | .63780 | .63620 | .62530 |
| Newell Township | .18492 | .18798 | .20764 | .20801 | .20749 | .20468 | .19170 | .17400 | .15720 | .14380 |
| Oakwood Township | .40861 | .41407 | .40495 | .40684 | .40539 | .40002 | .39940 | .38450 | .36510 | .34600 |
| Pilot Township | .26948 | .27430 | .27849 | .27997 | .26958 | .27170 | .37930 | .33150 | .31700 | .29520 |
| Rossville Township | .49593 | .52080 | .53456 | .56508 | .61863 | .62225 | .63540 | .65260 | .66060 | .66310 |
| Sidell Township | .43000 | .43000 | .42373 | .41927 | .41278 | .41712 | .41800 | .42760 | .43000 | .42850 |
| South Ross Township | .42634 | .45214 | .44988 | .44973 | .45265 | .44515 | .45350 | .53310 | .53350 | .51160 |
| Vance Township | .46511 | .46511 | .45075 | .43569 | .42367 | .41908 | .43060 | .46450 | .45210 | .44430 |
| Bismarck-Henning Unit 1 | 5.32572 | 5.34021 | 5.35163 | 5.35243 | 5.26859 | 5.19977 | 5.15800 | 5.06940 | 4.97860 | 4.89750 |
| Westville Unit 2 | 5.08649 | 5.24065 | 5.44288 | 5.55050 | 5.17437 | 5.12624 | 4.95180 | 4.95320 | 4.76630 | 4.65790 |
| Georgetown/Ridge Farm Unit 4 | 5.13551 | 5.24961 | 5.57670 | 5.72343 | 5.27308 | 5.26925 | 5.16130 | 4.89150 | 4.72190 | 4.69050 |
| Catlin Unit 5 | .17971 | .18639 | .20249 | .20145 | 5.17412 | 5.03047 | 5.12230 | 5.16410 | 5.15190 | 5.15120 |
| Rossville/Alvin Unit 7 | 5.54266 | 5.55078 | 5.25738 | 5.54454 | 5.43387 | 5.45955 | 5.09560 | 5.07140 | 4.81340 | 4.79520 |

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

| Taxing Bodies | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Overlapping Property Tax Rates: | | | | | | | | | | |
| Heritage Unit 8C | 4.88625 | 5.00157 | 5.36103 | 5.50138 | 5.24637 | 5.02058 | 4.98060 | 4.89090 | 4.87630 | 4.83370 |
| Potomac Unit 10 | 4.82069 | 4.94754 | 4.96404 | 5.15587 | 4.64882 | 4.50827 | 4.62860 | 4.87080 | 4.78440 | 4.84180 |
| Paxton-Buckley-Loda Unit 10F | 6.18973 | 6.27163 | 6.23634 | 5.65804 | 5.46175 | 5.29721 | 5.19900 | 5.33900 | 5.26650 | 5.35410 |
| Hoopston Unit 11 | 5.04797 | 5.10082 | 5.13006 | 5.17614 | 4.66098 | 4.64282 | 4.64930 | 4.64180 | 4.63510 | 4.63740 |
| Jamaica Unit 12 | 5.18729 | .00000 | .02774 | .09692 | 5.15639 | 5.15076 | 5.11960 | 5.22490 | 5.09530 | 5.07670 |
| Armstrong Unit 61 | 2.46824 | 2.50819 | 2.57496 | 2.77210 | 2.49909 | 2.54712 | 3.02280 | 2.99110 | 2.97320 | 2.95940 |
| Oakwood Unit 76 | 5.18729 | 5.27602 | 5.28734 | 5.35245 | 5.10057 | 5.15382 | 4.92270 | 4.55860 | 4.53140 | 4.52600 |
| Danville Unit 118 | 5.46967 | 5.51422 | 5.70486 | 5.70722 | 5.28616 | 5.30868 | 5.12690 | 5.03080 | 4.97460 | 4.93800 |
| Prairieview-Ogden Unit 197 | 3.03392 | 3.05012 | 3.05999 | 3.05506 | 2.82308 | 2.80997 | 2.80140 | 2.79050 | 2.74960 | 2.74840 |
| Armstrong High School 225 | 2.12219 | 2.15195 | 2.12522 | 2.34039 | 2.23827 | 2.22711 | 2.53270 | 2.59390 | 2.92400 | 3.07500 |
| St. Joseph High School 305 | 1.99848 | 1.99986 | 1.98993 | 2.00998 | 1.99897 | 1.97297 | 1.93330 | 1.97150 | 1.94760 | 2.00230 |
| Salt Fork Unit 512 | 5.06214 | 5.13504 | 5.14255 | 5.16532 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| Total Overlapping Rate | 117.73849 | 114.48584 | 113.57023 | 115.53758 | 115.97495 | 114.69619 | 113.92360 | 114.49370 | 111.92790 | 111.29220 |
| Direct Property Tax Rate: | | | | | | | | | | |
| Danville Area Community College | | | | | | | | | | |
| Education Fund | .36780 | .37290 | .37048 | .37290 | .37290 | .36510 | .37290 | .37290 | .37290 | .37290 |
| Building and Maintenance Fund | .07400 | .07500 | .07451 | .07500 | .07500 | .07340 | .07500 | .07500 | .07500 | .07500 |
| Worker's Compensation Fund | .00700 | .00786 | .00889 | .00761 | .01000 | .01010 | .01040 | .01020 | .00710 | .00630 |
| Audit Fund | .00420 | .00477 | .00500 | .00500 | .00370 | .00220 | .00500 | .00500 | .00500 | .00420 |
| Tort Liability Fund | .05840 | .05758 | .05433 | .05578 | .04500 | .04300 | .04900 | .04670 | .04790 | .05090 |
| Medicare Fund | .01440 | .01623 | .01581 | .01623 | .01730 | .01930 | .01980 | .01950 | .01900 | .01410 |
| Protection, Health and Safety Fun | .00700 | .00761 | .00721 | .00894 | .00980 | .01070 | .00800 | .00490 | .00530 | .00470 |
| Bond and Interest Fund | .07410 | .08357 | .07894 | .08200 | .08480 | .08890 | .09060 | .08910 | .08710 | .08410 |
| Total Direct Rate | .60690 | .62552 | .61517 | .62346 | .61850 | .61270 | .63070 | .62330 | .61930 | .61220 |
| Total Rate | 118.34539 | 115.11136 | 114.18540 | 116.16104 | 116.59345 | 115.30889 | 114.55430 | 115.11700 | 112.54720 | 111.90440 |

Source: College's Business Office; County Clerk's Office

Notes:

- (1) The direct tax rates reported for the College are those of Vermilion County, as it comprises approximately 90% of the District.
- (2) Tax rates for property within the District are expressed in dollars per hundred dollars of equalized assessed value.

Danville Area Community College - Community College District No. 507

Computation of Direct and Overlapping Bond Debt

General Obligation Bonds

June 30, 2019

TABLE E

| ISSUER (Overlapping) | Bonds Outstanding | Percent | Amount |
|--|------------------------------|----------------|-----------------------------|
| Vermilion County | | | |
| City of Danville | \$4,165,000 | 100.00% | \$4,165,000 |
| City of Georgetown | 410,000 | 100.00% | 410,000 |
| Village of Tilton | 2,430,000 | 100.00% | 2,430,000 |
| Kickapoo Fire | 400,000 | 100.00% | 400,000 |
| Rankin Fire | 120,000 | 99.85% | 119,820 |
| Rossville Fire | 820,000 | 100.00% | 820,000 |
| Bismarck-Henning Unit 1 | 1,680,000 | 100.00% | 1,680,000 |
| Westville Unit 2 | 3,210,000 | 100.00% | 3,210,000 |
| Georgetown/Ridge Farm Unit 4 | 3,700,000 | 100.00% | 3,700,000 |
| Catlin Unit 5 | 655,000 | 100.00% | 655,000 |
| Rossville/Alvin Unit 7 | 2,955,000 | 100.00% | 2,955,000 |
| Heritage Unit 8C | 4,480,000 | 81.46% | 3,649,409 |
| Potomac Unit 10 | 285,000 | 100.00% | 285,000 |
| Paxton-Buckley-Loda Unit 10F | 32,065,000 | 99.98% | 32,058,587 |
| Hoopeston Unit 11 | 900,000 | 99.96% | 899,640 |
| Armstrong Unit 61 | 240,000 | 100.00% | 240,000 |
| Oakwood Unit 76 | 6,785,000 | 99.96% | 6,782,286 |
| Danville Unit 118 | 29,170,000 | 100.00% | 29,170,000 |
| Prairieview-Ogden Unit 197 | 515,000 | 98.09% | 505,164 |
| St. Joseph High School 305 | 5,135,000 | 99.24% | 5,095,974 |
| Vermilion County Conservation District | 825,000 | 97.90% | 807,675 |
| Vermilion County | <u>3,030,000</u> | <u>97.90%</u> | <u>2,966,370</u> |
| Total Vermilion County | <u>103,975,000</u> | | <u>103,004,924</u> |
| Danville Area Community College District No. 507 | <u>5,035,000</u> | 100.00% | <u>5,035,000</u> |
| TOTAL | <u><u>\$109,010,000</u></u> | | <u><u>\$108,039,924</u></u> |

Source: County Clerk Office

Notes:

- (1) Overlapping debt is reported for Vermilion County, as it comprises approximately 90% of the District.
- (2) Percent of overlap was calculated by dividing the taxable value of the taxing entity in the District by the total taxable value of the entity in Vermilion County.

Danville Area Community College - Community College District No. 507

Principal Property Taxpayers

Current and Ten Years Ago

TABLE F

| Taxpayer | Taxable Assessed | | Percentage of Total District Taxable Assessed Value | Taxable Assessed | | Total District Taxable Assessed Value |
|---|----------------------|-------------|---|----------------------|-------------|---------------------------------------|
| | Value | Rank | | Value | Rank | |
| Vermilion County | | 2018 | | | 2008 | |
| California Ridge Wind Energy | \$19,965,015 | 1 | 1.8382% | | | 0.0000% |
| Apex Clean Energy | 12,629,789 | 2 | 1.1628% | | | 0.0000% |
| Lauhoff Grain and Bungee Milling | 4,824,366 | 3 | 0.4442% | | | 0.0000% |
| Aqua Illinois/Consumer IL Water | 4,575,321 | 4 | 0.4212% | | | 0.0000% |
| Hanson Aggregate, Inc. | 4,419,584 | 5 | 0.4069% | | | 0.0000% |
| Autozone | 4,278,045 | 6 | 0.3939% | | | 0.0000% |
| Mc Lane Company Inc. | 4,062,023 | 7 | 0.3740% | \$5,703,201 | 3 | 0.5899% |
| Meijer Stores Limited Partnership | 3,829,903 | 8 | 0.3526% | | | 0.0000% |
| Time O Matic | 3,126,347 | 9 | 0.2878% | | | 0.0000% |
| 311 Properties | 2,963,536 | 10 | 0.2729% | | | 0.0000% |
| Dynegy Property Tax | | | 0.0000% | 8,759,489 | 1 | 0.9061% |
| Aluminum Co. of America | | | 0.0000% | 5,745,975 | 2 | 0.5944% |
| T Danville Mall LLC/Village Mall Center | | | 0.0000% | 3,612,673 | 4 | 0.3737% |
| Danville Towne Centre LLC | | | 0.0000% | 3,507,791 | 5 | 0.3629% |
| Wal Mart Stores Inc. | | | 0.0000% | 3,420,094 | 6 | 0.3538% |
| Carle Foundation | | | 0.0000% | 3,212,290 | 7 | 0.3323% |
| Thyssen Krupp Presta Danville, LLC | | | 0.0000% | 2,747,043 | 8 | 0.2842% |
| Devonshire Village LLC | | | 0.0000% | 2,663,077 | 9 | 0.2755% |
| EFN Danville Property LLC | | | 0.0000% | 2,444,423 | 10 | 0.2529% |
| | \$ 64,673,929 | | 5.9545% | \$ 41,816,056 | | 4.3255% |

Source: County Clerk Office

Notes:

- (1) Principal taxpayers are reported for Vermilion County, as it comprises approximately 90% of the District.
- (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Danville Area Community College - Community College District No. 507

Schedule of Property Tax Rates, Extensions and Collections

Last Ten Fiscal Years

Table G

| Tax Levy Year | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Fiscal Year | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Assessed valuation | | | | | | | | | | |
| Vermilion | \$912,245,886 | \$876,737,120 | \$855,410,106 | \$832,322,839 | \$812,473,213 | \$794,698,498 | \$784,487,938 | \$805,521,378 | \$835,462,404 | \$855,504,867 |
| Edgar | 97,869,082 | 94,401,730 | 91,114,490 | 87,460,426 | 83,277,719 | 77,310,479 | 73,076,011 | 69,215,168 | 64,963,358 | 61,403,001 |
| Iroquois | 54,810,590 | 51,696,217 | 49,372,504 | 46,902,425 | 44,360,394 | 43,361,728 | 41,968,744 | 40,353,823 | 39,232,856 | 37,553,293 |
| Champaign | 21,013,447 | 19,961,867 | 19,957,266 | 19,230,839 | 18,000,822 | 17,523,109 | 11,843,380 | 11,100,541 | 10,727,380 | 10,216,065 |
| Ford | 201,800 | 184,000 | 183,620 | 170,290 | 139,800 | 139,100 | 133,480 | 128,560 | 122,050 | 117,910 |
| | \$1,086,140,805 | \$1,042,980,934 | \$1,016,037,986 | \$986,086,819 | \$958,251,948 | \$933,032,914 | \$911,509,553 | \$926,319,470 | \$950,508,048 | \$964,795,136 |
| Tax rates (per \$100 of assessed valuation): | | | | | | | | | | |
| Education Fund | 0.3678 | 0.3729 | 0.3705 | 0.3729 | 0.3729 | 0.3651 | 0.3729 | 0.3729 | 0.3729 | 0.3729 |
| Building and Maintenance Fund | 0.0740 | 0.0750 | 0.0745 | 0.0750 | 0.0750 | 0.0734 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Worker's Compensation Fund | 0.0070 | 0.0078 | 0.0090 | 0.0076 | 0.0100 | 0.0101 | 0.0104 | 0.0102 | 0.0071 | 0.0063 |
| Audit Fund | 0.0042 | 0.0048 | 0.0050 | 0.0050 | 0.0037 | 0.0022 | 0.0050 | 0.0050 | 0.0050 | 0.0042 |
| Tort Liability Fund | 0.0584 | 0.0576 | 0.0543 | 0.0558 | 0.0451 | 0.0430 | 0.0490 | 0.0467 | 0.0479 | 0.0509 |
| Medicare Fund | 0.0144 | 0.0162 | 0.0158 | 0.0162 | 0.0173 | 0.0193 | 0.0198 | 0.0195 | 0.0190 | 0.0141 |
| Protection, Health and Safety Fund | 0.0070 | 0.0076 | 0.0072 | 0.0089 | 0.0098 | 0.0107 | 0.0080 | 0.0049 | 0.0053 | 0.0047 |
| Bond and Interest Fund | 0.0741 | 0.0836 | 0.0789 | 0.0821 | 0.0848 | 0.0889 | 0.0906 | 0.0891 | 0.0871 | 0.0841 |
| | 0.6069 | 0.6255 | 0.6152 | 0.6235 | 0.6185 | 0.6127 | 0.6307 | 0.6233 | 0.6193 | 0.6122 |
| Tax extensions: | | | | | | | | | | |
| Education Fund | \$3,991,100 | \$3,882,414 | \$3,765,942 | \$3,676,762 | \$3,569,147 | \$3,409,054 | \$3,400,883 | \$3,454,000 | \$3,544,651 | \$3,598,682 |
| Building and Maintenance Fund | 803,244 | 781,752 | 757,802 | 739,550 | 718,689 | 685,533 | 683,632 | 694,738 | 712,923 | 723,790 |
| Worker's Compensation Fund | 75,558 | 81,082 | 90,585 | 75,286 | 95,447 | 94,299 | 94,652 | 94,327 | 67,457 | 60,798 |
| Audit Fund | 45,374 | 49,098 | 50,801 | 49,303 | 35,183 | 20,082 | 45,575 | 46,316 | 47,528 | 40,532 |
| Tort Liability Fund | 634,207 | 594,064 | 553,652 | 551,811 | 431,749 | 401,158 | 446,239 | 432,031 | 455,126 | 491,212 |
| Medicare Fund | 156,100 | 167,443 | 161,116 | 160,553 | 165,693 | 180,559 | 180,350 | 180,353 | 180,585 | 136,072 |
| Protection, Health and Safety Fund | 75,558 | 78,408 | 73,451 | 88,427 | 93,907 | 100,347 | 72,761 | 45,294 | 50,353 | 43,358 |
| Bond and Interest Fund | 806,495 | 863,454 | 805,661 | 812,308 | 813,990 | 830,865 | 826,387 | 825,346 | 828,588 | 811,609 |
| Total tax extensions | \$6,587,636 | \$6,497,715 | \$6,259,010 | \$6,154,000 | \$5,923,805 | \$5,721,897 | \$5,750,479 | \$5,772,405 | \$5,887,211 | \$5,906,053 |

Source: College's Business Office

Danville Area Community College - Community College District No. 507

Property Tax Levies and Collections

Last Ten Fiscal Years

Table H

| Tax Levy Year | Fiscal Year Ended June 30, | Tax Levy | Collected within the Fiscal Year of the Levy | | Collections Subsequent to the Fiscal Year of the Levy | Total Collections to Date | |
|---------------|----------------------------|-------------|--|--------------------|---|---------------------------|--------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2018 | 2019 | \$6,544,906 | \$3,077,085 | 47.01% | \$0 | \$3,077,085 | 47.01% |
| 2017 | 2018 | 6,337,880 | 70,853 | 1.12% | 6,388,326 | 6,459,179 | 101.91% |
| 2016 | 2017 | 6,232,412 | 66,318 | 1.06% | 6,143,162 | 6,209,480 | 99.63% |
| 2015 | 2016 | 6,157,744 | 49,631 | 0.81% | 6,062,573 | 6,112,204 | 99.26% |
| 2014 | 2015 | 5,932,547 | 61,734 | 1.04% | 5,823,306 | 5,885,040 | 99.20% |
| 2013 | 2014 | 5,703,979 | 76,949 | 1.35% | 5,591,122 | 5,668,071 | 99.37% |
| 2012 | 2013 | 5,936,261 | 42,103 | 0.71% | 5,627,828 | 5,669,931 | 95.51% |
| 2011 | 2012 | 6,102,587 | 39,708 | 0.65% | 5,678,235 | 5,717,943 | 93.70% |
| 2010 | 2011 | 6,152,517 | 36,805 | 0.60% | 5,782,523 | 5,819,328 | 94.58% |
| 2009 | 2010 | 6,183,300 | 34,127 | 0.55% | 5,801,784 | 5,835,911 | 94.38% |

Source: College's Business Office

Collections may exceed the levy as not all counties breakout back taxes on the distributions. In addition, some counties add on an amount to the Bond and Interest levy to account for bad debts to ensure there are sufficient funds to meet future debt service requirements.

Danville Area Community College - Community College District No. 507

Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated

Last Ten Fiscal Years

TABLE I

| Fiscal Year | Fall Term Enrollment | | Tuition and Fee Rates | | | Tuition and Fee Revenues | | | |
|-------------|----------------------|----------------------|--|--|---|------------------------------|-------------|-------------|-------------|
| | Credit Headcount | Full-Time Equivalent | In District Tuition and Fees per Credit Hour | Out of District Tuition and Fees per Credit Hour | Out of State Tuition and Fees per Credit Hour | Total Credit Hours Generated | Tuition | Fees | Total |
| 2019 | 3,682 | 1,529 | \$155 | \$265 | \$265 | 41,311.5 | \$4,990,494 | \$1,472,114 | \$6,462,608 |
| 2018 | 3,813 | 1,602 | 150 | 250 | 250 | 43,596.0 | 5,416,663 | 1,545,374 | 6,962,037 |
| 2017 | 3,872 | 1,620 | 140 | 235 | 235 | 44,383.5 | 5,047,363 | 1,575,116 | 6,622,479 |
| 2016 | 4,300 | 1,880 | 130 | 205 | 205 | 48,164.5 | 5,100,658 | 1,588,651 | 6,689,309 |
| 2015 | 4,614 | 1,884 | 125 | 205 | 205 | 51,588.5 | 4,749,004 | 1,543,734 | 6,292,738 |
| 2014 | 4,981 | 2,011 | 120 | 202 | 202 | 54,674.0 | 5,059,679 | 1,499,697 | 6,559,376 |
| 2013 | 5,348 | 2,031 | 110 | 202 | 202 | 55,998.5 | 4,562,071 | 1,582,115 | 6,144,186 |
| 2012 | 5,714 | 2,193 | 107 | 197 | 197 | 60,858.0 | 4,852,690 | 1,590,044 | 6,442,734 |
| 2011 | 5,094 | 2,364 | 101 | 187 | 187 | 65,347.0 | 5,021,362 | 1,739,766 | 6,761,128 |
| 2010 | 5,254 | 2,382 | 91 | 162 | 162 | 67,180.0 | 4,249,472 | 1,662,221 | 5,911,693 |

Source: College's Annual Financial Reports; College's Business Office

Note: Tuition and Fee Revenues may differ from the Statement of Revenues, Expenses, and Changes in Net Assets as they are shown on this Schedule before adjustment for scholarship allowance.

Danville Area Community College - Community College District No. 507

Legal Debt Margin Information

Last Ten Fiscal Years

TABLE J

| Tax Levy Year | Fiscal Year | Assessed Value | Debt Limit Rate | Debt Limit (Assessed Value x Debt Limit Rate) | Net Debt Applicable to Debt Limit (1)(2) | Legal Debt Margin | Net Debt Applicable to Debt Limit as a Percentage of Debt Limit |
|---------------|-------------|-----------------|-----------------|---|--|-------------------|---|
| 2018 | 2019 | \$1,086,140,805 | 2.875% | \$31,226,548 | \$4,019,156 | \$27,207,392 | 12.87% |
| 2017 | 2018 | 1,042,980,934 | 2.875% | 29,985,702 | 3,725,450 | 26,260,252 | 12.42% |
| 2016 | 2017 | 1,016,037,986 | 2.875% | 29,211,092 | 4,756,152 | 24,454,940 | 16.28% |
| 2015 | 2016 | 986,086,819 | 2.875% | 28,349,996 | 5,503,102 | 22,846,894 | 19.41% |
| 2014 | 2015 | 958,251,948 | 2.875% | 27,549,744 | 5,227,243 | 22,322,501 | 18.97% |
| 2013 | 2014 | 933,032,914 | 2.875% | 26,824,696 | 4,871,298 | 21,953,398 | 18.16% |
| 2012 | 2013 | 911,509,553 | 2.875% | 26,205,900 | 2,551,063 | 23,654,837 | 9.73% |
| 2011 | 2012 | 926,319,470 | 2.875% | 26,631,685 | 2,247,416 | 24,384,269 | 8.44% |
| 2010 | 2011 | 950,508,048 | 2.875% | 27,327,106 | 2,922,595 | 24,404,511 | 10.69% |
| 2009 | 2010 | 964,795,136 | 2.875% | 27,737,860 | 2,102,447 | 25,635,413 | 7.58% |

Source: College's Annual Financial Reports

Notes:

- (1) Balances include current and non-current portions of non-general obligation debt outstanding, less net assets restricted for debt service.
- (2) Details of the College's outstanding debt can be found in the notes to the financial statements.

Danville Area Community College - Community College District No. 507

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE K

| Tax Levy Year | Fiscal Year | Assessed Value | General Obligation Bonds | Capital Leases | Total | Ratio of Outstanding Debt to Assessed Value | Per Capita | Percentage of Personal Income |
|---------------|-------------|-----------------|--------------------------|----------------|-------------|---|------------|-------------------------------|
| 2018 | 2019 | \$1,086,140,805 | \$5,035,000 | \$292,844 | \$5,327,844 | 0.4905% | 63.67 | DNA |
| 2017 | 2018 | 1,042,980,934 | 5,800,000 | 11,150 | 5,811,150 | 0.5572% | 69.45 | 50.12% |
| 2016 | 2017 | 1,016,037,986 | 5,515,000 | 64,294 | 5,579,294 | 0.5491% | 65.50 | 51.50% |
| 2015 | 2016 | 986,086,819 | 6,270,000 | 115,994 | 6,385,994 | 0.6476% | 74.97 | 44.23% |
| 2014 | 2015 | 958,251,948 | 5,995,000 | 165,383 | 6,160,383 | 0.6429% | 71.39 | 45.31% |
| 2013 | 2014 | 933,032,914 | 5,745,000 | 212,566 | 5,957,566 | 0.6385% | 69.04 | 48.40% |
| 2012 | 2013 | 911,509,553 | 3,460,000 | 0 | 3,460,000 | 0.3796% | 39.89 | 79.18% |
| 2011 | 2012 | 926,319,470 | 3,165,000 | 51,964 | 3,216,964 | 0.3473% | 36.73 | 82.65% |
| 2010 | 2011 | 950,508,048 | 3,810,000 | 101,735 | 3,911,735 | 0.4115% | 44.74 | 65.74% |
| 2009 | 2010 | 964,795,136 | 2,990,000 | 149,549 | 3,139,549 | 0.3254% | 35.91 | 78.33% |

Source: College's Business Office

DNA - Data not available

Danville Area Community College - Community College District No. 507

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

TABLE L

| Tax Levy Year | Fiscal Year | Estimated Population | Assessed Value | Gross Bonded Debt | Less Debt Service Funds | Net General Bonded Debt | Ratio of Net General Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|---------------|-------------|----------------------|-----------------|-------------------|-------------------------|-------------------------|--|----------------------------|
| 2018 | 2019 | 83,679 | \$1,086,140,805 | \$5,035,000 | \$1,015,844 | \$4,019,156 | 0.37004% | 48.03 |
| 2017 | 2018 | 83,679 | 1,042,980,934 | 4,800,000 | 1,074,550 | 3,725,450 | 0.35719% | 44.52 |
| 2016 | 2017 | 85,178 | 1,016,037,986 | 5,515,000 | 758,848 | 4,756,152 | 0.46811% | 55.84 |
| 2015 | 2016 | 85,178 | 986,086,819 | 6,270,000 | 766,898 | 5,503,102 | 0.55807% | 64.61 |
| 2014 | 2015 | 86,288 | 958,251,948 | 5,995,000 | 767,757 | 5,227,243 | 0.54550% | 60.58 |
| 2013 | 2014 | 86,288 | 933,032,914 | 5,745,000 | 873,702 | 4,871,298 | 0.52209% | 56.45 |
| 2012 | 2013 | 86,744 | 911,509,553 | 3,460,000 | 908,937 | 2,551,063 | 0.27987% | 29.41 |
| 2011 | 2012 | 87,574 | 926,319,470 | 3,165,000 | 917,584 | 2,247,416 | 0.24262% | 25.66 |
| 2010 | 2011 | 87,438 | 950,508,048 | 3,810,000 | 887,405 | 2,922,595 | 0.30748% | 33.42 |
| 2009 | 2010 | 87,438 | 964,795,136 | 2,990,000 | 887,553 | 2,102,447 | 0.21792% | 24.05 |

Source: College's Business Office (population from Illinois Community College Board)

Danville Area Community College - Community College District No. 507

Demographic and Economic Statistics

Last Ten Fiscal Years

TABLE M

| Tax Levy Year | Fiscal Year | District Population | District Assessed Value | District Per Capita Assessed Value | Danville, IL Metropolitan Statistical Area | | |
|---------------|-------------|---------------------|-------------------------|------------------------------------|--|----------------------------|-------------------|
| | | | | | Personal Income (in thousands) | Per Capita Personal Income | Unemployment Rate |
| 2018 | 2019 | 83,679 | \$1,086,140,805 | \$12,980 | DNA | DNA | 6.20% |
| 2017 | 2018 | 85,178 | 1,042,980,934 | 12,245 | \$2,912,814 | \$37,387 | 6.30% |
| 2016 | 2017 | 85,178 | 1,016,037,986 | 11,928 | 2,873,484 | 36,577 | 7.20% |
| 2015 | 2016 | 85,178 | 986,086,819 | 11,577 | 2,824,827 | 35,630 | 7.10% |
| 2014 | 2015 | 86,288 | 958,251,948 | 11,105 | 2,791,196 | 35,009 | 8.60% |
| 2013 | 2014 | 86,288 | 933,032,914 | 10,813 | 2,883,170 | 35,892 | 10.70% |
| 2012 | 2013 | 86,744 | 911,509,553 | 10,508 | 2,739,650 | 33,937 | 9.90% |
| 2011 | 2012 | 87,574 | 926,319,470 | 10,578 | 2,658,710 | 32,619 | 10.60% |
| 2010 | 2011 | 87,438 | 950,508,048 | 10,871 | 2,571,636 | 31,520 | 12.10% |
| 2009 | 2010 | 87,438 | 964,795,136 | 11,034 | 2,459,067 | 30,713 | 11.40% |

Source: College's Business Office (population from Illinois Community College Board); Regional Economic

Danville Area Community College - Community College District No. 507

Principal Employers

Current and Ten Years Ago

TABLE N

| Taxpayer | 2019 | | | 2010 | | |
|---|---------------|------|---------------------|---------------|------|---------------------|
| | Employees | Rank | Percentage to Total | Employees | Rank | Percentage to Total |
| Vermilion County | | | | | | |
| Vermilion County Public Schools | 1,197 | 1 | 4.8797% | 1,197 | 1 | 4.9269% |
| Dept. of Veterans Affairs Illiana Healthcare System | 857 | 2 | 3.4937% | 1,333 | 2 | 5.4867% |
| ThyssenKrupp (Crankshaft & Presta) | 841 | 3 | 3.4285% | 631 | 6 | 2.5972% |
| Danville District #118 | 838 | 4 | 3.4162% | 666 | 4 | 2.7413% |
| McLane Midwest Company | 773 | 5 | 3.1512% | 660 | 5 | 2.7166% |
| OSF Healthcare Sacred Heart Medical Center/Provena | 651 | 6 | 2.6539% | 746 | 3 | 3.0706% |
| Vermilion County Government | 586 | 7 | 2.3889% | 586 | 9 | 2.4120% |
| Blue Cross/Blue Shield of Illinois | 583 | 8 | 2.3767% | 382 | | 1.5723% |
| Quaker Foods & Beverages | 504 | 9 | 2.0546% | 600 | 4 | 2.4696% |
| KIK Custom Products (formerly CCL Custom) | 500 | 10 | 2.0383% | 600 | 4 | 2.4696% |
| GenPact | 346 | | 1.4105% | 512 | 10 | 2.1074% |
| | <u>7,676</u> | | <u>31.2923%</u> | <u>7,913</u> | | <u>32.5705%</u> |
| Total number of employees | <u>24,530</u> | | | <u>24,295</u> | | |

Source: Vermilion Advantage

Notes:

- (1) Every effort has been made to seek out and report the principal employers of the District. There are five counties in the District and Vermilion County represents approximately 90% of the total taxable Estimated Assessed Valuation (EAV) of the District. Therefore, this schedule was limited to this county and includes the major taxpayers in that county in our district.
- (2) Data was unable to be obtained for the period ten years prior to the current year, therefore, what is available is what is being reported, which is seven years ago.
- (3) The total number of employees represents the total number of employees in Vermilion county as a whole.

Danville Area Community College - Community College District No. 507

Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

| Facilities Data | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Size of campus (acres) | 72 | 72 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 |
| Gross square footage | 466,950 | 466,950 | 466,950 | 466,950 | 466,950 | 456,365 | 456,365 | 445,553 | 445,553 | 445,553 |
| Number of classrooms | 98 | 98 | 98 | 103 | 103 | 98 | 98 | 92 | 92 | 92 |
| Number of laboratories (including computer labs) | 70 | 70 | 70 | 70 | 70 | 62 | 62 | 63 | 63 | 63 |

Source: Administrative Services Department

Danville Area Community College - Community College District No. 507

Operating Information and Employees

Last Ten Fiscal Years

TABLE P

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Enrollment (Fall Unduplicated Headcount) | 3,682 | 3,813 | 3,872 | 4,300 | 4,614 | 4,981 | 5,348 | 5,714 | 5,094 | 5,254 |
| Degrees awarded | | | | | | | | | | |
| Associate in Science and Arts (ASA) | 146 | 165 | 183 | 167 | 140 | 131 | 133 | 109 | 115 | 101 |
| Associate in Applied Science (AAS) | 108 | 148 | 145 | 167 | 132 | 162 | 129 | 169 | 147 | 130 |
| Associate in Engineering Studies (AES) | 2 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 0 | 1 |
| Associate in Fine Arts (AFA) | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Associate in General Studies (AGS) | 54 | 57 | 66 | 77 | 32 | 43 | 58 | 26 | 26 | 18 |
| | 311 | 373 | 395 | 414 | 306 | 338 | 323 | 307 | 288 | 250 |
| Certificates awarded | 215 | 315 | 339 | 370 | 328 | 320 | 328 | 396 | 497 | 335 |
| Faculty | | | | | | | | | | |
| Full-time | 65 | 59 | 65 | 63 | 68 | 68 | 61 | 58 | 59 | 56 |
| Part-time | 74 | 60 | 63 | 63 | 61 | 79 | 85 | 96 | 97 | 96 |
| | 139 | 119 | 128 | 126 | 129 | 147 | 146 | 154 | 156 | 152 |
| Faculty and Staff | | | | | | | | | | |
| Full-time | 195 | 181 | 177 | 173 | 193 | 197 | 180 | 170 | 184 | 174 |
| Part-time | 76 | 62 | 66 | 69 | 76 | 91 | 92 | 101 | 104 | 104 |
| | 271 | 243 | 243 | 242 | 269 | 288 | 272 | 271 | 288 | 278 |
| Full-Time Employees by Classification | | | | | | | | | | |
| Admin/Mgf.Prof | 69 | 64 | 60 | 57 | 67 | 71 | 63 | 58 | 61 | 54 |
| Faculty | 65 | 59 | 63 | 63 | 68 | 68 | 61 | 58 | 59 | 56 |
| Support staff | 61 | 58 | 54 | 53 | 58 | 58 | 56 | 54 | 64 | 64 |
| | 195 | 181 | 177 | 173 | 193 | 197 | 180 | 170 | 184 | 174 |
| Students/Faculty | | | | | | | | | | |
| Full-time | 50 | 64 | 61 | 68 | 76 | 63 | 63 | 60 | 53 | 55 |
| Part-time | 26 | 32 | 30 | 34 | 36 | 34 | 37 | 37 | 33 | 35 |
| | 76 | 96 | 92 | 102 | 111 | 97 | 100 | 97 | 85 | 89 |

Source: College's Office of Institutional Effectiveness; College Administrative Data Management Systems

DNA - Data not available

Danville Area Community College - Community College District No. 507

Operating Statistics

Last Ten Fiscal Years

TABLE Q

| Fiscal Year | Instructional Expenses | Enrollment | Cost Per Student | Percentage Change | Faculty | Student/Faculty Ratio |
|-------------|------------------------|------------|------------------|-------------------|---------|-----------------------|
| 2019 | \$8,843,999 | 3,682 | \$2,402 | 12.38% | 139 | 26 |
| 2018 | 8,149,799 | 3,813 | 2,137 | 4.87% | 119 | 32 |
| 2017 | 7,891,261 | 3,872 | 2,038 | 7.48% | 128 | 30 |
| 2016 | 8,153,578 | 4,300 | 1,896 | 5.63% | 126 | 34 |
| 2015 | 8,282,774 | 4,614 | 1,795 | 9.41% | 129 | 36 |
| 2014 | 8,172,747 | 4,981 | 1,641 | 14.29% | 147 | 34 |
| 2013 | 7,677,960 | 5,348 | 1,436 | 7.38% | 146 | 37 |
| 2012 | 7,639,489 | 5,714 | 1,337 | -8.80% | 154 | 37 |
| 2011 | 7,467,535 | 5,094 | 1,466 | 4.03% | 156 | 33 |
| 2010 | 7,403,529 | 5,254 | 1,409 | -1.38% | 152 | 35 |

Source: College's Business Office; College's Annual Financial Reports; College's Human Resources Office

DNA - Data not available

SPECIAL REPORTS SECTION

Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds

June 30, 2019

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | Education | Operations and Maintenance | Operations and Maintenance Restricted | Bond and Interest |
|---|------------------|---|--|------------------------------|
| Current assets: | | | | |
| Cash | \$53,425 | \$716,644 | \$2,033,650 | \$652,750 |
| Investments | 155,129 | 0 | 0 | 0 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes, net | 2,066,989 | 416,000 | 39,132 | 417,684 |
| Student tuition and fees, net | 3,287,630 | 0 | 0 | 0 |
| Government claims | 16,091 | 75,238 | 0 | 0 |
| Other | 38,039 | 0 | 32,262 | 0 |
| Prepaid expenses | 178,612 | 0 | 0 | 0 |
| Due from other funds | 0 | 0 | 0 | 0 |
| Total current assets | 5,795,915 | 1,207,882 | 2,105,044 | 1,070,434 |
| Noncurrent assets - | | | | |
| Capital assets, net of accumulated depreciation | 0 | 0 | 0 | 0 |
| Total assets | 5,795,915 | 1,207,882 | 2,105,044 | 1,070,434 |
| Deferred outflows of resources: | | | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in current year | 0 | 0 | 0 | 0 |
| Subsequent year's other postemployment benefit expense related to contributions in the current year | 0 | 0 | 0 | 0 |
| Total deferred outflows of resources | 0 | 0 | 0 | 0 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | |
| Current liabilities: | | | | |
| Accounts payable | 296,883 | 0 | 0 | 0 |
| Accrued expenses | 330,287 | 813 | 0 | 54,590 |
| Due to other funds | 0 | 0 | 0 | 0 |
| Due to student groups | 0 | 0 | 0 | 0 |
| Deposits held in custody for others | 0 | 0 | 0 | 0 |
| Unearned tuition revenue | 2,933,482 | 0 | 0 | 0 |
| Other unearned revenue | 0 | 0 | 0 | 0 |
| Debt certificates payable | 0 | 0 | 0 | 0 |
| Capital lease obligations, current maturities | 0 | 0 | 0 | 0 |
| Bonds payable, current maturities | 0 | 0 | 0 | 0 |
| Accrued compensated absences, current maturities | 0 | 0 | 0 | 0 |
| Total current liabilities | 3,560,652 | 813 | 0 | 54,590 |
| Noncurrent liabilities: | | | | |
| Bonds payable, less current maturities | 0 | 0 | 0 | 0 |
| Capital lease obligations, less current maturities | 0 | 0 | 0 | 0 |
| Accrued compensated absences | 0 | 0 | 0 | 0 |
| Net other postemployment benefit liabilities | 0 | 0 | 0 | 0 |
| Total noncurrent liabilities | 0 | 0 | 0 | 0 |
| Total liabilities | 3,560,652 | 813 | 0 | 54,590 |
| Deferred inflows of resources - | | | | |
| Other postemployment benefits | 0 | 0 | 0 | 0 |
| Net position: | | | | |
| Investment in capital assets, net of related debt | 0 | 0 | 0 | 0 |
| Restricted for: | | | | |
| Capital projects | 0 | 0 | 2,105,044 | 0 |
| Debt service | 0 | 0 | 0 | 1,015,844 |
| Grant purposes | 0 | 0 | 0 | 0 |
| Working cash | 0 | 0 | 0 | 0 |
| Audit purposes | 0 | 0 | 0 | 0 |
| Liability insurance | 0 | 0 | 0 | 0 |
| Unrestricted | 2,235,263 | 1,207,069 | 0 | 0 |
| Total net position | \$2,235,263 | \$1,207,069 | \$2,105,044 | \$1,015,844 |

Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds (Continued)

June 30, 2019

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | Auxiliary Enterprises | Restricted Purposes | Working Cash | Agency | Audit | Liability Protection and Settlement |
|---|------------------------------|----------------------------|---------------------|---------------|-----------------|--|
| Current assets: | | | | | | |
| Cash | \$1,277,579 | \$268,000 | \$5,429,723 | \$86,758 | \$23,206 | \$577,441 |
| Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Property taxes, net | 0 | 0 | 0 | 0 | 23,499 | 448,432 |
| Student tuition and fees, net | 3,870 | 30,079 | 0 | 0 | 0 | 0 |
| Government claims | 9,518 | 610,878 | 0 | 0 | 0 | 0 |
| Other | 7,259 | 24,309 | 0 | 0 | 0 | 0 |
| Prepaid expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from other funds | 20,000 | 0 | 0 | 0 | 0 | 0 |
| Total current assets | 1,318,226 | 933,266 | 5,429,723 | 86,758 | 46,705 | 1,025,873 |
| Noncurrent assets - | | | | | | |
| Capital assets, net of accumulated depreciation | 548,472 | 0 | 0 | 0 | 0 | 0 |
| Total assets | 1,866,698 | 933,266 | 5,429,723 | 86,758 | 46,705 | 1,025,873 |
| Deferred outflows of resources: | | | | | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in current year | 0 | 0 | 0 | 0 | 0 | 0 |
| Subsequent year's other postemployment benefit expense related to contributions in the current year | 0 | 0 | 0 | 0 | 0 | 0 |
| Total deferred outflows of resources | 0 | 0 | 0 | 0 | 0 | 0 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued expenses | 5,882 | 33,262 | 0 | 0 | 0 | 0 |
| Due to other funds | 0 | 20,000 | 0 | 0 | 0 | 0 |
| Due to student groups | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposits held in custody for others | 0 | 0 | 0 | 86,758 | 0 | 0 |
| Unearned tuition revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Other unearned revenue | 0 | 17,856 | 0 | 0 | 0 | 0 |
| Debt certificates payable | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital lease obligations, current maturities | 0 | 0 | 0 | 0 | 0 | 0 |
| Bonds payable, current maturities | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued compensated absences, current maturities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 5,882 | 71,118 | 0 | 86,758 | 0 | 0 |
| Noncurrent liabilities: | | | | | | |
| Bonds payable, less current maturities | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital lease obligations, less current maturities | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued compensated absences | 0 | 0 | 0 | 0 | 0 | 0 |
| Net other postemployment benefit liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total noncurrent liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 5,882 | 71,118 | 0 | 86,758 | 0 | 0 |
| Deferred inflows of resources - | | | | | | |
| Other postemployment benefits | 0 | 0 | 0 | 0 | 0 | 0 |
| Net position: | | | | | | |
| Investment in capital assets, net of related debt | 548,472 | 0 | 0 | 0 | 0 | 0 |
| Restricted for: | | | | | | |
| Capital projects | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 | 0 | 0 | 0 |
| Grant purposes | 0 | 862,148 | 0 | 0 | 0 | 0 |
| Working cash | 0 | 0 | 5,429,723 | 0 | 0 | 0 |
| Audit purposes | 0 | 0 | 0 | 0 | 46,705 | 0 |
| Liability insurance | 0 | 0 | 0 | 0 | 0 | 1,025,873 |
| Unrestricted | 1,312,344 | 0 | 0 | 0 | 0 | 0 |
| Total net position | \$1,860,816 | \$862,148 | \$5,429,723 | \$0 | \$46,705 | \$1,025,873 |

Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds (Continued)

June 30, 2019

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | Board Restricted | Long-Term Obligations | Capital Assets | Eliminations | Total |
|---|-----------------------------|----------------------------------|---------------------------|---------------------|---------------------|
| Current assets: | | | | | |
| Cash | \$4,625,341 | \$0 | \$0 | \$0 | \$15,744,517 |
| Investments | 0 | 0 | 0 | 0 | 155,129 |
| Receivables (net of allowance for uncollectibles): | | | | | |
| Property taxes, net | 0 | 0 | 0 | 0 | 3,411,736 |
| Student tuition and fees, net | 0 | 0 | 0 | (2,217,477) | 1,104,102 |
| Government claims | 0 | 0 | 0 | 0 | 711,725 |
| Other | 0 | 0 | 0 | 0 | 101,869 |
| Prepaid expenses | 0 | 0 | 0 | 0 | 178,612 |
| Due from other funds | 0 | 0 | 0 | (20,000) | 0 |
| Total current assets | 4,625,341 | 0 | 0 | (2,237,477) | 21,407,690 |
| Noncurrent assets - | | | | | |
| Capital assets, net of accumulated depreciation | 0 | 0 | 34,910,576 | 0 | 35,459,048 |
| Total assets | 4,625,341 | 0 | 34,910,576 | (2,237,477) | 56,866,738 |
| Deferred outflows of resources: | | | | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in current year | 0 | 0 | 0 | 63,957 | 63,957 |
| Subsequent year's other postemployment benefit expense related to contributions in the current year | 0 | 0 | 0 | 547,559 | 547,559 |
| Total deferred outflows of resources | 0 | 0 | 0 | 611,516 | 611,516 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 0 | 0 | 0 | 0 | 296,883 |
| Accrued expenses | 0 | 0 | 0 | 0 | 424,834 |
| Due to other funds | 0 | 0 | 0 | (20,000) | 0 |
| Due to student groups | 0 | 0 | 0 | 0 | 0 |
| Deposits held in custody for others | 0 | 0 | 0 | 0 | 86,758 |
| Unearned tuition revenue | 0 | 0 | 0 | (2,578,735) | 354,747 |
| Other unearned revenue | 0 | 0 | 0 | 0 | 17,856 |
| Debt certificates payable | 0 | 0 | 0 | 0 | 0 |
| Capital lease obligations, current maturities | 0 | 67,902 | 0 | 0 | 67,902 |
| Bonds payable, current maturities | 0 | 714,000 | 0 | 0 | 714,000 |
| Accrued compensated absences, current maturities | 0 | 264,000 | 0 | 0 | 264,000 |
| Total current liabilities | 0 | 1,045,902 | 0 | (2,598,735) | 2,226,980 |
| Noncurrent liabilities: | | | | | |
| Bonds payable, less current maturities | 0 | 4,321,000 | 0 | 0 | 4,321,000 |
| Capital lease obligations, less current maturities | 0 | 224,942 | 0 | 0 | 224,942 |
| Accrued compensated absences | 0 | 85,025 | 0 | 0 | 85,025 |
| Net other postemployment benefit liabilities | 0 | 11,563,940 | 0 | 0 | 11,563,940 |
| Total noncurrent liabilities | 0 | 16,194,907 | 0 | 0 | 16,194,907 |
| Total liabilities | 0 | 17,240,809 | 0 | (2,598,735) | 18,421,887 |
| Deferred inflows of resources - | | | | | |
| Other postemployment benefits | 0 | 0 | 0 | 1,473,669 | 1,473,669 |
| Net position: | | | | | |
| Investment in capital assets, net of related debt | 0 | (5,327,844) | 34,910,576 | 0 | 30,131,204 |
| Restricted for: | | | | | |
| Capital projects | 0 | 0 | 0 | 0 | 2,105,044 |
| Debt service | 0 | 0 | 0 | 0 | 1,015,844 |
| Grant purposes | 0 | 0 | 0 | 0 | 862,148 |
| Working cash | 0 | 0 | 0 | 0 | 5,429,723 |
| Audit purposes | 0 | 0 | 0 | 0 | 46,705 |
| Liability insurance | 0 | 0 | 0 | 0 | 1,025,873 |
| Unrestricted | 4,625,341 | (11,912,965) | 0 | (500,895) | (3,033,843) |
| Total net position | \$4,625,341 | (\$17,240,809) | \$34,910,576 | (\$500,895) | \$37,582,698 |

Danville Area Community College - Community College District No. 507

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Fund Types

For the year ended June 30, 2019

| | Education | Operations and Maintenance | Operations and Maintenance Restricted | Bond and Interest |
|---|--------------------|----------------------------------|--|----------------------|
| Revenues: | | | | |
| Operating revenues: | | | | |
| Student tuition and fees, net | \$5,779,311 | \$650,000 | \$0 | \$0 |
| Auxiliary revenues | 0 | 0 | 0 | 0 |
| Other operating revenues | 69,220 | 39,098 | 0 | 0 |
| Total operating revenues | 5,848,531 | 689,098 | 0 | 0 |
| Expenses: | | | | |
| Operating expenses: | | | | |
| Instruction | 8,060,330 | 0 | 0 | 0 |
| Academic support | 1,061,446 | 0 | 0 | 0 |
| Student services | 1,824,516 | 0 | 0 | 0 |
| Public services | 337,151 | 0 | 0 | 0 |
| Auxiliary enterprises | 0 | 0 | 0 | 0 |
| Operations and maintenance of plant | 0 | 2,262,365 | 405,393 | 0 |
| Institutional support | 2,911,590 | 0 | 0 | 0 |
| SURS & OPEB contribution provided by state | 0 | 0 | 0 | 0 |
| Other postemployment benefits | 0 | 0 | 0 | 0 |
| Scholarships, grants and waivers | 0 | 0 | 0 | 0 |
| Depreciation expense | 0 | 0 | 0 | 0 |
| Total operating expense | 14,195,033 | 2,262,365 | 405,393 | 0 |
| Operating income (loss) | (8,346,502) | (1,573,267) | (405,393) | 0 |
| Non-operating revenues (expenses): | | | | |
| State grants and contracts | 3,156,695 | 568,777 | 0 | 0 |
| Property taxes | 3,966,443 | 798,286 | 75,136 | 802,228 |
| Personal property replacement tax | 450,574 | 120,252 | 0 | 0 |
| Federal grants and contracts | 4,875 | 0 | 0 | 0 |
| Local grants and contracts | 5,001 | 1,007 | 101 | 1,113 |
| SURS & OPEB contribution provided by state | 0 | 0 | 0 | 0 |
| Investment income earned | 15,820 | 21,089 | 47,411 | 12,756 |
| Other non-operating revenues | 91,594 | 1,807 | 0 | 101,640 |
| Debt service: | | | | |
| Principal | 0 | 0 | 0 | (765,000) |
| Interest | 0 | 0 | 0 | (211,443) |
| Non-operating revenues (expenses), net | 7,691,002 | 1,511,218 | 122,648 | (58,706) |
| Capital contributions: | | | | |
| Capital contributions | 16,758 | 0 | 24,378 | 0 |
| Other financing sources (uses): | | | | |
| Bond proceeds | 0 | 0 | 500,000 | 0 |
| Gain (loss) on disposal of assets | 7,110 | 5,601 | 0 | 0 |
| Transfer in | 488,383 | 38,331 | 913,202 | 0 |
| Transfer out | (12,731) | 0 | (266,853) | 0 |
| Total financing sources (uses) | 482,762 | 43,932 | 1,146,349 | 0 |
| Net change in net position | (155,980) | (18,117) | 887,982 | (58,706) |
| Net position, beginning of year | 2,391,243 | 1,225,186 | 1,217,062 | 1,074,550 |
| Net position, end of year | \$2,235,263 | \$1,207,069 | \$2,105,044 | \$1,015,844 |

Danville Area Community College - Community College District No. 507

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Fund Types (Continued)

For the year ended June 30, 2019

| | Auxiliary Enterprises | Restricted Purposes | Working Cash | Audit | Liability Protection and Settlement |
|---|--------------------------|------------------------|--------------------|-----------------|--|
| Revenues: | | | | | |
| Operating revenues: | | | | | |
| Student tuition and fees, net | \$0 | \$0 | \$0 | \$0 | \$0 |
| Auxiliary revenues | 841,615 | 0 | 0 | 0 | 0 |
| Other operating revenues | 0 | 425,180 | 0 | 0 | 5,441 |
| Total operating revenues | 841,615 | 425,180 | 0 | 0 | 5,441 |
| Expenses: | | | | | |
| Operating expenses: | | | | | |
| Instruction | 0 | 1,017,518 | 0 | 0 | 0 |
| Academic support | 0 | 0 | 0 | 0 | 0 |
| Student services | 0 | 360,513 | 0 | 0 | 0 |
| Public services | 0 | 986,640 | 0 | 0 | 0 |
| Auxiliary enterprises | 822,136 | 0 | 0 | 0 | 0 |
| Operations and maintenance of plant | 0 | 2,010 | 0 | 0 | 0 |
| Institutional support | 0 | 390,244 | 0 | 46,940 | 799,890 |
| SURS & OPEB contribution provided by state | 0 | 8,567,738 | 0 | 0 | 0 |
| Other postemployment benefits | 0 | 0 | 0 | 0 | 0 |
| Scholarships, grants and waivers | 0 | 5,060,722 | 0 | 0 | 0 |
| Depreciation expense | 20,304 | 0 | 0 | 0 | 0 |
| Total operating expense | 842,440 | 16,385,385 | 0 | 46,940 | 799,890 |
| Operating income (loss) | (825) | (15,960,205) | 0 | (46,940) | (794,449) |
| Non-operating revenues (expenses): | | | | | |
| State grants and contracts | 7,204 | 673,226 | 0 | 0 | 0 |
| Property taxes | 0 | 0 | 0 | 45,139 | 860,520 |
| Personal property replacement tax | 0 | 0 | 0 | 0 | 0 |
| Federal grants and contracts | 29,906 | 6,249,065 | 0 | 0 | 0 |
| Local grants and contracts | 0 | 0 | 0 | 63 | 1,085 |
| SURS & OPEB contribution provided by state | 0 | 8,567,738 | 0 | 0 | 0 |
| Investment income earned | 0 | 17,249 | 135,543 | 0 | 1,302 |
| Other non-operating revenues | 0 | 185,348 | 0 | 0 | 0 |
| Debt service: | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Non-operating revenues (expenses), net | 37,110 | 15,692,626 | 135,543 | 45,202 | 862,907 |
| Capital contributions: | | | | | |
| Capital contributions | 0 | 0 | 0 | 0 | 0 |
| Other financing sources (uses): | | | | | |
| Bond proceeds | 0 | 500,000 | 0 | 0 | 0 |
| Gain (loss) on disposal of assets | 0 | 0 | 0 | 0 | 0 |
| Transfer in | 50,000 | 56,380 | 0 | 0 | 0 |
| Transfer out | (350,000) | (270,025) | (135,543) | 0 | 0 |
| Total financing sources (uses) | (300,000) | 286,355 | (135,543) | 0 | 0 |
| Net change in net position | (263,715) | 18,776 | 0 | (1,738) | 68,458 |
| Net position, beginning of year | 2,124,531 | 843,372 | 5,429,723 | 48,443 | 957,415 |
| Net position, end of year | \$1,860,816 | \$862,148 | \$5,429,723 | \$46,705 | \$1,025,873 |

Danville Area Community College - Community College District No. 507

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Fund Types (Continued)

For the year ended June 30, 2019

| | Board Restricted | Long-Term Obligations | Capital Assets | Eliminations | Total |
|--|---------------------|--------------------------|-------------------|---------------|--------------|
| Revenues: | | | | | |
| Operating revenues: | | | | | |
| Student tuition and fees, net | \$0 | \$0 | \$0 | (\$2,619,242) | \$3,810,069 |
| Auxiliary revenues | 0 | 0 | 0 | (193,654) | 647,961 |
| Other operating revenues | 0 | 0 | 0 | 0 | 538,939 |
| Total operating revenues | 0 | 0 | 0 | (2,812,896) | 4,996,969 |
| Expenses: | | | | | |
| Operating expenses: | | | | | |
| Instruction | 0 | 0 | (203,306) | (30,543) | 8,843,999 |
| Academic support | 0 | 0 | 0 | 0 | 1,061,446 |
| Student services | 0 | 0 | 0 | (7,535) | 2,177,494 |
| Public services | 0 | 0 | 0 | (310,096) | 1,013,695 |
| Auxiliary enterprises | 0 | 0 | 0 | (260) | 821,876 |
| Operations and maintenance of plant | 0 | 0 | (523,696) | 0 | 2,146,072 |
| Institutional support | 0 | 380,577 | (423,487) | (76,454) | 4,029,300 |
| SURS & OPEB contribution provided by stat | 0 | 0 | 0 | 0 | 8,567,738 |
| Other postemployment benefits | 0 | 640,462 | 0 | 143,654 | 784,116 |
| Scholarships, grants and waivers | 0 | 0 | 0 | (3,197,322) | 1,863,400 |
| Depreciation expense | 0 | 0 | 1,888,183 | 0 | 1,908,487 |
| Total operating expense | 0 | 1,021,039 | 737,694 | (3,478,556) | 33,217,623 |
| Operating income (loss) | 0 | (1,021,039) | (737,694) | 665,660 | (28,220,654) |
| Non-operating revenues (expenses): | | | | | |
| State grants and contracts | 0 | 0 | 0 | 0 | 4,405,902 |
| Property taxes | 0 | 0 | 0 | 0 | 6,547,752 |
| Personal property replacement tax | 0 | 0 | 0 | 0 | 570,826 |
| Federal grants and contracts | 0 | 0 | 0 | (667,549) | 5,616,297 |
| Local grants and contracts | 0 | 0 | 0 | 0 | 8,370 |
| SURS & OPEB contribution provided by state | 0 | 0 | 0 | 0 | 8,567,738 |
| Investment income earned | 102,420 | 0 | 0 | 0 | 353,590 |
| Other non-operating revenues | 340,083 | 0 | 0 | (12,362) | 708,110 |
| Debt service: | | | | | |
| Principal | 0 | 835,330 | 0 | (70,330) | 0 |
| Interest | 0 | 0 | 0 | (11,582) | (223,025) |
| Non-operating revenues (expenses), net | 442,503 | 835,330 | 0 | (761,823) | 26,555,560 |
| Capital contributions: | | | | | |
| Capital contributions | 0 | 0 | 0 | 0 | 41,136 |
| Other financing sources (uses): | | | | | |
| Bond proceeds | 0 | (1,000,000) | 0 | 0 | 0 |
| Gain (loss) on disposal of assets | 0 | 0 | (76,600) | 0 | (63,889) |
| Transfer in | 5,000 | 0 | 0 | 0 | 1,551,296 |
| Transfer out | (516,144) | 0 | 0 | 0 | (1,551,296) |
| Total financing sources (uses) | (511,144) | (1,000,000) | (76,600) | 0 | (63,889) |
| Net change in net position | (68,641) | (1,185,709) | (814,294) | (96,163) | (1,687,847) |
| Net position, beginning of year | 4,693,982 | (16,055,100) | 35,724,870 | (404,732) | 39,270,545 |
| Net position, end of year | \$4,625,341 | (\$17,240,809) | \$34,910,576 | (\$500,895) | \$37,582,698 |

Danville Area Community College - Community College District No. 507

Statement of Receipts, Disbursements and Changes in Fund Balance

(Budgetary Basis)

Budget Compared to Actual

Operating Funds (Education/Operations and Maintenance)

For the year ended June 30, 2019

| | Budget | Education | Operations and Maintenance | Total | Variance Favorable (Unfavorable) |
|--|-------------------|---------------------------|---|---------------------------|---|
| Receipts: | | | | | |
| Property taxes | \$4,698,000 | \$3,966,443 | \$798,286 | \$4,764,729 | \$66,729 |
| Personal property replacement tax | 525,000 | 450,574 | 120,252 | 570,826 | 45,826 |
| State grants and contracts | 3,765,520 | 3,156,695 | 568,777 | 3,725,472 | (40,048) |
| Federal grants and contracts | 6,000 | 4,875 | 0 | 4,875 | (1,125) |
| Student tuition and fees, net | 7,013,000 | 5,779,311 | 650,000 | 6,429,311 | (583,689) |
| Investment income earned | 11,000 | 15,820 | 21,089 | 36,909 | 25,909 |
| Miscellaneous | 188,100 | 189,683 | 47,513 | 237,196 | 49,096 |
| Total receipts | 16,206,620 | 13,563,401 | 2,205,917 | 15,769,318 | (437,302) |
| Disbursements: | | | | | |
| Instruction | 7,977,312 | 8,060,330 | 0 | 8,060,330 | (83,018) |
| Academic support | 1,128,064 | 1,061,446 | 0 | 1,061,446 | 66,618 |
| Student services | 1,875,894 | 1,824,516 | 0 | 1,824,516 | 51,378 |
| Public services | 373,343 | 337,151 | 0 | 337,151 | 36,192 |
| Operations and maintenance of plant | 2,275,506 | 0 | 2,262,365 | 2,262,365 | 13,141 |
| Institutional support | 2,959,501 | 2,911,590 | 0 | 2,911,590 | 47,911 |
| Total disbursements | 16,589,620 | 14,195,033 | 2,262,365 | 16,457,398 | 132,222 |
| Excess (deficiency) of receipts over disbursements (budgetary basis) | (383,000) | (631,632) | (56,448) | (688,080) | (305,080) |
| Other financing sources (uses): | | | | | |
| Transfers in | 430,000 | 488,383 | 38,331 | 526,714 | 96,714 |
| Transfers out | (47,000) | (12,731) | 0 | (12,731) | 34,269 |
| Total other financing sources (uses) | 383,000 | 475,652 | 38,331 | 513,983 | 130,983 |
| Excess (deficiency) of receipts over disbursements and other financing sources (uses) | <u>\$0</u> | (155,980) | (18,117) | (174,097) | <u>(\$174,097)</u> |
| Fund balance, beginning of year | | 2,391,243 | 1,225,186 | 3,616,429 | |
| Fund balance, end of year | | <u>\$2,235,263</u> | <u>\$1,207,069</u> | <u>\$3,442,332</u> | |

Danville Area Community College - Community College District No. 507

Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board (ICCB) for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, the Uniform Financial Statements are completed using the accrual basis of accounting and a total financial resource measurement focus prescribed by ICCB. The Uniform Financial Statements include the following:

| | PAGE |
|---|-------------|
| All Funds Summary – Uniform Financial Statement No. 1 | 95-97 |
| Summary of Fixed Assets and Debt – Uniform Financial Statement No. 2 | 98 |
| Operating Funds Revenues and Expenditures – Uniform Financial Statement No. 3 | 99-100 |
| Restricted Purposes Revenues and Expenditures – Uniform Financial Statement No. 4 | 101 |
| Current Funds Expenditures by Activity – Uniform Financial Statement No. 5 | 102 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds

Year ended June 30, 2019

| | Education Fund | Operations and Maintenance Fund | Operations and Maintenance Fund (Restricted) |
|---------------------------------------|-------------------|--|--|
| Fund balance, July 1, 2018 | \$5,282,404 | \$3,028,007 | \$1,217,062 |
| Revenues: | | | |
| Local tax revenue | 3,966,443 | 798,286 | 75,136 |
| All other local revenue | 455,575 | 121,259 | 101 |
| ICCB grants | 3,156,695 | 568,777 | 0 |
| All other state revenue | 0 | 0 | 0 |
| Federal revenue | 4,875 | 0 | 0 |
| Student tuition and fees | 5,779,311 | 650,000 | 0 |
| On-behalf CIP | 0 | 0 | 0 |
| On-behalf SURS | 0 | 0 | 0 |
| All other revenue | 574,457 | 136,143 | 571,789 |
| Total revenues | 13,937,356 | 2,274,465 | 647,026 |
| Expenditures by program: | | | |
| Instruction | 8,060,330 | 0 | 0 |
| Academic support | 1,061,446 | 0 | 0 |
| Student services | 1,824,516 | 0 | 0 |
| Public service/continuing education | 337,151 | 0 | 0 |
| Auxiliary services | 0 | 0 | 0 |
| Operations and maintenance | 0 | 2,262,365 | 405,393 |
| Institutional support | 2,911,590 | 0 | 0 |
| Scholarships, student grants, waivers | 0 | 0 | 0 |
| Total expenditures | 14,195,033 | 2,262,365 | 405,393 |
| Net transfers | 480,652 | (477,813) | 646,349 |
| Fund balance, June 30, 2019 | \$5,505,379 | \$2,562,294 | \$2,105,044 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds(Continued)

Year ended June 30, 2019

| | Bond and Interest Fund | Auxiliary Enterprises Fund | Restricted Purposes Fund | Working Cash Fund |
|---------------------------------------|------------------------------|----------------------------------|--------------------------------|-------------------------|
| Fund balance, July 1, 2018 | \$1,074,550 | \$2,124,531 | \$843,372 | \$5,429,723 |
| Revenues: | | | | |
| Local tax revenue | 802,228 | 0 | 0 | 0 |
| All other local revenue | 1,113 | 0 | 0 | 0 |
| ICCB grants | 0 | 0 | 188,111 | 0 |
| All other state revenue | 0 | 7,204 | 485,115 | 0 |
| Federal revenue | 0 | 29,906 | 5,581,516 | 0 |
| Student tuition and fees | 0 | 510,204 | 0 | 0 |
| On-behalf CIP | 0 | 0 | 788,358 | 0 |
| On-behalf SURS | 0 | 0 | 7,779,380 | 0 |
| All other revenue | 114,396 | 331,411 | 1,127,777 | 135,543 |
| Total revenues | 917,737 | 878,725 | 15,950,257 | 135,543 |
| Expenditures by program: | | | | |
| Instruction | 0 | 0 | 5,746,687 | 0 |
| Academic support | 0 | 0 | 406,859 | 0 |
| Student services | 0 | 0 | 1,336,086 | 0 |
| Public service/continuing education | 0 | 0 | 1,419,224 | 0 |
| Auxiliary services | 0 | 842,440 | 271,270 | 0 |
| Operations and maintenance | 0 | 0 | 483,754 | 0 |
| Institutional support | 976,443 | 0 | 1,660,783 | 0 |
| Scholarships, student grants, waivers | 0 | 0 | 4,393,173 | 0 |
| Total expenditures | 976,443 | 842,440 | 15,717,836 | 0 |
| Net transfers | 0 | (300,000) | (213,645) | (135,543) |
| Fund balance, June 30, 2019 | \$1,015,844 | \$1,860,816 | \$862,148 | \$5,429,723 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds(Continued)

Year ended June 30, 2019

| | Audit Fund | Liability, Protection Settlement Fund | Total All Funds | Total Current Funds Only |
|---------------------------------------|---------------|--|--------------------|--------------------------------|
| Fund balance, July 1, 2018 | \$48,443 | \$957,415 | \$20,005,507 | \$12,284,172 |
| Revenues: | | | | |
| Local tax revenue | 45,139 | 860,520 | 6,547,752 | 5,670,388 |
| All other local revenue | 63 | 1,085 | 579,196 | 577,982 |
| ICCB grants | 0 | 0 | 3,913,583 | 3,913,583 |
| All other state revenue | 0 | 0 | 492,319 | 492,319 |
| Federal revenue | 0 | 0 | 5,616,297 | 5,616,297 |
| Student tuition and fees | 0 | 0 | 6,939,515 | 6,939,515 |
| On-behalf CIP | 0 | 0 | 788,358 | 788,358 |
| On-behalf SURS | 0 | 0 | 7,779,380 | 7,779,380 |
| All other revenue | 0 | 6,743 | 2,998,259 | 2,176,531 |
| Total revenues | 45,202 | 868,348 | 35,654,659 | 33,954,353 |
| Expenditures by program: | | | | |
| Instruction | 0 | 0 | 13,807,017 | 13,807,017 |
| Academic support | 0 | 0 | 1,468,305 | 1,468,305 |
| Student services | 0 | 0 | 3,160,602 | 3,160,602 |
| Public service/continuing education | 0 | 0 | 1,756,375 | 1,756,375 |
| Auxiliary services | 0 | 0 | 1,113,710 | 1,113,710 |
| Operations and maintenance | 0 | 0 | 3,151,512 | 2,746,119 |
| Institutional support | 46,940 | 799,890 | 6,395,646 | 5,419,203 |
| Scholarships, student grants, waivers | 0 | 0 | 4,393,173 | 4,393,173 |
| Total expenditures | 46,940 | 799,890 | 35,246,340 | 33,864,504 |
| Net transfers | 0 | 0 | 0 | (510,806) |
| Fund balance, June 30, 2019 | \$46,705 | \$1,025,873 | \$20,413,826 | \$11,863,215 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 2

Summary of Fixed Assets and Debt

Year ended June 30, 2019

| | Fixed Asset/Debt Account Groups July 1, 2018 | Additions | Deletions | Fixed Asset/Debt Account Groups June 30, 2019 |
|--|---|--------------------|--------------------|--|
| Fixed assets: | | | | |
| Land | \$911,931 | \$0 | \$0 | \$911,931 |
| Land improvements | 5,494,951 | 68,233 | 0 | 5,563,184 |
| Buildings | 18,288,110 | 0 | 0 | 18,288,110 |
| Building improvements | 41,797,872 | 0 | 0 | 41,797,872 |
| Campus lighting | 40,955 | 0 | 0 | 40,955 |
| Equipment | 15,993,199 | 908,260 | 43,366 | 16,858,093 |
| Construction | 85,400 | 173,996 | 76,600 | 182,796 |
| | <u>82,612,418</u> | <u>1,150,489</u> | <u>119,966</u> | <u>83,642,941</u> |
| Accumulated depreciation | 46,318,772 | 1,908,487 | 43,366 | 48,183,893 |
| Total net fixed assets | <u>\$36,293,646</u> | <u>(\$757,998)</u> | <u>\$76,600</u> | <u>\$35,459,048</u> |
| Fixed debt: | | | | |
| Bonds payable | \$4,800,000 | \$1,000,000 | \$765,000 | \$5,035,000 |
| Debt certificate | 1,000,000 | 0 | 1,000,000 | 0 |
| Other fixed liabilities | 331,622 | 644,140 | 333,893 | 641,869 |
| Net other postemployment benefit liabilities | 10,923,478 | 640,462 | 0 | 11,563,940 |
| Total fixed debt | <u>\$17,055,100</u> | <u>\$2,284,602</u> | <u>\$2,098,893</u> | <u>\$17,240,809</u> |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 3

Operating Funds Revenues and Expenditures

Year ended June 30, 2019

| | Education Fund | Operations and Maintenance Fund | Total Operating Funds |
|---|---------------------|--|-----------------------------|
| Operating revenues by source: | | | |
| Local government revenue: | | | |
| Local taxes | \$3,966,443 | \$798,286 | \$4,764,729 |
| Corporate personal property replacement tax | 450,574 | 120,252 | 570,826 |
| Other local revenue | 5,001 | 1,007 | 6,008 |
| Total local government revenue | 4,422,018 | 919,545 | 5,341,563 |
| State government: | | | |
| ICCB base operating grant | 889,725 | 568,777 | 1,458,502 |
| ICCB equalization grant | 2,052,760 | 0 | 2,052,760 |
| ICCB career and technical education | 189,180 | 0 | 189,180 |
| ICCB other | 25,030 | 0 | 25,030 |
| Total state government | 3,156,695 | 568,777 | 3,725,472 |
| Federal government - | | | |
| Department of education | 4,875 | 0 | 4,875 |
| Student tuition and fees | | | |
| Tuition | 6,515,802 | 650,000 | 7,165,802 |
| Fees | 1,438,816 | 0 | 1,438,816 |
| Less waivers | (2,175,307) | 0 | (2,175,307) |
| Total student tuition and fees | 5,779,311 | 650,000 | 6,429,311 |
| Other sources: | | | |
| Facilities revenue | 0 | 39,098 | 39,098 |
| Investment revenue | 54,692 | 84,637 | 139,329 |
| Other | 519,765 | 12,408 | 532,173 |
| Transfers in | 493,383 | 38,331 | 531,714 |
| Total other sources | 1,067,840 | 174,474 | 1,242,314 |
| Total revenues | \$14,430,739 | \$2,312,796 | \$16,743,535 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 3

Operating Funds Revenues and Expenditures (Continued)

Year ended June 30, 2019

| | Education Fund | Operations and Maintenance Fund | Total Operating Funds |
|-------------------------------------|---------------------|--|-----------------------------|
| Operating expenditures: | | | |
| By Program: | | | |
| Instruction | \$8,060,330 | \$0 | \$8,060,330 |
| Academic support | 1,061,446 | 0 | 1,061,446 |
| Student services | 1,824,516 | 0 | 1,824,516 |
| Public service/continuing education | 337,151 | 0 | 337,151 |
| Operations and maintenance | 0 | 2,262,365 | 2,262,365 |
| Institutional support | 2,911,590 | 0 | 2,911,590 |
| Transfers | 12,731 | 516,144 | 528,875 |
| Total expenditures | 14,207,764 | 2,778,509 | 16,986,273 |
| Less nonoperating items - | | | |
| Instructional service contracts | 0 | 0 | 0 |
| Adjusted expenditures | \$14,207,764 | \$2,778,509 | \$16,986,273 |
| By object: | | | |
| Salaries | \$10,097,769 | \$708,043 | \$10,805,812 |
| Employee benefits | 2,071,445 | 234,531 | 2,305,976 |
| Contractual services | 331,035 | 227,818 | 558,853 |
| General materials and supplies | 1,336,264 | 175,974 | 1,512,238 |
| Library materials* | 107,599 | 0 | 107,599 |
| Conference and meeting expenses | 176,949 | 517 | 177,466 |
| Fixed charges | 133,728 | 96,218 | 229,946 |
| Utilities | 0 | 798,707 | 798,707 |
| Capital outlay | 35,492 | 20,557 | 56,049 |
| Other | 12,352 | 0 | 12,352 |
| Transfers out | 12,730 | 516,144 | 528,874 |
| Total expenditures | 14,207,764 | 2,778,509 | 16,986,273 |
| Less nonoperating items - | | | |
| Instructional service contracts | 0 | 0 | 0 |
| Adjusted expenditures | \$14,207,764 | \$2,778,509 | \$16,986,273 |

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 4

Restricted Purposes Fund Revenues and Expenditures

Year ended June 30, 2019

Revenue by source:

| | |
|--|---------------------|
| <u>Total local government</u> | |
| State government | |
| ICCB - adult education | \$188,111 |
| On-behalf CIP | 788,358 |
| On-behalf SURS | 7,779,380 |
| Other | 485,115 |
| <u> Total state government</u> | <u>9,240,964</u> |
| Federal government: | |
| Department of Education | 4,294,010 |
| Department of Labor | 1,287,506 |
| Other | 0 |
| <u> Total federal government</u> | <u>5,581,516</u> |
| Other sources: | |
| Tuition and fees | 0 |
| Other | 1,127,777 |
| <u> Total other sources</u> | <u>1,127,777</u> |
| <u> Total restricted purposes fund revenues</u> | <u>\$15,950,257</u> |

| | |
|--|---------------------|
| Expenditures by program: | |
| Instruction | \$5,746,687 |
| Academic support | 406,859 |
| Student services | 1,336,086 |
| Public service/continuing education | 1,419,224 |
| Auxiliary services | 271,270 |
| Operations and maintenance of plant | 483,754 |
| Institutional support | 1,660,783 |
| Scholarships, grants, and waivers | 4,393,173 |
| <u> Total restricted purposes fund expenditures</u> | <u>\$15,717,836</u> |

| | |
|--|---------------------|
| Expenditures by object: | |
| Salaries | \$1,043,390 |
| Employee benefits | 8,847,177 |
| Contractual services | 350,679 |
| Student financial aid | 4,401,995 |
| General materials and supplies | 700,031 |
| Library materials* | 0 |
| Travel and conference/meeting expenses | 38,431 |
| Fixed charges | 71,063 |
| Utilities | 721 |
| Capital outlay | 256,051 |
| Other | 8,298 |
| <u> Total restricted purposes fund expenditures</u> | <u>\$15,717,836</u> |

*Non-add line

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 5
Current Funds Expenditures by Activity
Year ended June 30, 2019

| | |
|---|--------------|
| Instruction | |
| Instructional programs | \$13,807,017 |
| Academic support: | |
| Library center | 458,148 |
| Instructional materials center | 21,809 |
| Educational media services | 33,551 |
| Academic computing support | 274,993 |
| Other* | 679,804 |
| Total academic support | 1,468,305 |
| Student services: | |
| Admissions and records | 382,706 |
| Counseling and career guidance | 826,188 |
| Financial aid administration | 248,123 |
| Other* | 1,703,585 |
| Total student services | 3,160,602 |
| Public service/continuing education: | |
| Community education | 183,125 |
| Customized training (Instructional) | 935,736 |
| Community services | 137,106 |
| Other* | 520,948 |
| Total public service/continuing education | 1,776,915 |
| Auxiliary services (including SURS on-behalf) | 1,113,710 |
| Operations and maintenance of plant: | |
| Maintenance | 555,331 |
| Custodial services | 611,801 |
| Grounds | 68,592 |
| Campus security | 3,619 |
| Utilities | 783,696 |
| Administration | 120,764 |
| Other* | 602,316 |
| Total operations and maintenance of plant | 2,746,119 |
| Institutional support: | |
| Executive management | 695,769 |
| Fiscal operations | 334,875 |
| Community relations | 346,628 |
| Administrative support services | 561,236 |
| Board of trustees | 18,052 |
| General institution | 1,576,626 |
| Institutional research | 169,695 |
| Administrative data processing | 445,309 |
| Other* | 1,996,482 |
| Total institutional support | 6,144,672 |
| Scholarships, student grants, and waivers | 3,647,164 |
| Total current funds expenditures | \$33,864,504 |


(1) Current funds include: Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection and Settlement; and Board Restricted.


* Includes State of Illinois On-behalf payments

Danville Area Community College - Community College District No. 50
 Certificate of Chargeback Reimbursement
 For Fiscal Year 2020

All Fiscal Year 2019 Non-Capital Audited Operating Expenditures From the Following Funds:

| | |
|---|-----------------------|
| Education | \$ 14,159,541 |
| Operations and maintenance fund | 2,241,808 |
| Bond and interest fund | 976,443 |
| Restricted purposes fund | 6,894,047 |
| Audit fund | 46,940 |
| Liability, protection and settlement fund | <u>799,890</u> |
| Total non-capital expenditures | <u>23,825,296</u> |
| Depreciation on capital outlay expenditures from sources other than state and federal funds | <u>698,282</u> |
| Total costs included | <u>24,523,578</u> |
| Total certified semester credit hours for FY 2019 | <u>41,311.5</u> |
| Per capita cost | <u>593.63</u> |
| All FY 2019 state and federal operating grants for non-capital expenditures, except ICCB grants | 6,894,047 |
| Fiscal year state and federal grants per semester credit hour | <u>166.88</u> |
| District's average ICCB grant rate for fiscal year 2020 | <u>38.83</u> |
| District's student tuition and fee rate per semester credit hour for fiscal year 2020 | <u>160.00</u> |
| Chargeback reimbursement per semester credit hour | <u>\$ 227.92</u> |

Approved: 
 Chief Financial Officer

Approved: 
 President



Independent Auditor's Report on the Adult Education and Family Literacy Grants Program

Board of Directors
Danville Area Community College
Community College District No. 507
Danville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Danville Area Community College, Community College District No. 507 (College), which comprise of the statement of net position as of June 30, 2019, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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 (ICCB).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion, and the College is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Danville Area Community College, Community College District No. 507 as of June 30, 2019, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants do not purport to, and do not, present fairly the financial position of Danville Area Community College, Community College District No. 507, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board. However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

Wipfli LLP

Sterling, Illinois
October 30, 2019

Danville Area Community College - Community College District No. 507

State Adult Education Restricted Funds

(State Basic and Performance)

Statement of Net Position

June 30, 2019

ASSETS

| | |
|-------------------------------|-----------------|
| Cash | \$4,073 |
| Intergovernmental receivables | 15,927 |
| Total assets | \$20,000 |

LIABILITIES AND NET POSITION

| | |
|---|-----------------|
| Liabilities - | |
| Due to other funds | \$20,000 |
| Net position | 0 |
| Total liabilities and net position | \$20,000 |

Danville Area Community College - Community College District No. 507

State Adult Education Restricted Funds

Statement of Revenues, Expenditures, and Changes in Net Position

Year ended June 30, 2019

| | State Basic | Performance | Total |
|---|------------------------|--------------------|----------------|
| Revenues - ICCB grant | \$135,840 | \$52,271 | \$188,111 |
| Expenditures: | | | |
| Instruction | 67,724 | 1,296 | 69,020 |
| Social work services | 12,223 | 3,722 | 15,945 |
| Guidance services | 12,211 | 3,423 | 15,634 |
| Assessment and testing | 11,799 | 3,423 | 15,222 |
| Literacy services | 11,615 | 3,330 | 14,945 |
| Total instructional student services | 115,572 | 15,194 | 130,766 |
| Improvement of instructional services | 0 | 455 | 455 |
| General administration | 13,772 | 23,235 | 37,007 |
| Operation and maintenance of plant | 500 | 3,000 | 3,500 |
| Workforce coordination | 3,982 | 4,130 | 8,112 |
| Data and information services | 2,014 | 6,257 | 8,271 |
| Total program support | 20,268 | 37,077 | 57,345 |
| Total expenditures | 135,840 | 52,271 | 188,111 |
| Excess of revenues over expenditures | <u>\$0</u> | <u>\$0</u> | 0 |
| Net position, beginning of year | | | 0 |
| Net position, end of year | | | <u>\$0</u> |

Danville Area Community College - Community College District No. 507

ICCB Compliance Statement for the

State Adult Education Restricted Funds

Expenditure Amounts and Percentages for ICCB Grant Funds Only

| State Basic | Audited Expenditure Amount | Actual Expenditure Percentage |
|--|---|--|
| Instruction (45% minimum required) | \$67,724 | 49.86% |
| General Administration (15% maximum allowed) | \$13,772 | 10.54% |

RESTRICTED ADULT EDUCATION GRANTS

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

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

This information is an integral part of the accompany financial statements.

Note 1 Summary of Significant Accounting Policies

General

The accompanying statements include only those transactions resulting from the State Adult Education and Family Literacy Grants. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2019. Funds obligated for goods must be spent before December 31.

Fixed Assets

Fixed asset purchases are recorded as capital outlay and not capitalized. However, for the Statement of Net Position for the College as a whole, capital assets are capitalized.

Note 2 Payment of Prior Year's Encumbrances

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.



**Independent Accountant's Report on Enrollment Data
and Other Bases Upon Which Claims Are Filed**

Board of Trustees
Danville Area Community College
Community College District No. 507
Danville, Illinois

We have examined management of Danville Area Community College, Community College District No. 507 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Danville Area Community College, Community College District No. 507 during the period July 1, 2018 through June 30, 2019. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Danville Area Community College, Community College District No. 507 is fairly stated, in all material respects.

Wipfli LLP

Sterling, Illinois
October 30, 2019

Danville Area Community College - Community College District No. 507

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

For the year ended June 30, 2019

Total Reimbursable Semester Credit Hours by Term

| Credit Hour Categories | Summer Term | | Fall Term | | Spring Term | | Total All Terms | |
|------------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours |
| Baccalaureate | 2,284.0 | 0.0 | 10,600.5 | 14.0 | 10,524.5 | 0.0 | 23,409.0 | 14.0 |
| Business Occupational | 270.0 | 0.0 | 1,690.0 | 2.0 | 1,436.5 | 0.5 | 3,396.5 | 2.5 |
| Technical Occupation | 251.0 | 0.5 | 2,640.0 | 13.0 | 3,179.5 | 9.0 | 6,070.5 | 22.5 |
| Health Occupational | 579.0 | 0.0 | 2,750.5 | 0.0 | 2,400.5 | 0.0 | 5,730.0 | 0.0 |
| Remedial Development | 172.0 | 0.0 | 724.0 | 0.0 | 440.5 | 0.0 | 1,336.5 | 0.0 |
| Adult Education | 4.0 | 204.0 | 28.0 | 627.0 | 0.0 | 467.0 | 32.0 | 1,298.0 |
| | 3,560.0 | 204.5 | 18,433.0 | 656.0 | 17,981.5 | 476.5 | 39,974.5 | 1,337.0 |

| | In-District (All Terms) | | Dual Credit (All Terms) | | Dual Enrollment (All Terms) | |
|----------------------------|-------------------------|------------------|-------------------------|------------------|-----------------------------|------------------|
| | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours | Unrestricted Hours | Restricted Hours |
| Reimbursable Credit Hours: | 34,057.0 | 1,335.0 | 7,466.0 | 0.0 | 6.0 | 0.0 |

Credit Hours on Chargeback or Contractual Agreement: 590.5

District equalized assessed valuation \$1,086,140,805

Correctional Semester Credit Hours by Term

| Credit Hour Categories | Summer | Fall | Spring | Total |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| | Correctional Hours | Correctional Hours | Correctional Hours | Correctional Hours |
| Baccalaureate | 504.0 | 657.0 | 1,174.0 | 2,335.0 |
| Business Occupational | 0.0 | 0.0 | 80.0 | 80.0 |
| Technical Occupation | 0.0 | 0.0 | 629.0 | 629.0 |
| Health Occupational | 0.0 | 0.0 | 0.0 | 0.0 |
| Remedial Development | 0.0 | 0.0 | 0.0 | 0.0 |
| Adult Education | 0.0 | 0.0 | 0.0 | 0.0 |
| | 504.0 | 657.0 | 1,883.0 | 3,044.0 |

Signature: 
 President

Signature: 
 Chief Financial Officer (CFO)

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.

Danville Area Community College - Community College District No. 507

Verification of Student Residency (Unaudited)

The following procedures detail the process for verifying the residency status of the students of Danville Area Community College, Community College District No. 507.

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 "1" for in-district. Likewise, if there is an out-of-district or out-of-state address, then a code of "3" or "5" is used, respectively.

However, there are some exceptions to the above-mentioned 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.

Students

If a student 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 Records who makes the decision based upon pre-determined, allowable reasons.

Returned Mail

When any 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.



Independent Auditor's Report on the Illinois Cooperative Work Study Program Grant

Board of Directors
Danville Area Community College
Community College District No. 507
Danville, Illinois

Report on the Financial Statement

We have audited the accompanying financial statement of the Illinois Cooperative Work Study Program Grant of Danville Area Community College, Community College District No. 507 (College), which comprise of the statement of revenues, expenditures, and changes in fund balance – budget and actual for the grant period July 1, 2018 through August 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting of the Illinois Board of Higher Education Cooperative Work Study Program Grant. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the guidelines for the Illinois Cooperative Work Study Program Grant issued by the Illinois Board of Higher Education. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois Cooperative Work Study Program Grant of Danville Area Community College, Community College District No. 507 for the grant period July 1, 2018 through August 31, 2019, in accordance with the regulatory basis of accounting of the Illinois Board of Higher Education Cooperative Work Study Program Grant.

Basis of Accounting

We draw attention to Note 3 of the financial statement, which describes the basis of accounting. The financial statement has been prepared on the regulatory basis of accounting as required by the Illinois Board of Higher Education Cooperative Work Study Program Grant, which is a basis of accounting other than accounting principles generally accepted in the United States, to comply with the requirements of the Illinois Board of Higher Education Cooperative Work Study Program Grant. Our opinion is not modified with respect to this matter.

Emphasis of Matter

The financial statement 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.

Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the grant agreement of the Illinois Cooperative Work Study Program Grant, inclusive, insofar as they relate to accounting matters. 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. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above-referenced grant agreement, insofar as they relate to accounting matters.

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of Danville Area Community College, Community College No. 507 and the Illinois Board of Higher Education and is not intended to be, and should not be, used by anyone other than these specified parties.

Wipfli LLP

Sterling, Illinois
October 30, 2019

Illinois Department of Professional Regulation
License Number 066-004023

Danville Area Community College - Community College District No. 507
 Illinois Cooperative Work Study Program
 Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the period July 1, 2018 through August 31, 2019

| | Budget | Actual | Variance With Budget |
|--------------------------------------|------------|------------|----------------------------|
| Revenues - | | | |
| Cooperative work study program grant | \$25,366 | \$25,366 | \$0 |
| Expenditures - | | | |
| Student salaries and other expenses | 25,366 | 25,366 | 0 |
| Excess of revenues over expenditures | <u>\$0</u> | 0 | <u>\$0</u> |
| Fund balance, beginning of year | | <u>0</u> | |
| Fund balance, end of year | | <u>\$0</u> | |

See Notes to ICCB Grant Programs Financial Statements.

Danville Area Community College - Community College District No. 507

Illinois Cooperative Work Study Program Grant

Notes to Financial Statement

Grant period ending August 31, 2019

Note 1 Program Background

The Illinois Cooperative Work Study Program is an internship program which provides undergraduate students from 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 50 percent of each intern's stipend.

Note 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 Danville Area Community College.

Note 3 Basis Of Presentation

The financial statement is presented on the regulatory basis of accounting as required by the Illinois Board of Higher Education Cooperative Work Study Program. Grants are recorded as revenue when cash is received and expenditures are recorded when incurred or when obligations are established by executing purchase orders or firm contracts as of August 31, 2019. Expenditures must be paid or liquidated within 90 days after the close of the program year.

This information is an integral part of the accompanying financial statement.

FEDERAL REPORTING SECTION



**Independent Auditor's 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***

To the Board of Trustees
Danville Area Community College
Community College District No. 507
Danville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Danville Area Community College, Community College District No. 507 (the College) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 31, 2019. Our report includes a reference to other auditors who audited the financial statements of Danville Area Community College Foundation, as described in our report on the College's financial statements. The financial statements of Danville Area Community College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is in integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Sterling, Illinois
October 30, 2019



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance

To the Board of Trustees
Danville Area Community College
Community College District No. 507
Danville, Illinois

Report on Compliance for Each Major Federal Program

We have audited Danville Area Community College, Community College District No. 507's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

Opinion on Each Major Federal Program

In our opinion, Danville Area Community College, Community College District No. 507 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Sterling, Illinois
October 30, 2019

Danville Area Community College - Community College District No. 507

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2019

| Federal Grantor/Pass through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------------|--|-------------------------|---------------------------------------|
| U.S. Department of Agriculture | | | | |
| Passed through Illinois State Board of Education: | | | | |
| Child & Adult Care Food Program | 10.558 | N/A | \$29,906 | \$0 |
| Total U.S. Department of Agriculture | | | \$29,906 | \$0 |
| U.S. Department of Labor | | | | |
| Passed through Illinois Department of Commerce and Economic Opportunities (DCEO): | | | | |
| WIOA - 1E | 17.278 | 16-651018 | \$10,819 | \$0 |
| WIOA - Dislocated Worker | 17.278 | 420-30-0076 | 338,908 | 0 |
| WIOA - ICP Pipeline - Dislocated Worker | 17.278 | 420-30-0075 | 52,924 | 0 |
| WIOA - WERC | 17.278 | 420-30-0075 | 108,778 | 0 |
| Total WIOA Dislocated Worker | | | 511,429 | 0 |
| WIOA - TAA | 17.245 | 420-30-0074 | 6,328 | 0 |
| WIOA - Adult Program | 17.258 | 420-30-0076 | 375,488 | 0 |
| WIOA - ICP Pipeline - Adult Program | 17.258 | 420-30-0075 | 37,635 | 0 |
| Total WIOA Adult Program | | | 413,123 | 0 |
| WIOA - Youth Program | 17.259 | 420-30-0076 | 295,979 | 91,004 |
| WIOA - ICP Pipeline - Youth Program | 17.259 | 420-30-0075 | 40,117 | 0 |
| Total WIOA Youth Program | | | 336,096 | 91,004 |
| Total U.S. Department of Labor | | | \$1,266,976 | \$91,004 |
| U.S. Department of Education: | | | | |
| Direct awards: | | | | |
| Student Financial Assistance Cluster: | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007* | | \$122,971 | \$0 |
| Federal Work-Study Program | 84.033* | | 106,635 | 0 |
| Federal Pell Grant Program | 84.063* | | 3,409,827 | 0 |
| Federal Direct Student Loans | 84.268* | | 667,549 | 0 |
| Total student financial assistance cluster | | | 4,306,982 | 0 |
| TRIO Student Support Services | 84.042 | | 319,119 | 0 |
| Passed through Illinois Community College Board: | | | | |
| VE - Perkins - Title II C - Post Secondary | 84.048 | 684-00-0465 | 252,483 | 0 |
| Adult Education - Federal Basic | 84.002 | 684-01-1625 | 95,695 | 0 |
| Total ICCB | | | 348,178 | 0 |
| Total U.S. Department of Education | | | \$4,974,279 | \$0 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$6,271,161 | \$91,004 |

* denotes major program

Danville Area Community College - Community College District No. 507

Notes to Schedule of Expenditures of Federal Awards

Note 1 Summary Of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Danville Area Community College, Community College District No. 507 (the "College") for the year ended June 30, 2019, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 Federal Non-Cash Assistance

Danville Area Community College did not receive any federally provided insurance, or federal loan or loan guarantees.

Note 3 Indirect Cost Rate

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

This information is an integral part of the accompanying financial schedule.

Danville Area Community College - Community College District No. 507
 Schedule of Findings and Questioned Costs

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness(es) identified? yes no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
 Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? yes no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es) yes none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------------------|---|
| 84.007, 84.033, 84.063, 84.268 | Student Financial Assistance Cluster |

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

Auditee qualified as low-risk auditee? yes no

Danville Area Community College - Community College District No. 507
Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

Danville Area Community College - Community College District No. 507
Summary Schedule of Prior Audit Findings

None