

DANVILLE AREA COMMUNITY COLLEGE

Community College District No. 507
Danville, Illinois

Comprehensive Annual Financial Report

FISCAL YEARS ENDED JUNE 30, 2016 AND 2015



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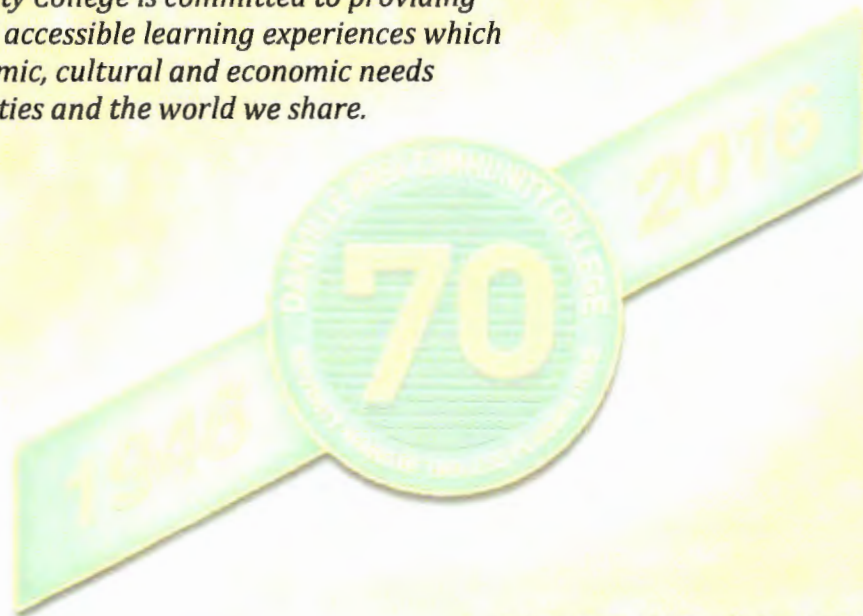
FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

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Finance and Administration Office

Tammy L. Clark-Betancourt
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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.



**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Years Ended June 30, 2016 and 2015**

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INTRODUCTORY SECTION



October 13, 2016

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, 2016, 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.

PROFILE OF THE COLLEGE

Danville Area Community College is a comprehensive community college operating in accordance with the provisions of the Illinois Public Community Act and is recognized by the Illinois Community College Board (ICCB). The College is accredited by the Higher Learning Commission of North Central Association of Colleges and Schools. While the campus is located in Danville, the College District encompasses high school districts in Vermilion, Edgar, Iroquois, Ford and Champaign counties with an estimated population of 86,300.

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 an active partner in building and maintaining the academic excellence and economic vitality of the diverse communities we serve. This vision will be accomplished by:

- Providing a friendly and dynamic environment in which to learn and grow;
- Embracing the ever-changing world of technology;
- Creating a learning culture where assessment of student academic achievement is valued across the institution, departments, and programs;
- Offering an affordable and convenient education for students;
- Promoting a global perspective of education;
- Reflecting diversity and inclusiveness in our students, faculty, and staff;
- Cultivating partnerships with the community to develop innovative and vital solutions to meet changing academic and economic needs;
- Challenging students to explore their full potential through rigorous academics, diverse campus organizations, and innovative career experiences; and
- Enhancing opportunities for student success through comprehensive support services.

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 in order 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 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 is stronger and more resilient in spite of the current weakened economy. This is attributed to past enrollment growth, sound financial planning, a long-term strategic financial plan, budget performance, and an adequate tax base. Over the last ten years, the College's net position has increased from \$47.8 million in fiscal year 2006 to \$52.1 million in fiscal year 2016.

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 and retail. Some of the largest employers in the district are the Department of Veterans Affairs Illiana Healthcare System, Vermilion County Public Schools, McLane Midwest Company, ThyssenKrupp (Crankshaft and Presta), School District No. 118, Vermilion County Government, Presence Health United Samaritans Medical Center, KIK Custom Products, Genpact, and Quaker Food and Beverage.

Unemployment in the Danville Metropolitan Statistical Area has traditionally been relatively modest. From 2007 through 2009, unemployment ranged between 6.0% and 7.9% annually and increased significantly in 2010 (3.5% increase). As in most other U.S. communities, in 2011 the rate increased to its highest point of 12.1% in the last ten years. While 2012 and 2013 the rate was on a downward trend, unfortunately, in 2014 it jumped back up almost 1 percentage point to 10.7%, but is trending downward again at 8.6% for 2015 and 7.10% for 2016. Typically as unemployment decreases, enrollment also decreases, which has been the case for the College the last several years. Full-time equivalent enrollment is at pre-2009 levels of below 2,000 and credit hours are less than they were in 2007.

Tax Base:

The District's fiscal year 2015 tax levy base of \$986,086,819 experienced an approximate 2.9% increase over the 2014 tax levy base. This increase is attributable to the addition of approximately \$32 million of wind turbine farms. This addition generated approximately \$200,000 of property tax revenue for the College in FY16.

The tax base is diverse, with the ten largest taxpayers making up only 6.3% of the EAV. The 2015 EAV was comprised of 46% residential, 30% farm, 17% commercial, 4% industrial and 3% mineral (includes wind farms). Local property taxes will continue to be a significant source of revenue to the College. During fiscal year 2016, local property taxes accounted for approximately 34% of total operating funds receipts.

Net Position and Liquidity:

Net position decreased from \$55.8 million at the end of fiscal year 2015 to \$52.1 million at the end of 2016. Net position was almost 200% of total fiscal year 2016 operating expenses. Liquidity is strong, with \$12.3 million of cash and cash equivalents at year end. An additional indicator of financial strength is the College's "Aa2" Moody's rating. This rating is only two steps from the highest rating of "Aaa". This rating was reviewed in March of 2016, along with 18 other Illinois community colleges, in response to the State of Illinois' financial distress and the budget impasse. The result was an affirmation of the current "Aa2", along with the assignment of a "Negative Outlook". The negative outlook was directly attributable to the "state's lack of an adopted budget and the state's persistent fiscal pressure".

College Enrollment:

After experiencing an explosion in fiscal year 2010 (28% increase in full-time equivalent students and 25% increase in credit hours), enrollment has been steadily declining. While full-time equivalent students has remained steady, credit hours are down approximately 6.6% in fiscal year 2016 when compared to fiscal year 2015 and are below 2007 levels. The likely reason for the downward trend in the last several fiscal years is due to the corresponding downward trend in unemployment. Unemployment in 2007 was 6.0% and in 2016, 7.10%.

While the fiscal year 201 budget was predicated on an overall 4% decrease in credit hours over fiscal 2016, a tuition and fee increase of \$10 was made in summer of 2016 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 \$140 is comparable to many other community colleges.

State of Illinois:

Given the State of Illinois has been operating without a budget since July 1, 2015, its fiscal stability is uncertain at best. Combined with the growing State pension crisis, the future of State funding for the College continues to be a significant concern. Pension reform, if and when implemented, could have a significant financial impact on the College, specifically if the employer cost is shifted from the State to the College. The College only received in FY16 approximately 27% of what was received in FY15 and currently, only expects to receive in FY17 approximately 50% of what was received in FY15. Strategies have been developed for addressing funding shortages.

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. 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. As a result of these efforts, a record number of scholarships were awarded for FY16; 512 scholarships were awarded for \$507,362. Additionally \$346,263 was provided to the College in support of the Library, programs, instructional equipment and computers.

STUDENT SUCCESS – ACHIEVING THE DREAM

During fiscal year 2008, the College entered into Achieving the Dream (ATD), a national program designed to promote student success in community colleges. Achieving the Dream, Inc. is a national nonprofit that is dedicated to help more community college students, particularly low-income students, first-time students and students of color, stay in school and earn a college certificate or degree. Evidence-based, student-centered, and built on the values of equity and excellence, Achieving the Dream is closing achievement gaps and accelerating student success nationwide by: 1) transforming community college practices, 2) leading policy change, 3) generating knowledge, and 4) engaging the public. As a member college of this organization, the College has agreed to engage its faculty, staff, and administrators in a process of continuous inquiry, using data to identify gaps in student achievement and to implement strategies for improving student success. In improving outcomes for these students, research has shown colleges to increase success rates of all students.

In August, 2013, Danville Area Community College was one of eight Achieving the Dream Institutions to have earned Leader College distinction for showing evidence of measurable improvements in student achievements. Leader College Institutions “are showing promising progress in their student success efforts, proving that a concerted effort on broad faculty engagement, professional development, and an overall culture change at the institution is producing tangible results by increasing student persistence and closing achievement gaps”.

The College continues to support student success activities related to Achieving the Dream as excerpted from our “Achieving the Dream Annual Reflection Narrative”:

The use of data in making decisions at DACC has definitely permeated the campus culture since the start of our involvement with Achieving the Dream. This past year, our Institutional Effectiveness office conducted the Noel-Levitz Student Satisfaction Inventory (SSI) during the Fall 2015 semester and the Community College Survey of Student Engagement (CCSSE) during the Spring 2016 semester. The college plans to conduct these surveys during the fall semester of odd years for Noel-Levitz and during the spring semester of odd years for the CCSSE. College leadership feels that these surveys provide very insightful qualitative data and have committed to providing the financial resources needed to administer these surveys even during these tough economic times.

The Institutional Effectiveness office previously administered the Noel-Levitz SSI in the Fall 2010 semester, and using that as our baseline measure, we found several areas where our student satisfaction has increased over the last five years. Students find our faculty more accessible and feel like they care more about them as an individual. More students also feel a sense of belonging on campus from both faculty and administrators and that they seldom get the “run-around” when seeking information on campus. The

professional development and training that we have held over the last few years concerning equity and student engagement are paying off with students feeling more welcome on campus.

Last year, the president of the Danville Housing Authority (DHA) board met with Dr. Jacobs to discuss options for teaching financial literacy. Existing programs seemed to be a duplication of services without very high outcomes. Dr. Jacobs suggested the poverty construct and a series of meetings lead to providing the Getting Ahead training for residents of the federal housing project Fair Oaks in Danville as a pilot. The college provided Carla's time as a facilitator for the course and DHA provided funding for textbooks and materials. The 15-week program was offered and the maximum of 12 students were accepted into the group.

- Of the 12 participants, 100% graduated from the 15-week class.
- 58% continued to meet for 5 additional weeks to follow up with the life plans created during the program producing resumes and planning continued education.
- One student from the class was awarded an internship by Vermilion County to work and gain additional skills.
- 17% are now attending classes at Danville Area Community College from taking classes to help them pass their high school completion exam to classes in nursing and general studies
- DHA was very pleased with the results and the next class is currently underway.

For the Fall 2015 semester, Dr. Wendy Brown from the Math/Science Division and Ryan Wycoff from the Liberal Arts Division collaborated on a learning community where students signed up for both BIOL 100 Life Science and SPCH 101 Oral Communication in a cohort. Both are courses that are applicable to an Associate of Science and Arts transfer degree as a Life Science and Communications requirement respectively, and both courses are very popular on their own, so Ryan and Wendy thought they would be more beneficial together. Wendy and Ryan created lesson plans that crossed subjects (for example, the students used information they learned in Life Science for their informative speeches in Speech) and utilized the same classroom in Lincoln Hall that had been updated to facilitate this contextualized learning style. Students registered for the classes at the same time with Speech meeting MWF from 9 – 9:50 a.m. and the Life Science lecture meeting MWF 10 – 10:50 a.m. Seventeen students enrolled in the Fall 2015 cohort and only two withdrew (an 88% completion rate). When surveyed, 100% responded that they agreed or strongly agreed with the following statements:

- I got to know my learning community classmates better than in other classes.
- I felt welcome in my learning community classes.
- My learning community instructors were knowledgeable.
- I would recommend this learning community to another student.

Some comments from students when asked “What did you like about the learning community?” were:

- I really enjoyed the instructors and course materials, along with my fellow students.
- The same people were in each class and we could help each other out. We became a lot more comfortable. We didn't have to worry about being late to the next class or rushing.

- *I liked how my teachers combined projects and together made each class more interesting.*

Wendy and Ryan are offering another BIOL 100/SPCH 101 cohort this coming fall semester and already have a full class. Once they have a few cohorts of data, Wendy and Ryan plan on sharing their findings and experiences teaching in a learning community with other faculty on campus.

When interviewing faculty, staff, students, and community members about items of focus for the 2013-2016 strategic plan, the main questions asked centered on what DACC does right in terms of increasing student success and what challenges DACC faces in terms of increasing student success. Eighteen topics were finalized based on these questions, all related to student success in some way. Some of these topics include:

- *Make revisions and enhancements to the counseling/advising process to improve student success*
- *Modify all policies and procedures that are detrimental to student success*
- *Implement an early warning system to identify at-risk students*
- *Review staffing levels to insure adequate personnel to focus on student success*
- *Provide state of the art technology to enhance learning, student success, safety, and productivity*
- *Embrace diversity across campus*

Each topic included several sub-topics, many of which evolved into the interventions discussed within this annual reflection such as mandatory advising, the mentoring program, and multiple measures of assessment. This year, our Director of Grants and Planning is interviewing internal and external stakeholders again to determine how the College should best move forward over the next three years, and these questions are main components of the focus groups yet again. Student success is a main part of departmental assessments and budget allocations as well. If a request cannot be tied to student success in some way, it is not likely to be approved.

Introduced to students for the Fall 2015 semester and available 24/7 through the Jaguar Spot student web portal, degree audit (or program evaluation) is a way for students to keep track of their program requirements at any time during the semester. Courses that students have completed or are currently registered will populate under the general education and major-specific requirements for the student's current certificate or degree program. Students can also run a "what-if" analysis to see how classes they have taken would be applied to another program. Course substitutions and waivers are also be posted to a student's program evaluation/degree audit so advisors, financial aid, records, and the student can all be on the same page about remaining requirements.

The "How Close Are You?" campaign is a recruitment and completion campaign that started in the Spring 2015 semester. Using degree audit, we were able to run program evaluations on any students with 45 or more credit hours who had last attended DACC during the 2013-2014 school year to see if any had earned certificates or degrees but never applied to graduate or determine how close they are to earning their credential.

Specific goals and plans for 2016-2017 as also excerpted from our “Achieving the Dream Annual Reflection Narrative” include:

- *Our goals for the upcoming year in terms of data and technology include purchasing and launching the Colleague Student Planning software and finding ways to address data needs with a reduction in resources. We feel that this software is a necessary step in moving our student success agenda forward and are going to plan accordingly. We also plan to utilize our Achieving the Dream Data Team to assist the Institutional Effectiveness office in data analysis for our Key Performance Indicators. This will help with the reduction in the Institutional Effectiveness office.*
- *Our teaching and learning goals center on continuing our work in faculty engagement and sharing best practices to increase student success. The Teaching and Learning sub-team will continue to offer Teaching Excellence Academies as well as Part-Time Faculty Academies for our full- and part-time faculty. The Vice President of Instruction and Student Services has also committed time to continue to better develop learning outcomes during Faculty and Staff In-Services. Faculty appreciate this time to re-evaluate goals and work as part of a team within their departments and division.*
- *For our “How Close Are You?” campaign, we are currently working on reviewing students with more than 45 hours who last attended during the 2014-2015 school year and are expecting to see similar results as we had this year. The Director of Admissions and Records and Director of Institutional Effectiveness are also going to use our automated degree audit process to review current students in programs with stackable credentials to determine who is currently eligible for certificates that may not have applied for them. Both of these measures will help increase our completion rates.*

STUDENT SUCCESS – HIGH SCHOOL INITIATIVES

Middle College: Middle College is a student success initiative that is more focused. This 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 twelfth year, experienced steady enrollments in FY16. This program provides 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, on campus or online.

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 field.

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. In addition, the College offers a bridge program called Accelerating Opportunities in which students can earn college credit while working toward a GED and reaching their educational goals much quicker. Instructors in Adult Basic Education will partner with career instructors in Healthcare, Automotive Technology and Manufacturing to coordinate curriculum and advance students in one of the three chosen career pathways.

The Corporate arm of the Corporate and Community Education Division is committed to serving the training and consulting needs of the business, industrial, labor and professional community. The goal of Corporate Education at Danville Area Community College is to assist effectively business and industry to become world class businesses by joining with them in Total Training Partnerships. The Community Education arm of the Division 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 is needed and desired by employers.

STRATEGIC INITIATIVES

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

- Two new associate degrees, Associate in Fine Arts in Art and Associate in Fine Arts in Art Education, were approved by the Illinois Community College Board and the Board of Higher Education
- Developed a Student Learning Laboratory on a 5.5 acres of land for use by students in Agriculture, Horticulture, Biology and Sustainability; land is accessible through a no cost lease between the College and the property owners
- Developed a pilot Second Chance Scholarship Program (a retroactive scholarship) to provide a path for students with past due balances to attend the College
- Purchased the Student Planning module of Ellucian Colleague as part of our approved Higher Learning Commission (HLC) Quality Project of implementing and supporting mandatory advising; this software will provide enhanced technology to students and advisors improving communication, integrating advisement strategies into the student's quest for a certificate and/or degree, and accelerating time-to-degree
- Continued the operation of the Volunteer Income Tax Assistance (VITA)
- Continued emphasis on Institutional Effectiveness and Assessment activities.
- Issued \$1,000,000 in General Obligation Funding Bonds to fund technological and instructional equipment purchases and deferred maintenance capital projects
- A strategic plan matrix for FY17 was created and development of the FY18 matrix has begun
- Preparation and planning for our next accreditation visit (2018-2019) by the Higher Learning Commission
- Implemented "Essential Spending Guidelines" and other cost saving measures in response to the state budget impasse

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.

A renovation to the Ornamental Horticulture Building was completed as a result of a generous donation by Mr. Julius Hegeler II and the building was named the Julius W. Hegeler II Ornamental Horticulture Building.

An exchange of property with U.S. Department of Veterans Affairs VA Illiniana Healthcare System was approved by Congress and signed by President Barack Obama. The exchange involves the College transferring 1.06 acres on which a Gazebo is located to the VA and the VA transferring 0.6 acres on which the Carnegie Library is located to the College. The transfer is now awaiting approval at the U.S. Department of Veterans Affairs.

OTHER INFORMATION

Independent Audit.

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was selected by the College's Board of Trustees. CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified (clean) opinion on Danville Area Community College, Community College District No. 507's CAFR for the year ended June 30, 2016. 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 the federal Single Audit Act of 1996 and related Uniform Grant Guidance. CliftonLarsonAllen LLP, Certified Public Accountants, have issued unqualified (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 with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Grant 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, 2015. This was the third 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. Clark-Betancourt

Tammy L. Clark-Betancourt
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 | 2017 |
| Dr. Ronald E. Serfoss | Vice-chair | 2019 |
| Mr. William B. Black | Trustee | 2021 |
| Mr. Richard A. Cheney | Trustee | 2017 |
| Mrs. Tonya S. Hill | Trustee | 2021 |
| Mr. John Spezia | Trustee | 2017 |
| Mr. Greg Wolfe | Trustee | 2019 |
| Mr. Logan Haun | Student Trustee | 2017 |

OFFICERS OF THE COLLEGE

| <u>Name</u> | <u>Position</u> |
|--------------------------------|---|
| Dr. Stephen Nacco | President |
| Mrs. Tammy L. Clark-Betancourt | Board Treasurer/Chief Financial Officer |
| Mrs. Kerri Thurman | Board Secretary |
| Mr. Dave Keitzmann | Vice President for Instruction and Student Services |

OFFICIAL ISSUING REPORT

Mrs. Tammy L. Clark-Betancourt Board Treasurer/Chief Financial Officer

DIVISION ISSUING REPORT

Finance and Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

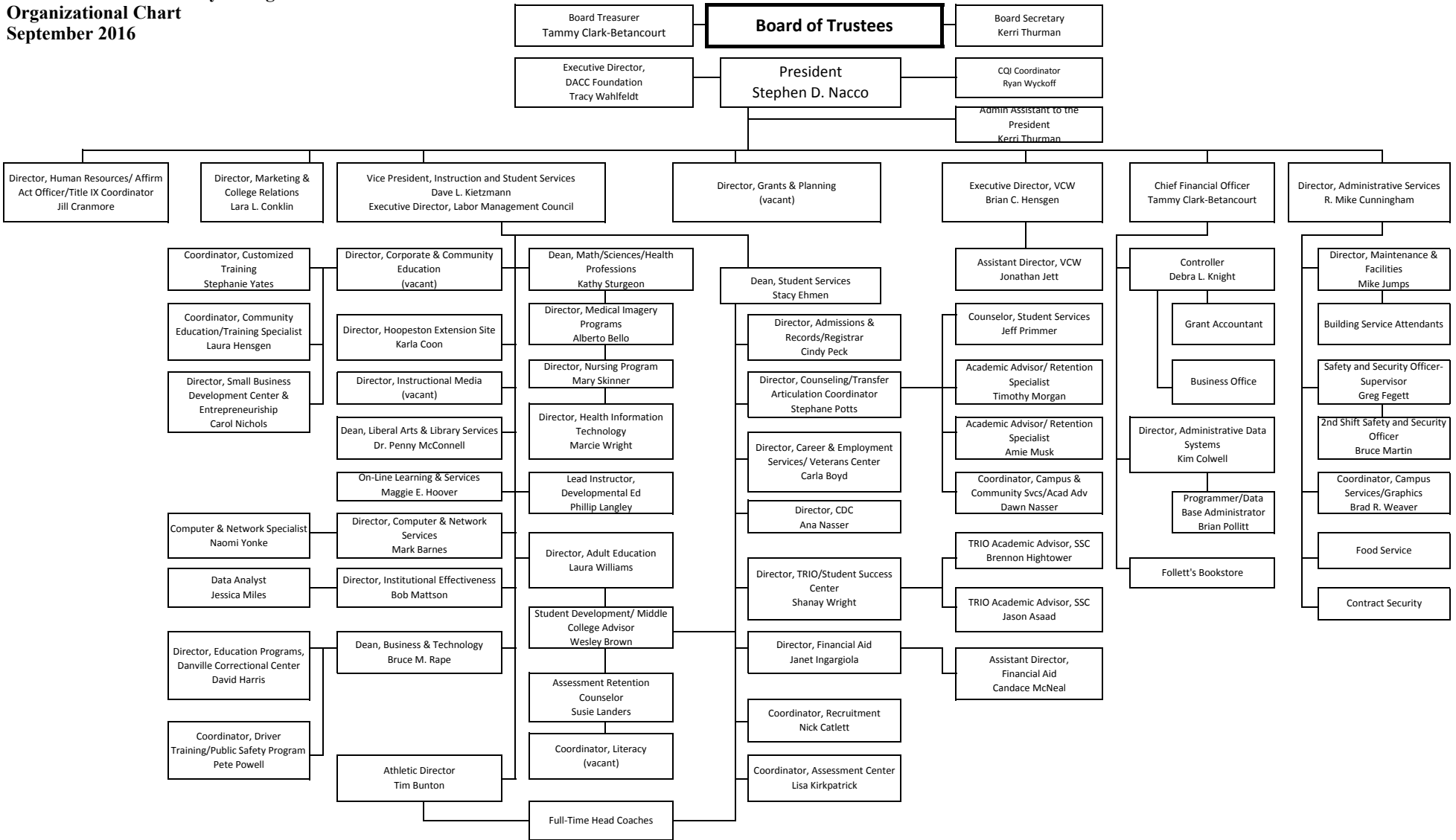
**Danville Area Community College
Community College District No. 507
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Danville Area Community College
Organizational Chart
September 2016



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, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the entity'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 the basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the College's component unit were not audited in accordance with *Government Auditing Standards*. Those standards 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Danville Area Community College and its discretely presented component unit as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 28 and the defined benefit pension plan information on page 63 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 of America, 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary financial information on pages 91 through 97 and the Uniform Financial Statements on pages 98 through 104 are presented for purposes of additional analysis are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information, Uniform Financial Statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables listed in the table of contents 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 13, 2016 on our consideration of the Danville Area Community College, Community College District No. 507's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Danville Area Community College, Community College District No. 507's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 (pages 1 - 12) and the College's basic financial statements (pages 29-34). 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.

Implementation of Governmental Accounting Standards Board (GASB) Statement Number 68

The Governmental Accounting Standards Board (GASB) issued Statement Number 68, Accounting and Financial Reporting for Pensions, which addresses the accounting and financial reporting by state and local governments for pensions. GASB 68 replaces GASB Statement Number 27, *Accounting for Pensions of State and Local Governmental Employers*. In essence, GASB 68 provides that:

- The employer proportionate share of the Net Pension Liability be recognized in the financial statements.
- Employers will recognize an on-behalf contribution revenue and matching expense.
- Employers will reclassify their current fiscal year pension contributions related to federal/trust/grant/other contribution as Deferred Outflow.
- Employers will recognize their current fiscal year pension contributions related to federal/trust/grant/other contribution in the following fiscal year.

The College implemented GASB 68 during the fiscal year ended June 30, 2015. The College recognized Deferred Outflows of Resources in accordance with GASB 68.

Due to the special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the College, it has been concluded that the College proportionate share of the State Universities Retirement System of Illinois net pension liability will not be recognized in the financial statements of the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Implementation of Governmental Accounting Standards Board (GASB) Statement Number 68 (CONTINUED)

In the following discussions of the comparative financial information, the June 30, 2016 and 2015 financial information has been prepared following GASB 68. The June 30, 2014 financial information has been prepared following GASB 27. The only significant difference in the financial information is the recording of deferred outflows in 2016 of \$64,668 and in 2015 of \$63,187.

Financial Highlights

The College's financial position at June 30, 2016 shows assets at \$62.3 million, liabilities at \$10.3 million and net position at \$52.0 million. Net position represents the balance in the College's assets after liabilities are deducted.

For the year ended June 30, 2016, the College recorded total operating revenue of \$4.4 million which is defined as net tuition and fees, and auxiliary revenues. The total operating expenses are \$27.8 million. This difference produced an operating loss of \$23.4 million. Net non-operating revenue is \$19.7 million, which includes the major categories of government grants and contracts, and local property taxes. The resulting overall decrease in net position was \$3.7 million.

The major reason for the decrease in net position during FY16 when compared to the previous year is due to an unplanned reduction in state appropriations of approximately \$2.9 million due to the budget impasse at the State.

Operating revenue accounted for 18.3% of the College's total revenue, while non-operating revenues accounted for the remaining 81.7% 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 \$0.6 million. Non-operating revenue included local property taxes and personal property replacement taxes of \$6.7 million, state appropriations of \$1.4 million, federal grants and local contracts of \$5.6 million, and other miscellaneous revenue of \$6.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the College at fiscal year-end, June 30, 2016. 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 total liabilities, 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 \$33.0 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 63.3% 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, \$9.8 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, Working Cash 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 \$9.3 million are available for any lawful purpose that supports the mission of the College. Included in this amount are internal Board Restricted Funds reserved for specific purposes in the amount of \$5.0 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart is a summary of the College's net position at June 30, 2016, 2015 and 2014.

| | (In Millions) | | |
|-------------------------------------|---------------|---------|---------|
| | FY2016 | FY2015 | FY2014 |
| Current Assets | \$ 23.2 | \$ 22.9 | \$ 24.6 |
| Noncurrent Assets | | | |
| Capital Assets, net of depreciation | 39.1 | 40.7 | 40.6 |
| Other | 0.0 | 0.0 | 0.0 |
| Total Assets | 62.3 | 63.6 | 65.2 |
| Current Liabilities | 4.7 | 2.4 | 2.8 |
| Noncurrent Liabilities | 5.6 | 5.4 | 5.2 |
| Total Liabilities | 10.3 | 7.8 | 8.0 |
| Net investment in capital assets | 33.0 | 35.1 | 35.9 |
| Restricted: | | | |
| Expendable | 9.8 | 8.8 | 9.2 |
| Nonexpendable | 0.0 | 0.0 | 0.0 |
| Unrestricted | 9.3 | 11.9 | 12.1 |
| Total Net Position | \$ 52.1 | \$ 55.8 | \$ 57.2 |

Fiscal Year 2016 compared to 2015

The value of net position was \$3.7 million less at the end of FY16 as compared to the prior year. The major reason for the decrease in net position during FY16 when compared to the previous year is due to an unplanned reduction in state appropriations due to the budget impasse at the State and a reduction in capital assets net of depreciation. The increase in current liabilities is due to a change in the billing process for fall tuition in which the bills are now generated at time of registration rather than on July 1, thus, creating deferred revenue, along with a corresponding student receivable. While student receivables also increased, it was offset by decreases in cash and government receivables, which is a result of the reduction in state appropriations.

Fiscal Year 2015 compared to 2014

The value of net position was \$1.4 million less at the end of FY15 as compared to the prior year. The major reason for the decrease in net position during FY15 when compared to the previous year is due to a decrease in Capital Development Board contributions, an increase in depreciation expense, decreases in contributions from the Foundation for the Hoopston Extension Center, as well as a donation of a property from the Foundation in FY14.

Statement of Revenues, Expenses, and Changes in Net Assets

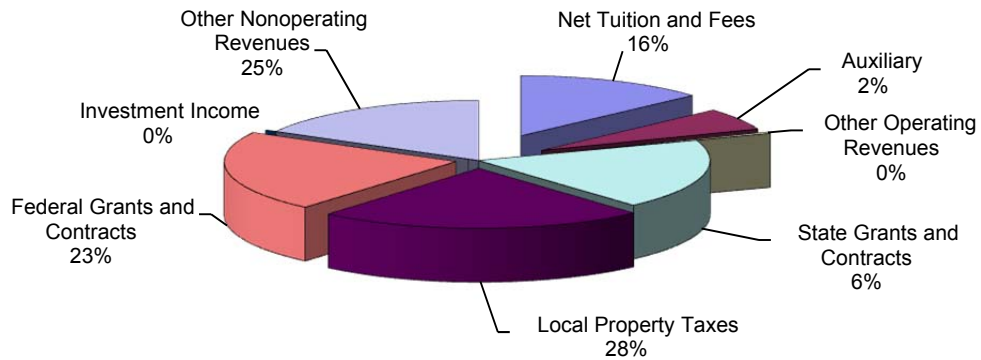
The Statement of Revenues, Expenses and Changes in Net Position presents the revenue earned and expense incurred during the year. Activities are reported as either operating or nonoperating.

MANAGEMENT'S DISCUSSION AND ANALYSIS

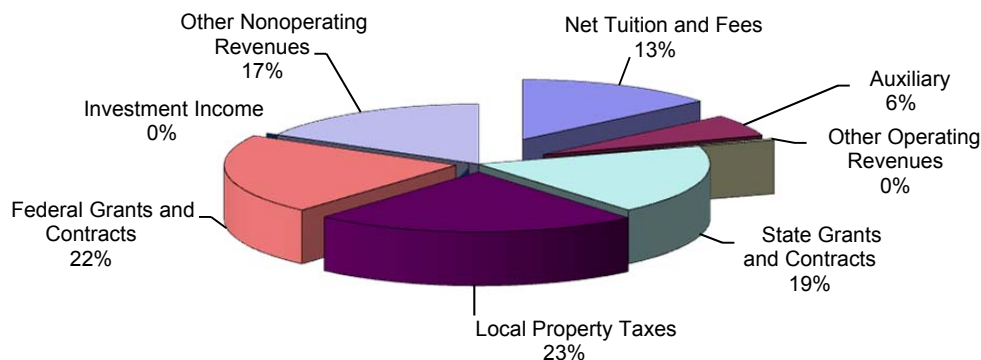
The primary operating revenues are tuition and fees, which are stated net of scholarship waivers, and auxiliary revenues. The auxiliary revenues are commissions from the externally operated bookstore operations and service fees charged by the Child Development Center.

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.

FY2016 Revenues by Category



FY2015 Revenues by Category



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule is a summary of the College's operating results for fiscal years 2016, 2015, and 2014.

| Summary of Operating Results | | | |
|--|---------------|---------|---------|
| | (In Millions) | | |
| | FY2016 | FY2015 | FY2014 |
| Operating Revenues | | | |
| Net Tuition and Fees | \$ 3.8 | \$ 3.7 | \$ 3.8 |
| Auxiliary | 0.6 | 0.6 | 1.6 |
| Other | 0.0 | 0.0 | 0.1 |
| Total Operating Revenue | 4.4 | 4.3 | 5.5 |
| Less Operating Expenses (see detail in following chart) | 27.8 | 28.0 | 27.4 |
| Net Operating Loss | (23.4) | (23.7) | (21.9) |
| Nonoperating Revenue | | | |
| State Grants and Contracts | 1.4 | 5.0 | 5.1 |
| Local Property Taxes | 6.7 | 6.5 | 6.2 |
| Federal Grants and Contracts | 5.6 | 6.0 | 5.9 |
| Investment Income | 0.0 | 0.0 | 0.0 |
| Other | 6.0 | 4.8 | 4.6 |
| Total Nonoperating Revenue | 19.7 | 22.3 | 21.8 |
| Increase (decrease) in Net Position | (3.7) | (1.4) | (0.1) |
| Net Position, Beginning of Year | 55.8 | 57.2 | 57.3 |
| Net Position, End of Year | \$ 52.1 | \$ 55.8 | \$ 57.2 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Detail of Operating Expenditures by Classification and Function

| | (In Millions) | | |
|---|----------------|----------------|----------------|
| | FY2016 | FY2015 | FY2014 |
| Operating Expenditures by Classification | | | |
| Salaries and benefits | \$ 20.4 | \$ 19.4 | \$ 18.4 |
| Supplies and Other Services | 3.4 | 4.3 | 4.6 |
| Scholarships | 1.2 | 1.3 | 1.6 |
| Depreciation | 2.0 | 2.1 | 1.9 |
| Utilities | 0.8 | 0.8 | 0.9 |
| Other | 0.0 | 0.1 | 0.0 |
| Total Operating Expenditures | \$ 27.8 | \$ 28.0 | \$ 27.4 |
| Operating Expenditures by Function | | | |
| Instruction | \$ 8.2 | \$ 8.3 | \$ 8.2 |
| Academic Support | 1.1 | 1.1 | 1.1 |
| Student Services | 2.0 | 1.9 | 1.9 |
| Public Service | 1.0 | 1.5 | 1.2 |
| Operation and Maintenance of Plant | 2.2 | 2.4 | 2.3 |
| Institutional Support | 3.8 | 4.0 | 3.8 |
| Scholarships | 1.4 | 1.4 | 1.7 |
| Auxiliary Expense | 0.5 | 0.5 | 1.4 |
| Depreciation | 2.0 | 2.1 | 1.9 |
| Other | 5.6 | 4.8 | 3.9 |
| Total Operating Expenditures | \$ 27.8 | \$ 28.0 | \$ 27.4 |

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 2016 compared to 2015

Nonoperating Revenue reflects a decrease of \$2.6 million, which is the result of an unplanned decrease in state appropriations due to the budget impasse at the State. Enrollment has been declining, however tuition has been increased in each of the last three fiscal years to help offset the enrollment decline. Fortunately, the Equalized Assessed Valuation of the taxing district has increased the last three years, providing for additional local property tax revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses decreased slightly in FY2016. The decrease was due to eliminating several full-time and part-time positions, as well as reducing expenses by implementing an out of state travel freeze and essential spending guidelines. These measures were implemented mid fiscal year as a result of the state budget impasse. Even with the position eliminations, salary and benefits increased due to an increase of \$1.0 million in on-behalf payments from the State of Illinois for retirement contributions, as well as an increase in health insurance premiums in January of 2016. In addition, the College continued to support retaining quality Faculty and Staff with annual salary increases for FY2016.

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$3.7 million to a level of \$52.1 million at June 30, 2016.

Fiscal Year 2015 compared to 2014

Net Operating Revenue reflects a decrease of \$1.2 million, which is primarily the result of the bookstore operations now being managed by an external party. Enrollment has been declining, however tuition has been increased in each of the last three fiscal years to help offset the enrollment decline. Changes to non-operating revenue are largely due to a decrease in state revenue coupled with an increase in local sources. State funding continues to decrease at the state level due to continued financial challenges. In addition, decreasing enrollment has also resulted in a decrease in state funds. Fortunately, the Equalized Assessed Valuation of the taxing district has increased in two of the last three years, providing for additional local property tax revenue.

Operating Expenses increased in FY2015. Salary and benefits increased primarily due to an increase of \$1.0 million in on-behalf payments from the State of Illinois for retirement contributions. The College continued to support retaining quality Faculty and Staff with annual salary increases, plus transitioned three part-time positions to full-time positions in the student services area to increase the quality of service provided to students.

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$1.4 million to a level of \$55.8 million at June 30, 2015.

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 2016, June 2015, and June 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Cash Flows

| | (In Millions) | | |
|--|---------------|-----------|-----------|
| | FY2016 | FY2015 | FY2014 |
| Cash provided (used) by: | | | |
| Operating activities | \$ (15.9) | \$ (17.3) | \$ (16.3) |
| Non-capital financing activities | 14.6 | 17.8 | 18.1 |
| Capital and related financing activities | (.4) | (2.2) | (0.4) |
| Investing activities | 0.0 | 0.1 | 0.0 |
| | | | |
| Net Increase/(Decrease) in Cash | (1.7) | (1.6) | 1.4 |
| Cash, beginning of the year | 14.0 | 15.5 | 14.1 |
| | | | |
| Cash, end of the year | \$ 12.3 | \$ 14.0 | \$ 15.5 |

Fiscal Year 2016 compared to 2015

The \$1.7 million decrease in cash and cash equivalents at the end of FY16 as compared to FY15 was due primarily to the unplanned decrease in state appropriations of approximately \$2.6 million.

Fiscal Year 2015 compared to 2014

The \$1.6 million decrease in cash and cash equivalents at the end of FY15 as compared to FY14 was due primarily to expending the remaining bond proceeds for the addition to the Technology Center.

Capital Assets

FY2016

As of June 30, 2016, the College had recorded \$81.7 million invested in capital assets, \$42.6 million in accumulated depreciation and \$39.1 million in net capital assets. During FY2016, capital assets decreased by \$1.6 million. The decrease is due to less asset additions in the current year, coupled with a depreciation expense of \$2.0 million.

FY2015

As of June 30, 2015, the College had recorded \$81.3 million invested in capital assets, \$40.6 million in accumulated depreciation and \$40.7 million in net capital assets. During FY2015, capital assets increased by \$2.1 million. The significant increase in capital assets is related to the completion of the 10,000 square foot addition to the Technology Center, purchase of new chillers for Lincoln Hall and equipment for the new Mechatronics Lab.

Additional information on capital assets can be found in Note 3 of the financial statements on pages 43-44.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

During fiscal year 2016 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.

The College's most recent rating from Moody's Investor Services for bonds issued in fiscal year 2013 was "Aa2", which is only two-positions lower than the highest rating available from Moody's. This rating was reviewed in March of 2016, along with 18 other Illinois community colleges, in response to the State of Illinois' financial distress and the budget impasse. The result was an affirmation of the current "Aa2", along with the assignment of a "Negative Outlook". The negative outlook was directly attributable to the "state's lack of an adopted budget and the state's persistent fiscal pressure".

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 the state's current negative financial status.

The total balance outstanding at June 30, 2016 for all of the College's various Working Cash, Technology/Equipment and Construction Bonds is \$6,270,000.

Additional information on long-term debt activity can be found in Note 4 of the financial statements on pages 45-49.

Other

As of October 13, 2016 management is not aware of any other currently known facts, conditions, or decisions that are believed to have a significant effect on the College's net assets or changes in net assets.

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. Clark-Betancourt, 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, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash | \$ 12,300,666 | \$ 13,951,660 |
| Property taxes receivable, net of allowance 2016 and 2015 \$-0- | 6,012,059 | 5,773,213 |
| Student tuition and fees, net of allowance 2016 \$1,609,719 and 2015 \$1,687,071 | 3,479,275 | 988,994 |
| Government claims receivable | 1,183,251 | 1,870,184 |
| Other accounts receivable, net | 203,958 | 248,127 |
| Other | <u>72,681</u> | <u>90,384</u> |
| Total current assets | 23,251,890 | 22,922,562 |
| Non-current assets: | | |
| Capital assets, net of accumulated depreciation 2016 \$42,624,150 and 2015 \$40,663,868 | <u>39,090,841</u> | <u>40,684,842</u> |
| Total assets | <u>62,342,731</u> | <u>63,607,404</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in the current year | <u>64,668</u> | <u>63,187</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 238,396 | 146,480 |
| Accrued expenses | 545,807 | 661,626 |
| Due to student groups | 8,339 | 10,263 |
| Deposits held in custody for others | 140,110 | 157,284 |
| Deferred tuition revenue | 2,718,887 | 392,868 |
| Deferred grant revenue | 11,568 | 19,289 |
| Bonds payable, current maturities | 755,000 | 725,000 |
| Capital lease obligations, current maturities | 51,700 | 49,389 |
| Accrued compensated absences, current | <u>270,000</u> | <u>265,000</u> |
| Total current liabilities | <u>4,739,807</u> | <u>2,427,199</u> |
| Non-current liabilities: | | |
| Bonds payable, less current maturities above | 5,515,000 | 5,270,000 |
| Capital lease obligations, less current maturities above | 64,294 | 115,994 |
| Accrued compensated absences | <u>28,167</u> | <u>35,821</u> |
| Total noncurrent liabilities | <u>5,607,461</u> | <u>5,421,815</u> |
| Total liabilities | <u>10,347,268</u> | <u>7,849,014</u> |
| NET POSITION | | |
| Net investment in capital assets | 32,954,847 | 35,099,459 |
| Restricted and expendable for: | | |
| Capital projects | 1,636,621 | 1,038,308 |
| Working cash | 5,179,723 | 4,854,723 |
| Debt service | 766,898 | 767,757 |
| Grant purposes | 1,194,007 | 1,023,344 |
| Audit purposes | 35,348 | 29,726 |
| Liability insurance | 1,015,161 | 1,054,830 |
| Unrestricted | <u>9,277,526</u> | <u>11,953,430</u> |
| Total net position | <u>\$ 52,060,131</u> | <u>\$ 55,821,577</u> |

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Student tuition and fees, net of scholarship allowance 2016 \$3,108,861 and 2015 \$3,027,837 | \$ 3,795,210 | \$ 3,640,226 |
| Auxiliary enterprises revenues | 583,445 | 611,917 |
| Other operating revenues | 16,913 | 5,332 |
| Total operating revenues | <u>4,395,568</u> | <u>4,257,475</u> |
| OPERATING EXPENSES | | |
| Instruction | 8,153,578 | 8,282,774 |
| Academic support | 1,091,578 | 1,059,757 |
| Student services | 1,955,524 | 1,941,911 |
| Public service | 1,044,724 | 1,515,176 |
| Operation and maintenance of plant | 2,218,289 | 2,394,952 |
| Institutional support | 3,795,615 | 3,980,444 |
| Scholarships | 1,421,511 | 1,423,858 |
| Auxiliary enterprises expenses | 507,939 | 527,600 |
| On-behalf payments | 5,658,291 | 4,752,538 |
| Depreciation | 1,974,482 | 2,117,550 |
| Total operating expenses | <u>27,821,531</u> | <u>27,996,560</u> |
| Operating loss | <u>(23,425,963)</u> | <u>(23,739,085)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| State grants and contracts | 1,438,607 | 4,998,816 |
| Local property tax revenues | 6,111,782 | 5,880,830 |
| Personal property replacement tax | 564,193 | 616,276 |
| Federal grants and contracts | 5,590,168 | 5,992,094 |
| Local grants and contracts | 68,183 | 5,500 |
| Investment income earned | 73,257 | 61,757 |
| Interest expense | (214,816) | (223,646) |
| On-behalf payments | 5,716,032 | 4,815,725 |
| Other non-operating revenues | 310,111 | 184,604 |
| Gain on disposal of assets | 7,000 | - |
| Total non-operating revenues | <u>19,664,517</u> | <u>22,331,956</u> |
| DECREASE IN NET POSITION | (3,761,446) | (1,407,129) |
| NET POSITION, BEGINNING OF YEAR | <u>55,821,577</u> | <u>57,228,706</u> |
| NET POSITION, END OF YEAR | <u>\$ 52,060,131</u> | <u>\$ 55,821,577</u> |

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Student tuition and fees | \$ 3,630,948 | \$ 3,406,260 |
| Payments to suppliers | (3,904,935) | (5,222,880) |
| Payments to employees and benefits paid | (14,818,572) | (14,617,032) |
| Payments for financial aid and scholarships | (1,421,511) | (1,423,858) |
| Auxiliary enterprise charges: | | |
| Bookstore and childcare | 583,445 | 611,917 |
| Other payments | <u>-</u> | <u>(18,000)</u> |
| Net cash used in operating activities | <u>(15,930,625)</u> | <u>(17,263,593)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Local property taxes | 5,872,937 | 5,666,734 |
| State grants and contracts | 2,496,626 | 5,965,745 |
| Federal grants and contracts | 6,206,497 | 6,208,742 |
| Direct lending receipts | 822,222 | 920,791 |
| Direct lending payments | <u>(822,222)</u> | <u>(920,791)</u> |
| Net cash provided by noncapital financing activities | <u>14,576,060</u> | <u>17,841,221</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of capital assets | (380,481) | (2,210,706) |
| Principal paid on bonds payable/capital debt | (725,000) | (750,000) |
| Principal paid on capital lease obligations | (49,389) | (47,183) |
| Interest paid on bonds payable/capital debt | (214,815) | (223,646) |
| Proceeds from bonds issued | <u>1,000,000</u> | <u>1,000,000</u> |
| Net cash used in capital and related financing activities | <u>(369,685)</u> | <u>(2,231,535)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | <u>73,256</u> | <u>61,757</u> |
| NET DECREASE IN CASH | (1,650,994) | (1,592,150) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>13,951,660</u> | <u>15,543,810</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 12,300,666</u> | <u>\$ 13,951,660</u> |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|--|------------------------|------------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES | | |
| Operating loss | \$ (23,425,963) | \$ (23,739,085) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 1,974,482 | 2,117,550 |
| State on-behalf payments | 5,714,551 | 4,815,725 |
| Changes in deferred outflows of resources | (1,481) | (63,187) |
| Changes in assets and liabilities: | | |
| Receivables | (2,490,281) | (173,159) |
| Inventories | - | 115,012 |
| Other assets | 17,703 | 8,855 |
| Accounts payable | 91,916 | (387,092) |
| Accrued liabilities | (137,571) | 102,595 |
| Deferred revenue | <u>2,326,019</u> | <u>(60,807)</u> |
| Net cash used in operating activities | <u>\$ (15,930,625)</u> | <u>\$ (17,263,593)</u> |

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
COMPONENT UNIT
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 517,788 | \$ 490,316 |
| Investments | 9,988,220 | 9,341,507 |
| Beneficial interests in trusts | 1,044,769 | 1,123,435 |
| Land held for investment | 2,851,509 | - |
| Building, net | 57,125 | 50,000 |
| TOTAL ASSETS | \$ 14,459,411 | \$ 11,005,258 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 33,884 | \$ 16,367 |
| NET ASSETS | | |
| Unrestricted | 2,190,046 | 2,174,206 |
| Temporarily restricted | 6,137,187 | 3,501,575 |
| Permanently restricted | 6,098,294 | 5,313,110 |
| Total net assets | 14,425,527 | 10,988,891 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 14,459,411 | \$ 11,005,258 |

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
COMPONENT UNIT
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2016 and 2015**

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | |
| Revenues, gains and other support: | | |
| Contributions | \$ 18,543 | \$ 489,112 |
| Investment income | (14,257) | 83,864 |
| Net assets released from prior year's restrictions | <u>1,100,879</u> | <u>967,392</u> |
| Total unrestricted revenue, gains, and other support | <u>1,105,165</u> | <u>1,538,368</u> |
| Expenses and losses: | | |
| Program services expenses: | | |
| Scholarships, awards and projects | 665,326 | 573,630 |
| Other program services | <u>225,053</u> | <u>74,329</u> |
| Total program services expenses | <u>890,379</u> | <u>647,959</u> |
| Supporting services: | | |
| Management and general | 141,728 | 112,551 |
| Fundraising | <u>57,218</u> | <u>42,215</u> |
| Total supporting services | <u>198,946</u> | <u>154,766</u> |
| Loss on impairment of asset | <u>-</u> | <u>430,000</u> |
| Total expenses | <u>1,089,325</u> | <u>1,232,725</u> |
| Increase in unrestricted net assets | <u>15,840</u> | <u>305,643</u> |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions | 3,797,411 | 572,660 |
| Investment income | (65,173) | 381,001 |
| Other income | 4,253 | - |
| Net assets released from prior year's restrictions | <u>(1,100,879)</u> | <u>(990,819)</u> |
| Increase (decrease) in temporarily restricted net assets | <u>2,635,612</u> | <u>(37,158)</u> |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | |
| Contributions | 8987,230 | 190,202 |
| Investment income (loss) | (112,046) | (17,074) |
| Net assets released from prior year's restrictions | <u>-</u> | <u>25,427</u> |
| Increase in permanently restricted net assets | <u>785,184</u> | <u>198,555</u> |
| INCREASE IN NET ASSETS | 3,436,636 | 467,040 |
| NET ASSETS, BEGINNING OF YEAR | <u>10,988,891</u> | <u>10,521,851</u> |
| NET ASSETS, END OF YEAR | <u>\$ 14,425,527</u> | <u>\$ 10,988,891</u> |

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

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, DACC 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 87,000.

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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

REPORTING ENTITY (Continued)

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 District's financial reporting entity for these differences. However, significant note disclosures (See Note 10) 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) 443-8443.

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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**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 and liabilities 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 are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits are recorded at cost. Investment income consists of interest earned on bank deposits.

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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**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.

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 2015 were allocated to fiscal year 2016. 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, 2015 and 2014 tax levies, per \$100 of assessed valuation, are reflected in the following table.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

PROPERTY TAXES (Continued)

| | Statutory Maximum | 2016 Rate | 2015 Rate |
|---|----------------------|-----------------|-----------------|
| Education | \$0.3729 | \$0.3729 | \$0.3729 |
| Operations and maintenance | 0.0750 | 0.0750 | 0.0750 |
| Workers compensation | - | 0.0076 | 0.0100 |
| Social security | - | 0.0162 | 0.0173 |
| Tort liability, protection | - | 0.0558 | 0.0450 |
| Audit | 0.0050 | 0.0050 | 0.0037 |
| Operations and maintenance (Restricted) | | | |
| Protection, Health and Safety | 0.0500 | 0.0089 | 0.0098 |
| Bond and interest | - | <u>0.0821</u> | <u>0.0848</u> |
| | | <u>\$0.6235</u> | <u>\$0.6185</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 estimated fair market value 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).

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

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**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 one type of item which occurs related to pension expense. Employer paid federal, trust, or grant contributions were made subsequent to the pension liability measurement date.

DEFERRED REVENUE

Deferred 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.

NET POSITION

The College's net position is classified as follows:

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

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**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.

PENSIONS

Financial reporting information pertaining to the District’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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

PENSION (Continued)

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 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.

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 DEPOSITS

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 carrying amount of the College's unrestricted cash and deposits was \$12,299,166 at June 30, 2016 and \$13,950,160 at June 30, 2015. Not included in that number was cash on hand of \$1,500 at 2016 and 2015.

Interest Rate Risk. 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.

Credit Risk. 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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

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, 2016 and 2015, deposits were collateralized with securities held by the pledging financial institution. Therefore, none of the College's bank balance was exposed to custodial risk.

NOTE 3 – CAPITAL ASSETS

The following tables present the changes in various capital asset categories for fiscal years 2016 and 2015.

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2016</u> |
|--|----------------------------------|-----------------------------|--------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in process | \$ - | \$ 100,393 | \$ - | \$ 100,393 |
| Land | <u>884,259</u> | <u>-</u> | <u>-</u> | <u>884,259</u> |
| Total capital assets not being depreciated | <u>884,259</u> | <u>100,393</u> | <u>-</u> | <u>984,652</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 5,210,079 | - | - | 5,210,079 |
| Buildings | 18,288,110 | - | - | 18,288,110 |
| Building improvements | 41,697,872 | - | - | 41,697,872 |
| Campus lighting | 40,955 | - | - | 40,955 |
| Equipment | <u>15,227,435</u> | <u>280,088</u> | <u>14,200</u> | <u>15,493,323</u> |
| Total capital assets being depreciated | <u>80,464,451</u> | <u>280,088</u> | <u>14,200</u> | <u>80,730,339</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | 2,522,217 | 127,803 | - | 2,650,021 |
| Buildings | 8,517,818 | 369,547 | - | 8,887,366 |
| Building improvements | 15,633,219 | 893,950 | - | 16,527,169 |
| Campus lighting | 38,705 | 450 | - | 39,154 |
| Equipment | <u>13,951,909</u> | <u>582,732</u> | <u>14,200</u> | <u>14,520,440</u> |
| Total accumulated depreciation | <u>40,663,868</u> | <u>1,974,482</u> | <u>14,200</u> | <u>42,624,150</u> |
| Net capital assets | <u><u>\$40,684,842</u></u> | <u><u>\$(1,594,001)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 39,090,841</u></u> |

**DANVILLE AREA COMMUNITY COLLEGE
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June 30, 2016 and 2015**

NOTE 3 – CAPITAL ASSETS (CONTINUED)

| | <u>Balance June 30, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2015</u> |
|--|----------------------------------|---------------------|---------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in process | \$ 1,421,464 | \$ - | \$ 1,421,464 | \$ - |
| Land | <u>884,259</u> | <u>-</u> | <u>-</u> | <u>884,259</u> |
| Total capital assets not being depreciated | <u>2,305,723</u> | <u>-</u> | <u>1,421,464</u> | <u>884,259</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 5,210,079 | - | - | 5,210,079 |
| Buildings | 18,288,110 | - | - | 18,288,110 |
| Building improvements | 39,006,162 | 2,691,710 | - | 41,697,872 |
| Campus lighting | 40,955 | - | - | 40,955 |
| Equipment | <u>14,336,011</u> | <u>940,460</u> | <u>49,036</u> | <u>15,227,435</u> |
| Total capital assets being depreciated | <u>76,881,317</u> | <u>3,632,170</u> | <u>49,036</u> | <u>80,464,451</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | 2,394,414 | 127,803 | - | 2,522,217 |
| Buildings | 8,148,271 | 369,547 | - | 8,517,818 |
| Building improvements | 14,771,015 | 862,204 | - | 15,633,219 |
| Campus lighting | 38,254 | 451 | - | 38,705 |
| Equipment | <u>13,243,400</u> | <u>757,545</u> | <u>49,036</u> | <u>13,951,909</u> |
| Total accumulated depreciation | <u>38,595,354</u> | <u>2,117,550</u> | <u>49,036</u> | <u>40,663,868</u> |
| Net capital assets | <u>\$40,591,686</u> | <u>\$ 1,514,620</u> | <u>\$ 1,421,464</u> | <u>\$ 40,684,842</u> |

At June 30, 2016, the College had several uncompleted construction contracts in the Capital Projects Fund. The remaining commitment on these construction contracts was approximately \$50,000. There were no uncompleted construction contracts in the Capital Projects Fund as June 30, 2015.

**DANVILLE AREA COMMUNITY COLLEGE
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June 30, 2016 and 2015**

NOTE 4 – LONG-TERM DEBT

At June 30, 2016 and 2015, the College’s long-term debt consisted of bond issues, capital lease obligations, and accrued compensated absences. Changes in long-term debt for the years ended June 30, 2016 and 2015 are as follows:

| | Balance 6/30/15 | Additional Obligations | Retirements | Balance 6/30/16 | Due Within One Year |
|---------------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|--------------------------------|
| 2010 Working Cash Bonds | 575,000 | - | 325,000 | 250,000 | 250,000 |
| 2010 Technology Bonds | 500,000 | - | - | 500,000 | 150,000 |
| 2013 Technology Bonds | 925,000 | - | 280,000 | 645,000 | 250,000 |
| 2013 Construction Bonds | 2,995,000 | - | - | 2,995,000 | - |
| 2015 Technology Bonds | 1,000,000 | - | 120,000 | 880,000 | 105,000 |
| 2016 Funding Bonds | - | 1,000,000 | - | 1,000,000 | - |
| Accrued compensated absences | 300,821 | 264,884 | 267,538 | 298,167 | 270,000 |
| Capital lease obligations | 165,383 | - | 49,389 | 115,994 | 51,700 |
| Total | <u>\$ 6,461,204</u> | <u>\$ 1,264,884</u> | <u>\$ 1,041,927</u> | <u>\$ 6,684,161</u> | <u>\$ 1,076,700</u> |

| | Balance 6/30/14 | Additional Obligations | Retirements | Balance 6/30/15 | Due Within One Year |
|---------------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|--------------------------------|
| 2009 Working Cash Bonds | 310,000 | - | 310,000 | - | - |
| 2010 Working Cash Bonds | 1,000,000 | - | 425,000 | 575,000 | 325,000 |
| 2010 Technology Bonds | 500,000 | - | - | 500,000 | - |
| 2013 Technology Bonds | 940,000 | - | 15,000 | 925,000 | 280,000 |
| 2013 Construction Bonds | 2,995,000 | - | - | 2,995,000 | - |
| 2015 Technology Bonds | - | 1,000,000 | - | 1,000,000 | 120,000 |
| Accrued compensated absences | 300,408 | 258,291 | 257,878 | 300,821 | 265,000 |
| Capital lease obligations | 212,566 | - | 47,183 | 165,383 | 49,389 |
| Total | <u>\$ 6,257,974</u> | <u>\$ 1,258,291</u> | <u>\$ 1,055,061</u> | <u>\$ 6,461,204</u> | <u>\$ 1,039,389</u> |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
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June 30, 2016 and 2015**

NOTE 4 – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

Series 2009 Working Cash Bonds: On December 1, 2009 the College issued taxable Working Cash bonds in the amount of \$1,000,000. The proceeds of the bonds were used to increase the College’s Working Cash Fund, which was needed as a result of delayed State of Illinois Operating Grant payments. Serial retirement of principal and interest began on December 1, 2010, with interest payable semiannually at 2.25% - 4.10%. Maturity date was December 1, 2014.

Series 2010 Working Cash Bonds: On December 1, 2010 the College issued taxable Working Cash bonds in the amount of \$1,000,000. The proceeds of the bonds were used to increase the College’s Working Cash Fund, which was needed as a result of delayed State of Illinois Operating Grant payments. Serial retirement of principal and interest began on December 1, 2011, with interest payable semiannually at 4.25% - 4.50%. Maturity date is December 1, 2016. Remaining principal and interest payments to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|--------------|
| 2017 | \$ 250,000 | \$ 5,625 | \$ 255,625 |

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 is December 1, 2017. Remaining principal and interest payments to maturity are as follows:

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NOTE 4 – LONG-TERM DEBT (CONTINUED)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2017 | \$ 150,000 | \$ 16,500 | \$ 166,500 |
| 2018 | <u>350,000</u> | <u>6,825</u> | <u>356,825</u> |
| | <u>\$ 500,000</u> | <u>\$ 23,325</u> | <u>\$ 523,325</u> |

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 is December 1, 2018. Remaining principal and interest payments to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2017 | \$ 250,000 | \$ 12,275 | \$ 262,275 |
| 2018 | 165,000 | 7,606 | 172,606 |
| 2019 | <u>230,000</u> | <u>2,875</u> | <u>232,875</u> |
| | <u>\$ 645,000</u> | <u>\$ 22,756</u> | <u>\$ 667,756</u> |

Series 2013 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:

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NOTE 4 – LONG-TERM DEBT (CONTINUED)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|---------------------|---------------------|
| 2017 | \$ - | \$ 127,288 | \$ 127,288 |
| 2018 | - | 127,288 | 127,288 |
| 2019 | - | 127,288 | 127,288 |
| 2020 | - | 127,288 | 127,288 |
| 2021 | - | 127,288 | 127,288 |
| 2022-2026 | - | 636,438 | 636,438 |
| 2027-2028 | <u>2,995,000</u> | <u>254,572</u> | <u>3,249,572</u> |
| | <u>\$ 2,995,000</u> | <u>\$ 1,527,450</u> | <u>\$ 4,522,450</u> |

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:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2017 | \$ 105,000 | \$ 19,033 | \$ 124,033 |
| 2018 | 105,000 | 16,617 | 121,617 |
| 2019 | 410,000 | 10,695 | 420,695 |
| 2020 | <u>260,000</u> | <u>2,990</u> | <u>262,990</u> |
| | <u>\$ 880,000</u> | <u>\$ 49,335</u> | <u>\$ 929,335</u> |

Series 2016 Funding Bonds: On February 11, 2016 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, 2017, with interest payable semiannually at 2.35%. Maturity date is December 1, 2020. Remaining principal and interest payments to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|-------------------|---------------------|
| 2018 | \$ 90,000 | \$ 67,146 | \$ 157,146 |
| 2019 | 125,000 | 25,800 | 150,800 |
| 2020 | 255,000 | 20,731 | 275,731 |
| 2021 | <u>530,000</u> | <u>8,613</u> | <u>538,613</u> |
| | <u>\$ 1,000,000</u> | <u>\$ 122,290</u> | <u>\$ 1,122,290</u> |

**DANVILLE AREA COMMUNITY COLLEGE
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NOTE 4 – LONG-TERM DEBT (CONTINUED)

Capital Lease Obligations

Copiers: The College is leasing copy machines under capital leases which expire June, 2018. The equipment is capitalized and depreciated over its estimated productive life. Total cost on the equipment was \$126,633. Accumulated depreciation on the equipment as of June 30, 2016 and 2015 was \$75,980 and \$50,653, respectively.

Tractor: The College is leasing a sleeper tractor under a capital lease that expires December, 2018. The equipment is capitalized and depreciated over its estimated productive life. Total cost of the tractor was \$121,937. Accumulated depreciation on the equipment as of June 30, 2016 and 2015 was \$75,980 and \$48,775, respectively.

Future minimum lease payments under these leases are as follows:

| | |
|---|-------------------|
| 2017 | \$ 55,884 |
| 2018 | 54,910 |
| 2019 | <u>11,265</u> |
| Total minimum lease payments | 122,059 |
| Less amount representing interest | <u>(6,065)</u> |
| Present value of minimum lease payments | <u>\$ 115,994</u> |

NOTE 5 – CONTINGENCIES

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.

Litigation

As of June 30, 2016, 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.

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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.

The College is 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 (six at June 30, 2016). The College pays 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.

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, 2015 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

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NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Information about the Pension Plan (Continued)

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 2015 and 2016 respectively, was 11.71 % and 12.69 % 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).

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

Net Pension Liability

SURS reported a net pension liability (NPL) of \$23,756,361,087 at June 30, 2015 and \$21,790,983,139 at June 30, 2014. The net pension liability was measured as of June 30, 2014 and 2013, respectively.

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, 2016 and 2015 was \$-0-. The proportionate share of the State's net pension liability associated with Danville Area Community College at June 30, 2015 and 2014 was \$68,062,674 or 0.2865% and \$63,586,595 or 0.2918%, respectively. These amounts should not be recognized in the financial statements. The net pension liability and total pension liability as of June 30, 2015 and June 30, 2014 were determined based on the June 30, 2014 actuarial valuation rolled forward, and the June 30, 2013 actuarial valuation 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 2015 and 2014, respectively.

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NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Pension Expense

For the years ended June 30, 2015 and June 30, 2014, SURS reported a collective net pension expense of \$1,994,587,170 and \$1,650,338,263, 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 2015 and 2014, respectively. As a result, Danville Area Community College recognized on-behalf revenue and pension expense of \$5,714,551 and \$4,815,725, respectively, for the fiscal years ended June 30, 2016 and 2015.

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.

SURS Collective Deferred Outflows and Deferred Inflows of Resources

| Fiscal Year Ended June 30, 2015 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Difference between expected and actual experience | \$ 27,312,043 | \$ - |
| Changes in assumption | 609,393,909 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>593,840,642</u> | <u>953,329,464</u> |
| Total | <u>\$ 1,230,546,594</u> | <u>\$ 953,329,464</u> |
| | | |
| Fiscal Year Ended June 30, 2014 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference between expected and actual experience | \$ - | \$ - |
| Changes in assumption | 88,940,815 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u> | <u>1,271,105,952</u> |
| Total | <u>\$ 88,940,815</u> | <u>\$ 1,271,105,952</u> |

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NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 |
|---------------------|------------------------------------|
| 2016 | \$ 154,951,326 |
| 2017 | 118,957,720 |
| 2018 | (145,152,075) |
| 2019 | 148,460,159 |
| 2020 | - |
| Thereafter | - |
| Total | <u>\$ 277,217,130</u> |

Employer Deferral of Fiscal Year 2016 Pension Expense

The College paid \$64,668 and \$63,187 in federal, trust or grant contributions for the fiscal years ended June 30, 2016 and 2015, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2015 and 2014, and are recognized as Deferred Outflows of Resources as of June 30, 2016 and 2015.

Assumptions and Other Inputs

Actuarial Assumptions. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.75 percent |
| Salary increases | 3.75 to 12.00 percent, including inflation |
| Investment rate of return | 7.25 percent beginning with the actuarial valuation as of June 30, 2014 |

Mortality rates were based on the RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

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, 2015, these best estimates are summarized in the following table:

**DANVILLE AREA COMMUNITY COLLEGE
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NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Assumptions and Other Inputs (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---|--------------------------|---|
| U.S. Equity | 23% | 5.77% |
| Private Equity | 6% | 9.23% |
| Non-U.S. Equity | 19% | 6.69% |
| Global Equity | 8% | 6.51% |
| Fixed Income | 19% | 1.12% |
| Treasury-Inflation Protected Securities | 4% | 1.22% |
| Emerging Market Debt | 3% | 4.61% |
| Real Estate REITS | 4% | 5.85% |
| Direct Real Estate | 6% | 4.37% |
| Commodities | 2% | 4.06% |
| Hedged Strategies | 5% | 3.99% |
| Opportunity Fund | <u>1%</u> | <u>6.80%</u> |
| Total | 100% | 5.02% |
| Inflation | | <u>3.00%</u> |
| Expected Arithmetic Return | | 8.02% |

Discount Rate. A single discount rate of 7.12% and 7.09% at June 30, 2015 and 2014, 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 7.25% at June 30, 2015 and 2014, and a municipal bond rate of 3.80% and 4.29% at June 30, 2015 and 2014 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).

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 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefit payments after that date.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Assumptions and Other Inputs (Continued)

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 7.12%, 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, 2015 | | |
|-------------------------------------|---|-------------------------------------|
| 1% Decrease <u>6.12%</u> | Current Single Discount Rate Assumption <u>7.12%</u> | 1% Increase <u>8.12%</u> |
| \$ 28,929,333,917 | \$ 23,756,361,087 | \$ 19,470,982,362 |
| June 30, 2014 | | |
| 1% Decrease <u>6.09%</u> | Current Single Discount Rate Assumption <u>7.09%</u> | 1% Increase <u>8.09%</u> |
| \$ 26,583,701,134 | \$ 21,790,983,139 | \$ 17,796,570,836 |

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.

Changes of Benefit Terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2015.

Changes of 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, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- *Mortality rates.* Change from the RP2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- *Salary increase.* Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- *Normal retirement rates.* Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- *Early retirement rates.* Change to a slight increase to the rates at ages 55 and 56.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Assumptions and Other Inputs (Continued)

- Turnover rates. Change 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 than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

NOTE 8 – RETIREE HEALTH PLAN

In addition to the pension plan described previously, the College contributes to the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of Illinois. CIP provides health, vision and dental benefits to retired staff of participating Community Colleges. The benefits, employer, employee, retiree and state contributions are dictated by Illinois Compiled Statutes (ILCS) through the State Group Insurance Act of 1971 (act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois, 62763.

The Act requires every active contributor (employee) of SURS to contribute .5% of covered payroll and every community college district to contribute .5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. 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 for the years ended June 30, 2016, 2015, and 2014 were \$53,655, \$52,188, and \$51,773, respectively. The College's contributions for fiscal years ended June 30, 2016, 2015, and 2014 were \$52,215, \$50,826, and \$51,565, respectively.

As disclosed in Note 1, the State contribution to the CIP plan is reported as an "on-behalf payment" in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

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 expires June 30, 2019, 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 13.75% of all gross revenue up to \$1,000,000 and 14.25% of all gross sales over \$1,000,000. If in the first two full contract years during the term of the agreement, calculated commission payments are less than \$165,000 ("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 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, 2016 and 2015, the College received \$165,000 and \$168,855, respectively, from Follett which is included as operating revenue in the Auxiliary Enterprises Fund.

The College leases vehicles under operating leases expiring in 2018. Future minimum lease payments under these leases are as follows:

| | | |
|--------------|-----------|----------------------|
| 2017 | \$ | 38,962 |
| 2018 | | <u>12,303</u> |
| Total | \$ | <u>51,265</u> |

The College's expense under operating leases was \$59,170 and \$54,972 for 2016 and 2015, respectively.

NOTE 10 – COMPONENT UNIT

Significant note disclosures to the Foundation's financial statements are as follows:

BENEFICIAL INTEREST IN TRUST

The Foundation is a partial beneficiary in a trust that was created under terms of a will. The interest is recorded at estimated fair value which is based on quoted market prices.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 10 – COMPONENT UNIT (CONTINUED)

NET ASSETS – COMPONENT UNIT

The financial statements of the College's discretely presented component unit have been prepared in accordance with accounting standards relating to *Financial Statements of Not-for-Profit Organizations* on the income tax basis of accounting. The standards require, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The following is a description of each class:

Unrestricted net assets

The unrestricted net asset class includes all net assets which are neither temporarily nor permanently restricted.

Temporarily restricted net assets

The temporarily restricted net asset class includes assets of the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to a specified purpose or to later periods of time or after specified dates.

Permanently restricted net assets

The permanently restricted net asset class includes assets of the Foundation for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

REVENUE – COMPONENT UNIT

The College's discretely presented component unit (Foundation) reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 10 – COMPONENT UNIT (CONTINUED)

INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT

INVESTMENTS

The following is a summary of the component unit investments at June 30:

| | <u>2016</u> <u>Fair</u> <u>Value</u> | <u>2015</u> <u>Fair</u> <u>Value</u> |
|------------------------------------|--|--|
| Equity securities and mutual funds | \$ 6,512,003 | \$ 6,050,317 |
| Corporate bonds | 1,322,452 | 1,496,319 |
| U.S. Government obligations | <u>2,153,765</u> | <u>1,794,871</u> |
| | 9,988,220 | 9,341,507 |
| Land held for investment | <u>2,851,509</u> | <u>-</u> |
| Total | <u>\$ 12,839,729</u> | <u>\$ 9,341,507</u> |

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 10 – COMPONENT UNIT (CONTINUED)

INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT

(Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Debt securities consisting of corporate bonds and government agency debt obligations are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality and type. Debt securities are generally classified within Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the component unit believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a description of the nature of the categories of mutual funds by major security type.

Equity funds: This asset class is generally comprised of investment options that invest in shares of ownership in large to small companies.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 10 – COMPONENT UNIT (CONTINUED)

INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT
(Continued)

The following tables set forth by level, within the fair value hierarchy, the component unit's assets at fair value as of June 30, 2016 and 2015:

| | <u>Assets at Fair Value as of June 30, 2016</u> | | | |
|-----------------------------------|--|----------------------------|----------------------------|-----------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Equity mutual funds | \$ 2,394,836 | \$ - | \$ - | \$ 2,394,836 |
| Equity securities | 4,117,167 | - | - | 4,117,167 |
| Corporate bonds | - | 1,322,452 | - | 1,322,452 |
| U.S. Government obligations | - | 2,153,765 | - | 2,153,765 |
| Land held for Investment | - | - | 2,851,509 | 2,851,509 |
| | <u>-</u> | <u>-</u> | <u>2,851,509</u> | <u>2,851,509</u> |
| Total assets at fair value | <u>\$ 6,512,003</u> | <u>\$ 3,476,217</u> | <u>\$ 2,851,509</u> | <u>\$ 12,839,729</u> |

| | <u>Assets at Fair Value as of June 30, 2015</u> | | | |
|-----------------------------------|--|----------------------------|-----------------------|----------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Equity mutual funds | \$ 2,173,551 | \$ - | \$ - | \$ 2,173,551 |
| Equity securities | 3,876,766 | - | - | 3,876,766 |
| Corporate bonds | - | 1,496,319 | - | 1,496,319 |
| U.S. Government obligations | - | 1,794,871 | - | 1,794,871 |
| | <u>-</u> | <u>1,794,871</u> | <u>-</u> | <u>1,794,871</u> |
| Total assets at fair value | <u>\$ 6,050,317</u> | <u>\$ 3,291,190</u> | <u>\$ -</u> | <u>\$ 9,341,507</u> |

The following table summarizes the changes in value of the Level 3 investments for fiscal year ended December 31, 2016:

| | <u>Land Held for Investment</u> |
|------------------------------------|--|
| Balance as of July 1, 2015 | \$ - |
| Contributions | 2,851,509 |
| Sold | - |
| Unrealized gain (loss) | <u>-</u> |
| Balance as of June 30, 2016 | <u>\$ 2,851,509</u> |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015**

NOTE 10 – COMPONENT UNIT (CONTINUED)

INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT
(Continued)

Beneficial Interest in Trusts

The Foundation is a partial beneficiary of certain perpetual trusts that were created under terms of various wills. Terms of the trusts vary but generally require the principal to remain intact in perpetuity with the income distributed to the beneficiaries.

The beneficial interest trusts are valued based on the underlying assets of the trusts, in the same manner as noted above. The following table sets forth by level, within the fair value hierarchy, the Foundation's interest in the trusts at fair value as of June 30, 2016 and 2015.

| | Assets at Fair Value as of June 30, 2016 | | | |
|--------------------------------|---|--|--|---------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Other Inputs (Level 2) | Significant Other Observable Inputs (Level 3) | Total |
| Beneficial interests in trusts | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,044,769</u> | <u>\$ 1,044,769</u> |
| | Assets at Fair Value as of June 30, 2015 | | | |
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Other Inputs (Level 2) | Significant Other Observable Inputs (Level 3) | Total |
| Beneficial interests in trusts | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,123,435</u> | <u>\$ 1,123,435</u> |

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

REQUIRED SUPPLEMENTARY INFORMATION



**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
REQUIRED SUPPLEMENTARY INFORMATION (COVERED PAYROLL)
Year Ended June 30, 2015**

| Danville Area Community College | Fiscal Year 2015 | Fiscal Year 2014 |
|---|-----------------------------|-----------------------------|
| (a) Proportion Percentage of the Collective Net Pension Liability | 0% | 0% |
| (b) Proportion Amount of the Collective Net Pension Liability | \$ - | \$ - |
| (c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer | \$ 68,062,674 | \$ 63,586,595 |
| Total (b) + (c) | \$ 68,062,674 | \$ 63,586,595 |
| Employer Covered-employee payroll | \$ 11,896,006 | \$ 11,911,493 |
| Proportion of Collective Net Pension Liability associated with Employer as a percentage of covered-employee payroll | 572.15% | 533.83% |
| SURS Plan Net Position as a Percentage of Total Pension Liability | 43.24% | 44.39% |
| Federal, Trust, Grant and Other contribution | \$ 64,668 | \$ 63,187 |
| Contribution in relation to required contribution | \$ 64,668 | \$ 63,187 |
| Contribution deficiency (excess) | \$ - | \$ - |
| Employer Covered-employee payroll | \$ 11,896,006 | \$ 11,911,493 |
| Contributions as a percentage of covered-employee payroll | \$ 0.544 | \$ 0.531 |
| Additional Information | Fiscal Year 2016 | Fiscal Year 2015 |
| On-Behalf Payments for Community College Health Insurance Program | \$ 53,655 | \$ 52,188 |

*Note: The System implemented GASB No. 68 in fiscal year 2015. The information above 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
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.

| | <u>PAGE</u> |
|--|-------------|
| <u>Contents</u> | |
| Financial Trends | 65-68 |
| <p style="margin-left: 40px;">These schedules contain trend information to help the reader understand how the College’s financial performance and well-being have changed over time.</p> | |
| Revenue Capacity | 69-82 |
| <p style="margin-left: 40px;">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.</p> | |
| Debt Capacity | 83-85 |
| <p style="margin-left: 40px;">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.</p> | |
| Demographic and Economic Information | 86-87 |
| <p style="margin-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the College’s financial activities take place.</p> | |
| Operating Information | 88-90 |
| <p style="margin-left: 40px;">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.</p> | |

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

STATISTICAL SECTION



**Danville Area Community College
Community College District No. 507**

**Net Position by Component
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 |
|--|----------------------|----------------------|----------------------|----------------------|
| Business-type activities | | | | |
| Net investment in capital assets | \$ 32,954,847 | \$ 35,099,459 | \$ 35,944,120 | \$ 37,411,102 |
| Restricted | | | | |
| Capital projects | 1,636,621 | 1,038,308 | 2,642,071 | 590,986 |
| Working Cash | 5,179,723 | 4,854,723 | 4,119,723 | 3,824,723 |
| Debt Service | 766,898 | 767,757 | 873,702 | 908,937 |
| Grant purposes | 1,194,007 | 1,023,344 | 359,153 | 463,566 |
| Audit Purposes | 35,348 | 29,726 | 36,910 | 57,021 |
| Liability Insurance | 1,015,161 | 1,054,830 | 1,183,036 | 1,293,686 |
| Unrestricted | 9,277,526 | 11,953,430 | 12,069,991 | 12,724,662 |
| Total business-type activities net position | \$ 52,060,131 | \$ 55,821,577 | \$ 57,228,706 | \$ 57,274,683 |

Source: College's Annual Financial Reports

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 36,990,036 | \$ 34,407,305 | \$ 34,535,138 | \$ 34,941,176 | \$ 36,726,498 | \$ 35,976,086 |
| | 1,259,018 | 1,131,319 | 1,154,526 | 1,360,533 | 1,659,355 | 3,001,598 |
| | 3,588,091 | 5,432,211 | 4,432,604 | 3,431,905 | 3,431,457 | 3,431,422 |
| | 917,584 | 887,405 | 887,553 | 807,116 | 725,007 | 716,683 |
| | 398,368 | 364,321 | 304,985 | 327,209 | 355,549 | 301,761 |
| | 53,402 | 52,654 | 45,336 | 44,605 | 41,431 | 30,218 |
| | 1,308,966 | 1,317,034 | 1,306,283 | 1,311,679 | 1,261,821 | 1,241,317 |
| | 12,109,615 | 8,260,717 | 7,298,076 | 6,682,283 | 5,290,365 | 5,078,232 |
| \$ | 56,625,080 | \$ 51,852,966 | \$ 49,964,501 | \$ 48,906,506 | \$ 49,491,483 | \$ 49,777,317 |

**Danville Area Community College
Community College District No. 507**

**Changes in Net Position
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | | |
| Student tuition and fees, net of scholarship allowances | \$ 3,795,210 | \$ 3,640,226 | \$ 3,797,592 | \$ 3,444,023 | \$ 3,529,368 |
| Auxiliary enterprise revenue | 583,445 | 611,917 | 1,572,107 | 1,635,844 | 1,756,952 |
| Other operating revenue | 16,913 | 5,332 | 90,872 | 96,297 | 133,112 |
| Total operating revenues | <u>4,395,568</u> | <u>4,257,475</u> | <u>5,460,571</u> | <u>5,176,164</u> | <u>5,419,432</u> |
| Operating expenses | | | | | |
| Instruction | 8,153,578 | 8,282,774 | 8,172,747 | 7,677,960 | 7,639,489 |
| Academic support | 1,091,578 | 1,059,757 | 1,115,259 | 1,078,947 | 1,012,435 |
| Student services | 1,955,524 | 1,941,911 | 1,909,172 | 1,872,718 | 1,865,047 |
| Public service | 1,044,724 | 1,515,176 | 1,165,666 | 1,192,022 | 1,872,594 |
| Operation and maintenance of plant and capital outlay | 2,218,289 | 2,394,952 | 2,335,408 | 2,213,157 | 2,303,366 |
| Institutional support | 3,795,615 | 3,980,444 | 3,806,755 | 3,703,532 | 3,428,496 |
| Scholarships | 1,421,511 | 1,423,858 | 1,734,556 | 1,888,823 | 1,890,898 |
| Auxiliary enterprise | 507,939 | 527,600 | 1,411,733 | 1,544,480 | 1,637,358 |
| On-behalf payments | 5,658,291 | 4,752,538 | 3,869,867 | 3,502,084 | 2,434,534 |
| Depreciation | 1,974,482 | 2,117,550 | 1,897,870 | 1,773,702 | 1,671,260 |
| Total operating expenses | <u>27,821,531</u> | <u>27,996,560</u> | <u>27,419,033</u> | <u>26,447,425</u> | <u>25,755,477</u> |
| Operating (loss) | <u>(23,425,963)</u> | <u>(23,739,085)</u> | <u>(21,958,462)</u> | <u>(21,271,261)</u> | <u>(20,336,045)</u> |
| Nonoperating revenues (expenses) | | | | | |
| State grants and contracts | 1,438,607 | 4,998,816 | 5,064,905 | 5,876,838 | 8,824,366 |
| Local property tax revenues | 6,111,782 | 5,880,830 | 5,649,735 | 5,705,172 | 5,743,885 |
| Personal property replacement tax | 564,193 | 616,276 | 573,034 | 566,452 | 554,398 |
| Federal grants and contracts | 5,590,168 | 5,992,094 | 5,887,239 | 6,137,625 | 7,289,525 |
| Local grants and contracts | 68,183 | 5,500 | 70,374 | 65,400 | 65,000 |
| Investment income earned | 73,257 | 61,757 | 66,504 | 106,496 | 119,977 |
| Interest expense | (214,816) | (223,646) | (205,334) | (126,848) | (147,387) |
| On-behalf payments | 5,716,032 | 4,815,725 | 3,869,867 | 3,502,084 | 2,434,534 |
| Loss on disposal of assets | 7,000 | - | - | - | (44,665) |
| Other nonoperating revenues (expenses) | 310,111 | 184,604 | 449,161 | 14,349 | 12,875 |
| Net nonoperating revenues | <u>19,664,517</u> | <u>22,331,956</u> | <u>21,425,485</u> | <u>21,847,568</u> | <u>24,852,508</u> |
| Capital contributions | | | | | |
| Capital contributions | - | - | 487,000 | 73,296 | 255,651 |
| Total capital contributions | <u>-</u> | <u>-</u> | <u>487,000</u> | <u>73,296</u> | <u>255,651</u> |
| Increase (decrease) in net position | <u>\$ (3,761,446)</u> | <u>\$ (1,407,129)</u> | <u>\$ (45,977)</u> | <u>\$ 649,603</u> | <u>\$ 4,772,114</u> |

Source: College's Annual Financial Reports

| 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 3,166,396 \$ | 2,604,979 \$ | 2,994,601 \$ | 2,928,998 \$ | 2,748,179 |
| 1,921,512 | 1,939,795 | 1,428,419 | 1,440,779 | 1,431,893 |
| 741,019 | 944,984 | 308,128 | 310,123 | 402,018 |
| <u>5,828,927</u> | <u>5,489,758</u> | <u>4,731,148</u> | <u>4,679,900</u> | <u>4,582,090</u> |
| 7,467,535 | 7,403,529 | 6,503,984 | 6,624,900 | 6,263,172 |
| 945,905 | 888,490 | 905,314 | 824,906 | 766,043 |
| 1,958,784 | 1,976,642 | 1,818,995 | 1,680,738 | 1,795,253 |
| 1,918,203 | 2,299,354 | 1,925,362 | 1,814,933 | 1,695,698 |
| 2,295,187 | 2,101,191 | 2,688,699 | 2,415,065 | 1,923,312 |
| 3,550,541 | 3,634,350 | 3,391,816 | 3,168,995 | 3,230,684 |
| 2,354,805 | 2,354,034 | 1,416,321 | 1,295,007 | 1,411,642 |
| 1,706,388 | 1,737,761 | 1,363,206 | 1,392,360 | 1,407,761 |
| 1,952,143 | 1,712,963 | 1,047,208 | 786,556 | 591,520 |
| 1,684,228 | 1,708,656 | 1,796,800 | 1,705,318 | 1,693,481 |
| <u>25,833,719</u> | <u>25,816,970</u> | <u>22,857,705</u> | <u>21,708,778</u> | <u>20,778,566</u> |
| <u>(20,004,792)</u> | <u>(20,327,212)</u> | <u>(18,126,557)</u> | <u>(17,028,878)</u> | <u>(16,196,476)</u> |
| 5,164,358 | 4,699,816 | 4,548,102 | 5,598,535 | 7,388,055 |
| 5,835,858 | 5,866,645 | 5,857,426 | 5,644,521 | 5,365,068 |
| 602,653 | 464,716 | 574,439 | - | - |
| 8,344,384 | 8,712,832 | 5,454,503 | 4,460,707 | 4,559,071 |
| - | - | - | - | - |
| 94,869 | 74,236 | 124,810 | 332,082 | 582,849 |
| (148,234) | (145,501) | (64,408) | (77,961) | (112,212) |
| 1,952,143 | 1,712,963 | 1,047,208 | 786,556 | 591,520 |
| (964) | - | - | (896) | (293,806) |
| (500) | (500) | (500) | (500) | (500) |
| <u>21,844,567</u> | <u>21,385,207</u> | <u>17,541,580</u> | <u>16,743,044</u> | <u>18,080,045</u> |
| 48,690 | - | - | - | - |
| 48,690 | - | - | - | - |
| <u>1,888,465 \$</u> | <u>1,057,995 \$</u> | <u>(584,977) \$</u> | <u>(285,834) \$</u> | <u>1,883,569</u> |

**Danville Area Community College
Community College District No. 507**

**Assessed Value and Estimated Actual Value of Taxable Property
Tax Levy Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006**

| Tax Levy Year | Fiscal year | | Residential Property | Farm Property | Commercial Property | Industrial Property | Railroad Property | | |
|------------------|-------------------|----|-------------------------|------------------|------------------------|------------------------|----------------------|----|------------|
| | Ended June 30, | | | | | | | | |
| 2015 | 2016 | \$ | 439,319,200 | \$ | 289,791,685 | \$ | 40,813,423 | \$ | 18,705,613 |
| 2014 | 2015 | | 433,762,886 | | 297,447,603 | | 40,933,844 | | 5,253,911 |
| 2013 | 2014 | | 436,829,009 | | 278,541,423 | | 41,564,120 | | 5,277,629 |
| 2012 | 2013 | | 451,283,044 | | 238,494,724 | | 41,140,807 | | 4,908,504 |
| 2011 | 2012 | | 466,219,117 | | 221,309,760 | | 49,576,083 | | 4,765,082 |
| 2010 | 2011 | | 487,878,257 | | 207,929,367 | | 52,861,063 | | 4,178,329 |
| 2009 | 2010 | | 505,530,753 | | 195,406,987 | | 56,779,351 | | 3,773,743 |
| 2008 | 2009 | | 523,188,149 | | 183,333,913 | | 53,229,136 | | 2,419,259 |
| 2007 | 2008 | | 514,961,191 | | 171,555,840 | | 47,061,395 | | 2,882,680 |
| 2006 | 2007 | | 479,741,384 | | 164,587,629 | | 44,537,159 | | 2,595,405 |

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

| | 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 |
|----|---------------------|-------------------|--------------------|------------------------------------|-----------------------------|--------------------------------------|--|
| \$ | 33,337,250 | \$ 0 | - | \$ 986,086,819 | \$ 0.6235 | \$ 2,988,141,876 | 33.00% |
| | 1,046,825 | 11,764,747 | | 958,251,948 | 0.6185 | 2,903,793,782 | 33.00% |
| | 1,047,838 | 8,097,541 | | 933,032,914 | 0.6127 | 2,827,372,467 | 33.00% |
| | 1,048,813 | 12,190,641 | - | 911,509,553 | 0.6307 | 2,762,150,161 | 33.00% |
| | 1,044,806 | 12,108,841 | - | 926,319,470 | 0.6233 | 2,807,028,697 | 33.00% |
| | 2,446,380 | 10,829,212 | - | 950,508,048 | 0.6193 | 2,880,327,418 | 33.00% |
| | 2,199,814 | 9,482,586 | - | 964,795,136 | 0.6122 | 2,923,621,624 | 33.00% |
| | 2,199,814 | 8,031,414 | (16,502,332) | 966,728,656 | 0.6014 | 2,929,480,776 | 33.00% |
| | 4,116,638 | 6,603,792 | (14,221,698) | 940,012,257 | 0.6029 | 2,848,521,991 | 33.00% |
| | 4,116,638 | 5,592,241 | (10,560,466) | 887,345,256 | 0.6112 | 2,688,925,018 | 33.00% |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Overlapping Property Tax Rates: | | | | | | | | | | |
| Vermilion County | | | | | | | | | | |
| Airport Authority | .11031 | .10589 | .10480 | .09730 | .09000 | .10250 | .11630 | .11120 | .10960 | .11310 |
| Catlin Cemetery | .08120 | .08172 | .08481 | .08620 | .08780 | .08700 | .08720 | .08820 | .09110 | .09840 |
| Georgetown Cemetery | .06754 | .06252 | .06071 | .05820 | .06070 | .05750 | .05590 | .05450 | .05230 | .05980 |
| Pilot Cemetery | .05009 | .04539 | .04835 | .05030 | .03510 | .03350 | .03120 | .03160 | .03160 | .03370 |
| Rossville/South Ross Cemetery | .19999 | .14964 | .14617 | .14500 | .15310 | .15420 | .15360 | .14800 | .14490 | .14180 |
| Vermilion County | 1.48477 | 1.44616 | 1.47315 | 1.44860 | 1.41420 | 1.37220 | 1.34150 | 1.33130 | 1.36830 | 1.45030 |
| Conservation District | .12344 | .12058 | .12132 | .12420 | .12130 | .11680 | .11420 | .11310 | .11580 | .12250 |
| Blount Water | .01051 | .01158 | .01172 | .01230 | .01200 | .01150 | .01190 | .01190 | .01220 | .01280 |
| South Ross Water | .03455 | .03652 | .03889 | .04160 | .04960 | .05000 | .05030 | .05130 | .07930 | .08000 |
| City of Alvin | .47619 | .26380 | .25000 | .24890 | .25000 | .25000 | .25000 | .23910 | .23270 | .25000 |
| City of Belgium | .35800 | .35800 | .35800 | .35730 | .34420 | .33340 | .32750 | .30010 | .30080 | .32100 |
| City of Catlin | .71322 | .73532 | .74163 | .73870 | .71060 | .71190 | .68940 | .65330 | .63350 | .70270 |
| City of Danville | 2.08259 | 2.05525 | 2.06604 | 1.99890 | 1.97950 | 1.97490 | 1.98560 | 1.88460 | 1.78750 | 1.78540 |
| City of Fairmount | .73696 | .67281 | .62460 | .59350 | .62670 | .57230 | .55360 | .51530 | .50360 | .53080 |
| City of Fithian | .79817 | .77158 | .73980 | .69050 | .64300 | .57770 | .52410 | .49130 | .47380 | .48240 |
| City of Georgetown | 1.13842 | .94365 | .92516 | .85160 | .84870 | .77490 | .72620 | .67690 | .64460 | .65110 |
| City of Henning | .31588 | .31169 | .29612 | .31050 | .56790 | .52050 | .48580 | .45420 | .47800 | .52250 |
| City of Hoopston | 2.51197 | 2.60635 | 2.44469 | 2.21840 | 2.03630 | 1.90970 | 1.93640 | 1.89370 | 1.91590 | 1.87910 |
| City of Indianola | .34199 | .36600 | .36057 | .35890 | .36910 | .34570 | .32740 | .32030 | .32130 | .24520 |
| City of Muncie | .24873 | .25000 | .25000 | .25000 | .23720 | .25000 | .25000 | .25000 | .25000 | .19250 |
| City of Potomac | 1.04390 | 1.04121 | .95004 | .88280 | .90530 | .83780 | .76880 | .69760 | .67400 | .71740 |
| City of Rankin | .73564 | .78472 | .78117 | .75900 | .80200 | .74910 | .71160 | .70390 | .69160 | .74420 |
| City of Ridge Farm | 2.69345 | 2.69383 | 2.57688 | 2.46490 | 2.41950 | 2.17590 | 2.01230 | 1.86740 | 1.76250 | 1.84850 |
| City of Rossville | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 |
| City of Sidell | .64228 | .66453 | .63396 | .61600 | .64050 | .60990 | .58380 | .54650 | .56370 | .61740 |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates (Continued)
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Vermilion County (Continued) | | | | | | | | | | |
| Allerton Fire | .25768 | .25392 | .26129 | .26460 | .26950 | .28360 | .28420 | .28430 | .29650 | .30740 |
| Bismarck Fire | .53528 | .34508 | .33638 | .33840 | .33400 | .33070 | .32750 | .31220 | .32440 | .32410 |
| Blue Grass Fire | .55605 | .52767 | .51590 | .58480 | .59480 | .58470 | .57700 | .57490 | .57240 | .58010 |
| Catlin Fire | .33457 | .34069 | .33804 | .33650 | .34070 | .33930 | .32930 | .31900 | .25660 | .27640 |
| Carroll Fire | .51229 | .51759 | .53011 | .54350 | .60600 | .56440 | .56740 | .56510 | .49530 | .50310 |
| FMC Fire | .15120 | .14969 | .10142 | .15410 | .15940 | .16370 | .16590 | .17200 | .18070 | .18900 |
| Georgetown Fire | .61354 | .55809 | .53746 | .51290 | .52740 | .48470 | .46840 | .45020 | .46090 | .47490 |
| Grant Township Fire | .40000 | .10088 | .10739 | .11230 | .11690 | .11980 | .12240 | .12290 | .11070 | .11090 |
| Homer Fire | .40788 | .38831 | .40104 | .41200 | .41520 | .40230 | .39750 | .38670 | .39250 | .42590 |
| Kickapoo Fire | .18522 | .18667 | .18021 | .17940 | .17290 | .16550 | .16400 | .16270 | .16870 | .18050 |
| Lynch Fire | .67976 | .69074 | .69286 | .68800 | .68330 | .63790 | .61370 | .60960 | .62420 | .62770 |
| Oakwood Fire | .30062 | .30121 | .31243 | .33160 | .25600 | .24930 | .23930 | .23530 | .23790 | .24330 |
| Ogden/Royal Fire | .16321 | .16219 | .16214 | .20270 | .21400 | .22060 | .23640 | .24240 | .26110 | .25700 |
| Rankin Fire | .44509 | .46694 | .46506 | .42360 | .56350 | .53430 | .54690 | .56230 | .35700 | .34980 |
| Ridge Farm Fire | .51004 | .30661 | .31937 | .32030 | .33640 | .40020 | .40670 | .41080 | .51680 | .56360 |
| Rossville Fire | .56219 | .63496 | .63286 | .64990 | .64620 | .66120 | .66800 | .28000 | .30000 | .30000 |
| Sidell Fire | .28275 | .27791 | .27605 | .27410 | .28370 | .28120 | .27460 | .26970 | .27260 | .30070 |
| Westville Fire | .42277 | .41754 | .42604 | .40760 | .40410 | .39930 | .37600 | .35720 | .34740 | .36130 |
| Catlin Library | .21635 | .20950 | .20746 | .20630 | .20500 | .20350 | .20110 | .20430 | .20390 | .20330 |
| Hoopeston Library | .22661 | .22663 | .22668 | .22580 | .22620 | .22380 | .22010 | .21560 | .21420 | .21410 |
| Oakwood Library | .28072 | .28989 | .28593 | .28390 | .28070 | .26450 | .24760 | .23610 | .21390 | .21800 |
| Sidell Library | .17856 | .18318 | .18549 | .21570 | .22270 | .21930 | .21880 | .21730 | .21790 | .22760 |
| Westville Library | .28118 | .27944 | .27990 | .26800 | .26190 | .25720 | .25320 | .25070 | .24380 | .24720 |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates (Continued)
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Vermilion County (Continued) | | | | | | | | | | |
| Carroll/Elwood MTA | .06727 | .06914 | .07921 | .08190 | .08290 | .07530 | .07320 | .07090 | .06560 | .06750 |
| Grant/Butler MTA | .15634 | .18076 | .19350 | .20280 | .20040 | .20750 | .20430 | .00000 | .00000 | .00000 |
| Georgetown/Love/McKendree MTA | .04031 | .03939 | .03989 | .03880 | .04110 | .03980 | .03890 | .03850 | .03900 | .04060 |
| Jamaica/Vance MTA | .03147 | .03157 | .03335 | .03470 | .03560 | .03530 | .03750 | .03710 | .03720 | .04050 |
| Middlefork Pilot MTA | .04051 | .03974 | .04033 | .04230 | .03610 | .03460 | .03290 | .03200 | .03180 | .03230 |
| Rossville Park | .08456 | .09133 | .09295 | .09410 | .09700 | .09820 | .09960 | .10000 | .10000 | .10000 |
| Blount Road & Bridge | .43147 | .44226 | .44270 | .44350 | .42140 | .40120 | .38880 | .37390 | .35810 | .36660 |
| Butler Road & Bridge | .74745 | .97631 | .96020 | .98390 | 1.02660 | .99530 | .97460 | .95330 | .96160 | .91720 |
| Carroll Road & Bridge | .51484 | .51207 | .47042 | .47160 | .47900 | .45400 | .45450 | .45230 | .42670 | .43040 |
| Catlin Road & Bridge | .43147 | .43307 | .44052 | .43710 | .44700 | .43120 | .44580 | .39380 | .39290 | .41500 |
| Danville Road & Bridge | .47373 | .47257 | .45748 | .45200 | .43350 | .41110 | .39010 | .37890 | .37860 | .38050 |
| Elwood Road & Bridge | .45101 | .45768 | .45547 | .45320 | .45460 | .43990 | .42780 | .41740 | .41670 | .42650 |
| Georgetown Road & Bridge | .36966 | .35965 | .35528 | .34200 | .35600 | .27980 | .33380 | .31760 | .30670 | .32600 |
| Grant Road & Bridge | .55321 | .48408 | .48541 | .48060 | .46970 | .46280 | .46340 | .45550 | .45630 | .45620 |
| Jamaica Road & Bridge | .82724 | .78550 | .79253 | .79690 | .82490 | .82610 | .82370 | .82980 | .83190 | .88930 |
| Love Road & Bridge | .51901 | .50251 | .50861 | .50570 | .52110 | .52980 | .52860 | .52160 | .52430 | .53900 |
| Mc Kendree Road & Bridge | .52363 | .50211 | .49129 | .47670 | .48510 | .46060 | .44090 | .42930 | .42680 | .44610 |
| Middlefork Road & Bridge | .59343 | .62755 | .62340 | .63070 | .64710 | .63540 | .62900 | .62730 | .63300 | .63790 |
| Newell Road & Bridge | .25824 | .24558 | .24226 | .25000 | .25000 | .24600 | .24200 | .23780 | .23610 | .23740 |
| Oakwood Road & Bridge | .45000 | .45000 | .45000 | .45000 | .45000 | .45000 | .44810 | .44050 | .43530 | .44010 |
| Pilot Road & Bridge | .31047 | .29775 | .30014 | .32560 | .31880 | .31880 | .31750 | .31190 | .31100 | .31710 |
| Rossville Road & Bridge | .22482 | .24603 | .24673 | .24710 | .25000 | .25000 | .25000 | .25000 | .25000 | .25000 |
| Sidell Road & Bridge | .53803 | .53750 | .54315 | .54430 | .56140 | .57120 | .57770 | .56930 | .52850 | .55060 |
| South Ross Road & Bridge | .20816 | .20950 | .20603 | .20990 | .24840 | .24840 | .24530 | .23950 | .23810 | .25000 |
| Vance Road & Bridge | .41667 | .40329 | .40865 | .40450 | .41150 | .40460 | .39910 | .39520 | .40000 | .42060 |
| Westville/Belgium Sanitary | .08217 | .08133 | .08021 | .07540 | .07760 | .07440 | .07140 | .06910 | .06920 | .07200 |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates (Continued)
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Vermilion County (Continued) | | | | | | | | | | |
| Danville Special Service | 1.54626 | 1.54947 | 1.54883 | 1.47640 | 1.77520 | 1.63960 | 1.77350 | 1.68410 | 1.60980 | 1.68540 |
| Grant Special Service | .02303 | .02408 | .02500 | .02500 | .02500 | .02500 | .02500 | .02500 | .02480 | .02500 |
| North Fork Special Service 01 | .07332 | .08245 | .08534 | .08780 | .08870 | .08810 | .08400 | .08010 | .07910 | .06570 |
| North Fork Special Service 02 | .06550 | .06550 | .06550 | .06550 | .06350 | .06100 | .05580 | .05140 | .04830 | .04040 |
| North Fork Special Service 03 | .05277 | .05199 | .05070 | .04890 | .04840 | .04770 | .04490 | .04390 | .04130 | .03570 |
| Ross Special Service Amb 01 | .12000 | .12000 | .12000 | .12000 | .11930 | .11760 | .11620 | .11910 | .11790 | .12000 |
| Ross Special Service Amb 02 | .02500 | .01674 | .01763 | .01850 | .01950 | .02000 | .02080 | .02060 | .02500 | .02500 |
| Blount Township | .20906 | .21759 | .20813 | .20560 | .18750 | .17070 | .16970 | .16060 | .15660 | .15580 |
| Butler Township | .58147 | .90106 | .92612 | .94830 | .98260 | .94510 | .93750 | .92960 | .90230 | .83250 |
| Carroll Township | .61647 | .61505 | .62468 | .63830 | .65370 | .58750 | .58850 | .58400 | .51190 | .45420 |
| Catlin Township | .19886 | .20015 | .20187 | .20870 | .22180 | .22070 | .22830 | .23130 | .23690 | .25980 |
| Danville Township | .53552 | .50618 | .48114 | .45140 | .43260 | .41110 | .39280 | .37930 | .38250 | .38720 |
| Elwood Township | .52861 | .55959 | .54974 | .53480 | .54830 | .51630 | .48990 | .46660 | .47750 | .49620 |
| Georgetown Township | .32915 | .30566 | .30654 | .29280 | .39700 | .29640 | .28720 | .27030 | .27270 | .29170 |
| Grant Township | .33594 | .32697 | .31609 | .32690 | .30270 | .28320 | .28570 | .38360 | .38960 | .39940 |
| Jamaica Township | .35791 | .35709 | .38065 | .38330 | .42130 | .42200 | .41940 | .42910 | .43400 | .47340 |
| Love Township | .64295 | .62311 | .63442 | .63080 | .65070 | .66190 | .67000 | .67590 | .67940 | .69840 |
| Mc Kendree Township | .47557 | .47728 | .47853 | .47660 | .49530 | .47100 | .47100 | .45760 | .46630 | .48740 |
| Middlefork Township | .59386 | .61798 | .61089 | .60530 | .63780 | .63620 | .62530 | .62230 | .61950 | .64680 |
| Newell Township | .20801 | .20749 | .20468 | .19170 | .17400 | .15720 | .14380 | .13170 | .12870 | .13520 |
| Oakwood Township | .40684 | .40539 | .40002 | .39940 | .38450 | .36510 | .34600 | .33200 | .32570 | .33150 |
| Pilot Township | .27997 | .26958 | .27170 | .37930 | .33150 | .31700 | .29520 | .28490 | .25100 | .25590 |
| Rossville Township | .56508 | .61863 | .62225 | .63540 | .65260 | .66060 | .66310 | .65930 | .63870 | .61780 |
| Sidell Township | .41927 | .41278 | .41712 | .41800 | .42760 | .43000 | .42850 | .42030 | .42730 | .44520 |
| South Ross Township | .44973 | .45265 | .44515 | .45350 | .53310 | .53350 | .51160 | .49700 | .49390 | .50940 |
| Vance Township | .43569 | .42367 | .41908 | .43060 | .46450 | .45210 | .44430 | .45250 | .45350 | .49930 |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates (Continued)
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Vermilion County (Continued) | | | | | | | | | | |
| Bismarck-Henning Unit 1 | 5.35243 | 5.26859 | 5.19977 | 5.15800 | 5.06940 | 4.97860 | 4.89750 | 4.84130 | 4.84890 | 4.87380 |
| Westville Unit 2 | 5.55050 | 5.17437 | 5.12624 | 4.95180 | 4.95320 | 4.76630 | 4.65790 | 4.52060 | 4.51940 | 4.48880 |
| Georgetown/Ridge Farm Unit 4 | 5.72343 | 5.27308 | 5.26925 | 5.16130 | 4.89150 | 4.72190 | 4.69050 | 4.56010 | 4.47950 | 4.45780 |
| Catlin Unit 5 | .20145 | 5.17412 | 5.03047 | 5.12230 | 5.16410 | 5.15190 | 5.15120 | 5.13170 | 4.91070 | 4.96820 |
| Rossville/Alvin Unit 7 | 5.54454 | 5.43387 | 5.45955 | 5.09560 | 5.07140 | 4.81340 | 4.79520 | 4.79780 | 4.80880 | 4.90310 |
| Heritage Unit 8C | 5.50138 | 5.24637 | 5.02058 | 4.98060 | 4.89090 | 4.87630 | 4.83370 | 4.53370 | 4.74910 | 5.06550 |
| Potomac Unit 10 | 5.15587 | 4.64882 | 4.50827 | 4.62860 | 4.87080 | 4.78440 | 4.84180 | 4.93370 | 4.89400 | 5.11150 |
| Paxton-Buckley-Loda Unit 10F | 5.65804 | 5.46175 | 5.29721 | 5.19900 | 5.33900 | 5.26650 | 5.35410 | 5.32490 | 5.42380 | 5.30690 |
| Hoopeston Unit 11 | 5.17614 | 4.66098 | 4.64282 | 4.64930 | 4.64180 | 4.63510 | 4.63740 | 4.62750 | 4.60070 | 4.56700 |
| Jamaica Unit 12 | .09692 | 5.15639 | 5.15076 | 5.11960 | 5.22490 | 5.09530 | 5.07670 | 5.12270 | 5.09600 | 5.47140 |
| Armstrong Unit 61 | 2.77210 | 2.49909 | 2.54712 | 3.02280 | 2.99110 | 2.97320 | 2.95940 | 3.02060 | 3.10720 | 3.17720 |
| Oakwood Unit 76 | 5.35245 | 5.10057 | 5.15382 | 4.92270 | 4.55860 | 4.53140 | 4.52600 | 4.49430 | 4.52620 | 4.40060 |
| Danville Unit 118 | 5.70722 | 5.28616 | 5.30868 | 5.12690 | 5.03080 | 4.97460 | 4.93800 | 4.89020 | 4.89450 | 4.96240 |
| Prairieview Unit 192 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | 2.75820 |
| Prairieview-Ogden Unit 197 | 3.05506 | 2.82308 | 2.80997 | 2.80140 | 2.79050 | 2.74960 | 2.74840 | 2.72900 | 2.70180 | .00000 |
| Ogden Unit 212 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | 2.61030 |
| Armstrong High School 225 | 2.34039 | 2.23827 | 2.22711 | 2.53270 | 2.59390 | 2.92400 | 3.07500 | 3.09740 | 3.23900 | 3.35340 |
| St. Joseph High School 305 | 2.00998 | 1.99897 | 1.97297 | 1.93330 | 1.97150 | 1.94760 | 2.00230 | 1.99240 | 1.97490 | 1.98300 |
| Salt Fork Unit 512 | 5.16532 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 | .00000 |
| Total Overlapping Rate | 115.53758 | 115.97495 | 114.69619 | 113.92360 | 114.49370 | 111.92790 | 111.29220 | 109.07910 | 108.58210 | 113.22130 |

**Danville Area Community College
Community College District No. 507**

**Property Tax Rates (Continued)
Direct and Overlapping**

Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Taxing Bodies | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Vermilion County (Continued) | | | | | | | | | | |
| Direct Property Tax Rate: | | | | | | | | | | |
| Danville Area Community College | | | | | | | | | | |
| Education Fund | .37290 | .37290 | .36510 | .37290 | .37290 | .37290 | .37290 | .37290 | .37290 | .36950 |
| Building and Maintenance Fund | .07500 | .07500 | .07340 | .07500 | .07500 | .07500 | .07500 | .07500 | .07500 | .07430 |
| Worker's Compensation Fund | .00761 | .01000 | .01010 | .01040 | .01020 | .00710 | .00630 | .00570 | .00000 | .00000 |
| Audit Fund | .00500 | .00370 | .00220 | .00500 | .00500 | .00500 | .00420 | .00490 | .00470 | .00290 |
| Tort Liability Fund | .05578 | .04500 | .04300 | .04900 | .04670 | .04790 | .05090 | .05270 | .06630 | .07280 |
| Medicare Fund | .01623 | .01730 | .01930 | .01980 | .01950 | .01900 | .01410 | .01350 | .01290 | .01240 |
| Protection, Health and Safety Fund | .00894 | .00980 | .01070 | .00800 | .00490 | .00530 | .00470 | .00490 | .00490 | .00950 |
| Bond and Interest Fund | .08200 | .08480 | .08890 | .09060 | .08910 | .08710 | .08410 | .07180 | .06620 | .06980 |
| Total Direct Rate | .62346 | .61850 | .61270 | .63070 | .62330 | .61930 | .61220 | .60140 | .60290 | .61120 |
| Total Rate | 116.16104 | 116.59345 | 115.30889 | 114.55430 | 115.11700 | 112.54720 | 111.90440 | 109.68050 | 109.18500 | 113.83250 |

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 for Direct and Overlapping Bond Debt
General Obligation Bonds
June 30, 2016

| ISSUER (Overlapping) | Bonds Outstanding | Percent | Amount |
|--|----------------------|---------|----------------------|
| Vermilion County | | | |
| City of Danville | \$ 6,250,000 | 100.00% | \$ 6,250,000 |
| City of Georgetown | 595,000 | 100.00% | 595,000 |
| Village of Tilton | 3,185,000 | 100.00% | 3,185,000 |
| Rankin Fire | 315,000 | 99.89% | 314,654 |
| Rossville Fire | 675,000 | 100.00% | 675,000 |
| Westville Fire | 75,000 | 100.00% | 75,000 |
| Bismarck-Henning Unit 1 | 3,235,000 | 100.00% | 3,235,000 |
| Westville Unit 2 | 4,090,000 | 100.00% | 4,090,000 |
| Georgetown/Ridge Farm Unit 4 | 5,375,000 | 100.00% | 5,375,000 |
| Catlin Unit 5 | 830,000 | 100.00% | 830,000 |
| Rossville/Alvin Unit 7 | 3,375,000 | 100.00% | 3,375,000 |
| Heritage Unit 8C | 6,210,000 | 80.75% | 5,014,576 |
| Potomac Unit 10 | 700,000 | 100.00% | 700,000 |
| Paxton-Buckly-Loda Unit 10F | 4,091,000 | 99.99% | 4,090,591 |
| Hoopston Unit 11 | 900,000 | 99.98% | 899,820 |
| Jamaica Unit 12 | 65,000 | 99.92% | 64,948 |
| Armstrong Unit 61 | 545,000 | 100.00% | 545,000 |
| Oakwood Unit 76 | 7,910,000 | 99.96% | 7,906,836 |
| Danville Unit 118 | 30,580,000 | 100.00% | 30,580,000 |
| Prairieview-Ogden Unit 197 | 1,225,000 | 98.16% | 1,202,460 |
| Armstrong High School 225 | 300,000 | 100.00% | 300,000 |
| St. Joseph High School 305 | 7,040,000 | 99.27% | 6,988,608 |
| Vermilion County | 3,640,000 | 97.93% | 3,564,652 |
| Total Vermilion County | 91,206,000 | | 89,857,144 |
| Danville Area Community College District No. 507 | 6,270,000 | 100.00% | 6,270,000 |
| TOTAL | \$ 97,476,000 | | \$ 96,127,144 |

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 Earliest Available Year

| Taxpayer | 2015 | | | 2006 | | |
|---|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Vermilion County | | | | | | |
| California Ridge Wind Energy | \$ 21,137,251 | 1 | 2.1435% | \$ - | | |
| Apex Clean Energy | 10,965,067 | 2 | 1.1120% | - | | |
| Hanson Aggregate, Inc. | 4,606,506 | 3 | 0.4672% | - | | |
| Consumer IL Water | 3,888,570 | 4 | 0.3943% | - | | |
| Meijer Stores Limited Partnership | 3,814,645 | 5 | 0.3868% | - | | |
| Mc Lane Company Inc. | 3,607,598 | 6 | 0.3658% | 5,019,862 | 2 | 0.5657% |
| Thyssen Krupp Presta Danville, LLC | 3,080,109 | 7 | 0.3124% | 2,433,214 | 7 | 0.2742% |
| Wal Mart Stores Inc | 2,949,791 | 8 | 0.2991% | 3,199,340 | 4 | 0.3606% |
| Quaker Manufacturing, LLC | 2,948,015 | 9 | 0.2990% | 2,014,334 | 10 | 0.2270% |
| Time O Matic | 2,778,373 | 10 | 0.2818% | - | | 0.0000% |
| T Danville Mall LLC/Village Mall Center | - | | 0.0000% | 4,004,803 | 3 | 0.4513% |
| Devonshire Village LLC | 2,148,260 | | 0.2179% | 2,138,668 | 9 | 0.2410% |
| Danville Towne Centre LLC | 2,103,250 | | 0.2133% | 3,174,472 | 5 | 0.3577% |
| Danville Polyclinic | 1,626,038 | | 0.1649% | 2,279,836 | 8 | 0.2569% |
| Dynegy Property Tax | - | | 0.0000% | 7,636,869 | 1 | 0.8606% |
| Carle Foundation | - | | 0.0000% | 3,004,948 | 6 | 0.3386% |
| | <u>\$ 65,653,473</u> | | <u>6.6580%</u> | <u>\$ 34,906,346</u> | | <u>3.9338%</u> |

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. The 2006 assessed valuation is the earliest year available.

Danville Area Community College
Community College District No. 507

Schedule of Property Tax Rates, Extensions and Collections
Tax Levy Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| Tax Levy Year | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fiscal Year | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Assessed valuation | | | | | | | |
| Vermilion | \$ 832,322,839 | \$ 812,473,213 | \$ 794,698,498 | \$ 784,487,938 | \$ 805,521,378 | \$ 835,462,404 | \$ 855,504,867 |
| Edgar | 87,460,426 | 83,277,719 | 77,310,479 | 73,076,011 | 69,215,168 | 64,963,358 | 61,403,001 |
| Iroquois | 46,902,425 | 44,360,394 | 43,361,728 | 41,968,744 | 40,353,823 | 39,232,856 | 37,553,293 |
| Champaign | 19,230,839 | 18,000,822 | 17,523,109 | 11,843,380 | 11,100,541 | 10,727,380 | 10,216,065 |
| Ford | 170,290 | 139,800 | 139,100 | 133,480 | 128,560 | 122,050 | 117,910 |
| | <u>\$ 986,086,819</u> | <u>\$ 958,251,948</u> | <u>\$ 933,032,914</u> | <u>\$ 911,509,553</u> | <u>\$ 926,319,470</u> | <u>\$ 950,508,048</u> | <u>\$ 964,795,136</u> |
| Tax rates (per \$100 of assessed valuation): | | | | | | | |
| Education Fund | 0.3729 | 0.3729 | 0.3651 | 0.3729 | 0.3729 | 0.3729 | 0.3729 |
| Building and Maintenance Fund | 0.0750 | 0.0750 | 0.0734 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Worker's Compensation Fund | 0.0076 | 0.0100 | 0.0101 | 0.0104 | 0.0102 | 0.0071 | 0.0063 |
| Audit Fund | 0.0050 | 0.0037 | 0.0022 | 0.0050 | 0.0050 | 0.0050 | 0.0042 |
| Tort Liability Fund | 0.0558 | 0.0451 | 0.0430 | 0.0490 | 0.0467 | 0.0479 | 0.0509 |
| Medicare Fund | 0.0162 | 0.0173 | 0.0193 | 0.0198 | 0.0195 | 0.0190 | 0.0141 |
| Protection, Health and Safety Fund | 0.0089 | 0.0098 | 0.0107 | 0.0080 | 0.0049 | 0.0053 | 0.0047 |
| Bond and Interest Fund | 0.0821 | 0.0848 | 0.0889 | 0.0906 | 0.0891 | 0.0871 | 0.0841 |
| | <u>0.6235</u> | <u>0.6185</u> | <u>0.6127</u> | <u>0.6307</u> | <u>0.6233</u> | <u>0.6193</u> | <u>0.6122</u> |
| Tax extensions: | | | | | | | |
| Education Fund | \$ 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 | 739,550 | 718,689 | 685,533 | 683,632 | 694,738 | 712,923 | 723,790 |
| Worker's Compensation Fund | 75,286 | 95,447 | 94,299 | 94,652 | 94,327 | 67,457 | 60,798 |
| Audit Fund | 49,303 | 35,183 | 20,082 | 45,575 | 46,316 | 47,528 | 40,532 |
| Tort Liability Fund | 551,811 | 431,749 | 401,158 | 446,239 | 432,031 | 455,126 | 491,212 |
| Medicare Fund | 160,553 | 165,693 | 180,559 | 180,350 | 180,353 | 180,585 | 136,072 |
| Protection, Health and Safety Fund | 88,427 | 93,907 | 100,347 | 72,761 | 45,294 | 50,353 | 43,358 |
| Bond and Interest Fund | 812,308 | 813,990 | 830,865 | 826,387 | 825,346 | 828,588 | 811,609 |
| Total tax extensions | <u>\$ 6,154,000</u> | <u>\$ 5,923,805</u> | <u>\$ 5,721,897</u> | <u>\$ 5,750,479</u> | <u>\$ 5,772,405</u> | <u>\$ 5,887,211</u> | <u>\$ 5,906,053</u> |

Source: College's Business Office

| 2008 | 2007 | 2006 |
|-----------------------|-----------------------|-----------------------|
| 2009 | 2008 | 2007 |
| \$ 864,226,867 | \$ 842,065,961 | \$ 795,314,539 |
| 56,857,322 | 54,387,999 | 49,049,961 |
| 35,575,588 | 33,946,106 | 33,765,362 |
| 9,951,199 | 9,497,921 | 9,097,304 |
| 117,680 | 114,270 | 118,090 |
| <u>\$ 966,728,656</u> | <u>\$ 940,012,257</u> | <u>\$ 887,345,256</u> |
| 0.3729 | 0.3729 | 0.3695 |
| 0.0750 | 0.0750 | 0.0743 |
| 0.0057 | 0.0059 | 0.0090 |
| 0.0049 | 0.0047 | 0.0029 |
| 0.0527 | 0.0604 | 0.0638 |
| 0.0135 | 0.0129 | 0.0124 |
| 0.0049 | 0.0049 | 0.0095 |
| 0.0718 | 0.0662 | 0.0698 |
| <u>0.6014</u> | <u>0.6029</u> | <u>0.6112</u> |
| \$ 3,611,948 | \$ 3,484,726 | \$ 3,268,141 |
| 726,458 | 700,870 | 657,166 |
| 55,211 | 55,135 | 79,603 |
| 47,462 | 43,921 | 25,650 |
| 510,458 | 564,434 | 564,296 |
| 130,762 | 120,550 | 109,675 |
| 47,462 | 45,790 | 84,025 |
| 695,462 | 618,635 | 617,365 |
| <u>\$ 5,825,223</u> | <u>\$ 5,634,061</u> | <u>\$ 5,405,921</u> |

**Danville Area Community College
Community College District No. 507**

Property Tax Levies and Collections

Tax Levy Years Ended December 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

| 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 |
| 2015 | 2016 | \$ 6,157,744 | \$ 49,631 | 0.81% | \$ - | \$ 49,631 | 0.81% |
| 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% |
| 2008 | 2009 | 5,944,877 | 32,237 | 0.54% | 5,746,765 | 5,779,002 | 97.21% |
| 2007 | 2008 | 5,643,308 | 28,798 | 0.51% | 5,621,665 | 5,650,463 | 100.13% |
| 2006 | 2007 | 5,407,830 | 28,357 | 0.52% | 5,385,855 | 5,414,212 | 100.12% |

Source: College's Business Office

**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**

| 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 |
| 2016 | 4,300 | 1,880 | \$ 130.00 | \$ 205.00 | \$ 205.00 | 48,164.5 | \$ 5,100,658 | \$ 1,588,651 | 6,689,309 |
| 2015 | 4,614 | 1,884 | 125.00 | 205.00 | 205.00 | 51,588.5 | 4,749,004 | 1,543,734 | 6,292,738 |
| 2014 | 4,981 | 2,011 | 120.00 | 202.00 | 202.00 | 54,674.0 | 5,059,679 | 1,499,697 | 6,559,376 |
| 2013 | 5,348 | 2,031 | 110.00 | 202.00 | 202.00 | 55,998.5 | 4,562,071 | 1,582,115 | 6,144,186 |
| 2012 | 5,714 | 2,193 | 107.00 | 197.00 | 197.00 | 60,858.0 | 4,852,690 | 1,590,044 | 6,442,734 |
| 2011 | 5,094 | 2,364 | 101.00 | 187.00 | 187.00 | 65,347.0 | 5,021,362 | 1,739,766 | 6,761,128 |
| 2010 | 5,254 | 2,382 | 91.00 | 162.00 | 162.00 | 67,180.0 | 4,249,472 | 1,662,221 | 5,911,693 |
| 2009 | 4,552 | 1,846 | 84.00 | 160.00 | 160.00 | 53,736.0 | 3,344,862 | 1,072,690 | 4,417,552 |
| 2008 | 5,012 | 1,973 | 78.00 | 160.00 | 160.00 | 52,949.0 | 3,033,399 | 1,089,617 | 4,123,016 |
| 2007 | 5,008 | 1,934 | 71.00 | 160.00 | 160.00 | 51,406.0 | 2,799,285 | 1,076,824 | 3,876,109 |

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**

| 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 |
|----------------------|--------------------|-----------------------|------------------------|--|---|--------------------------|--|
| 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% |
| 2008 | 2009 | 966,728,656 | 2.875% | 27,793,449 | 1,762,884 | 26,030,565 | 6.34% |
| 2007 | 2008 | 940,012,257 | 2.875% | 27,025,352 | 1,399,993 | 25,625,359 | 5.18% |
| 2006 | 2007 | 887,345,256 | 2.875% | 25,511,176 | 1,948,317 | 23,562,859 | 7.64% |

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**

| 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 |
|---------------|-------------|----------------|--------------------------|----------------|--------------|---|------------|-------------------------------|
| 2015 | 2016 | \$ 986,086,819 | \$ 6,270,000 | \$ 115,994 | \$ 6,385,994 | 0.6476% | \$ 73.62 | DNA |
| 2014 | 2015 | 958,251,948 | 5,995,000 | 165,383 | 6,160,383 | 0.6429% | 71.02 | 45.31% |
| 2013 | 2014 | 933,032,914 | 5,745,000 | 212,566 | 5,957,566 | 0.6385% | 68.68 | 48.40% |
| 2012 | 2013 | 911,509,553 | 3,460,000 | - | 3,460,000 | 0.3796% | 39.89 | 79.18% |
| 2011 | 2012 | 926,319,470 | 3,165,000 | 51,964 | 3,216,964 | 0.3473% | 36.79 | 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% |
| 2008 | 2009 | 966,728,656 | 2,570,000 | 210,660 | 2,780,660 | 0.2876% | 32.21 | 88.47% |
| 2007 | 2008 | 940,012,257 | 2,125,000 | 22,018 | 2,147,018 | 0.2284% | 24.67 | 106.14% |
| 2006 | 2007 | 887,345,256 | 2,665,000 | 63,627 | 2,728,627 | 0.3075% | 31.16 | 80.59% |

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**

| 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 |
|--------------------------|------------------------|---------------------------------|-----------------------|----------------------------------|--|--|---|---|
| 2015 | 2016 | 86,288 | \$ 986,086,819 | \$ 6,270,000 | \$ 766,898 | \$ 5,503,102 | 0.55807% | 63.78 |
| 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 |
| 2008 | 2009 | 86,342 | 966,728,656 | 2,570,000 | 807,116 | 1,762,884 | 0.18236% | 20.42 |
| 2007 | 2008 | 87,032 | 940,012,257 | 2,125,000 | 725,007 | 1,399,993 | 0.14893% | 16.09 |
| 2006 | 2007 | 87,557 | 887,345,256 | 2,665,000 | 716,683 | 1,948,317 | 0.21957% | 22.25 |

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**

| 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 |
| 2015 | 2016 | 86,288 | \$ 986,086,819 | \$ 11,427.86 | \$ DNA | \$ DNA | 7.10 % |
| 2014 | 2015 | 86,288 | 958,251,948 | 11,105.27 | 2,791,196 | 35,009 | 8.60 % |
| 2013 | 2014 | 86,288 | 933,032,914 | 10,813.01 | 2,883,170 | 35,892 | 10.70 % |
| 2012 | 2013 | 86,744 | 911,509,553 | 10,508.04 | 2,739,650 | 33,937 | 9.90 % |
| 2011 | 2012 | 87,574 | 926,319,470 | 10,577.56 | 2,658,710 | 32,619 | 10.60 % |
| 2010 | 2011 | 87,438 | 950,508,048 | 10,870.65 | 2,571,636 | 31,520 | 12.10 % |
| 2009 | 2010 | 87,438 | 964,795,136 | 11,034.05 | 2,459,067 | 30,713 | 11.40 % |
| 2008 | 2009 | 86,342 | 966,728,656 | 11,196.51 | 2,459,916 | 30,576 | 7.90 % |
| 2007 | 2008 | 87,032 | 940,012,257 | 10,800.77 | 2,278,831 | 28,165 | 6.50 % |
| 2006 | 2007 | 87,557 | 887,345,256 | 10,134.49 | 2,198,909 | 26,980 | 6.00 % |

Source: College's Business Office (population from Illinois Community College Board); Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce; Illinois Department of Employment Security

DNA - Data not available

**Danville Area Community College
Community College District No. 507**

**Principal Employers
Current and Twelve Years Ago**

| Taxpayer | 2016 | | | 2004 | | |
|--|---------------|------|---------------------|---------------|------|---------------------|
| | Employees | Rank | Percentage to Total | Employees | Rank | Percentage to Total |
| Vermilion County | | | | | | |
| Dept. of Veterans Affairs Illiana Healthcare System | 1,257 | 1 | 5.1816% | 1,016 | 2 | 0.6498% |
| Vermilion County Public Schools | 1,197 | 2 | 4.9343% | 2,300 | 1 | 1.4711% |
| McLane Midwest Company | 770 | 3 | 3.1741% | 705 | 5 | 0.4509% |
| ThyssenKrupp (Crankshaft & Presta) | 719 | 4 | 3.7448% | - | | 0.0000% |
| Danville District #118 | 685 | 5 | 2.8237% | 842 | 4 | 0.5385% |
| Vermilion County Government | 586 | 6 | 2.4156% | 600 | 9 | 0.3838% |
| Presence Health (Provena) United Samaritans Medical Center | 572 | 7 | 2.3579% | 860 | 3 | 0.5501% |
| KIK Custom Products (formerly CCL Custom) | 551 | 8 | 2.2713% | - | | 0.0000% |
| GenPact | 525 | 9 | 2.1641% | - | | 0.0000% |
| Quaker Foods & Beverages | 511 | 10 | 2.1064% | 592 | 10 | 0.3786% |
| Krupp Gerlach (all 3 divisions) | - | | 0.0000% | 663 | 6 | 0.4241% |
| CCL | - | | 0.0000% | 637 | 7 | 0.4074% |
| Walgreens Accounting | - | | 0.0000% | 608 | 8 | 0.3889% |
| | <u>7,373</u> | | <u>31.1738%</u> | <u>8,823</u> | | <u>5.6432%</u> |
| Total number of employees | <u>24,259</u> | | | <u>27,102</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 twelve 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**

| Facilities Data | Fiscal Year | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Size of campus (acres) | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 |
| Gross Square Footage (GSF) | 466,950 | 466,950 | 456,365 | 456,365 | 445,553 | 445,553 | 445,553 | 445,553 | 445,553 | 518,285 |
| Number of classrooms | 103 | 103 | 98 | 98 | 92 | 92 | 92 | 92 | 92 | 92 |
| Number of laboratories (including computer labs) | 70 | 70 | 62 | 62 | 63 | 63 | 63 | 63 | 63 | 62 |

Source: Administrative Services Department

**Danville Area Community College
Community College District No. 507**

**Operating Information and Employees
Last Ten Fiscal Years**

| Fiscal Year | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Enrollment (Fall Unduplicated Headcount) | 4,300 | 4,614 | 4,981 | 5,348 | 5,714 | 5,094 | 5,254 | 4,552 | 5,012 | 5,008 |
| Degrees awarded | | | | | | | | | | |
| Associate in Science and Arts (ASA) | 167 | 140 | 131 | 133 | 109 | 115 | 101 | 110 | 106 | 102 |
| Associate in Applied Science (AAS) | 167 | 132 | 162 | 129 | 169 | 147 | 130 | 127 | 136 | 109 |
| Associate in Engineering Studies (AES) | 2 | 2 | 2 | 3 | 3 | 0 | 1 | 4 | 3 | 5 |
| Associate in Fine Arts (AFA) | 1 | - | - | - | - | - | - | - | - | - |
| Associate in General Studies (AGS) | 77 | 32 | 43 | 58 | 26 | 26 | 18 | 19 | 22 | 18 |
| | <u>414</u> | <u>306</u> | <u>338</u> | <u>323</u> | <u>307</u> | <u>288</u> | <u>250</u> | <u>260</u> | <u>267</u> | <u>234</u> |
| Certificates awarded | <u>370</u> | <u>328</u> | <u>320</u> | <u>328</u> | <u>396</u> | <u>497</u> | <u>335</u> | <u>430</u> | <u>247</u> | <u>89</u> |
| Faculty | | | | | | | | | | |
| Full-time | 63 | 68 | 68 | 61 | 58 | 59 | 56 | 54 | 54 | 52 |
| Part-time | 63 | 61 | 79 | 85 | 96 | 97 | 96 | 96 | 102 | 100 |
| | <u>126</u> | <u>129</u> | <u>147</u> | <u>146</u> | <u>154</u> | <u>156</u> | <u>152</u> | <u>150</u> | <u>156</u> | <u>152</u> |
| Faculty and Staff | | | | | | | | | | |
| Full-time | 173 | 193 | 197 | 180 | 170 | 184 | 174 | 174 | 168 | 169 |
| Part-time | 69 | 76 | 91 | 92 | 101 | 104 | 104 | 104 | 108 | 106 |
| | <u>242</u> | <u>269</u> | <u>288</u> | <u>272</u> | <u>271</u> | <u>288</u> | <u>278</u> | <u>278</u> | <u>276</u> | <u>275</u> |
| Full-Time Employees by Classification | | | | | | | | | | |
| Admin/Mgr/Prof | 57 | 67 | 71 | 63 | 58 | 61 | 54 | 54 | 52 | 49 |
| Faculty | 63 | 68 | 68 | 61 | 58 | 59 | 56 | 54 | 54 | 52 |
| Support Staff | 53 | 58 | 58 | 56 | 54 | 64 | 64 | 66 | 62 | 68 |
| Total | <u>173</u> | <u>193</u> | <u>197</u> | <u>180</u> | <u>170</u> | <u>184</u> | <u>174</u> | <u>174</u> | <u>168</u> | <u>169</u> |
| Students/Faculty | | | | | | | | | | |
| Full-time | 68 | 68 | 73 | 88 | 99 | 86 | 94 | 84 | 93 | 96 |
| Part-time | 68 | 76 | 63 | 63 | 60 | 53 | 55 | 47 | 49 | 50 |
| Total | 34 | 36 | 34 | 37 | 37 | 33 | 35 | 30 | 32 | 33 |

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**

| Fiscal Year | Instructional Expenses | Enrollment | Cost Per Student | Percentage Change | Faculty | Student/Faculty Ratio |
|--------------------|-------------------------------|-------------------|-------------------------|--------------------------|----------------|------------------------------|
| 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 |
| 2009 | 6,503,984 | 4,552 | 1,429 | 8.10% | 150 | 30 |
| 2008 | 6,624,900 | 5,012 | 1,322 | 5.69% | 156 | 32 |
| 2007 | 6,263,172 | 5,008 | 1,251 | -4.13% | 152 | 33 |

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
SUPPLEMENTAL FINANCIAL INFORMATION SECTION**

June 30, 2016

MANAGEMENT INFORMATION STATEMENTS

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UNIFORM FINANCIAL STATEMENTS

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**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
SUPPLEMENTAL FINANCIAL INFORMATION SECTION**

June 30, 2016

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DANVILLE AREA COMMUNITY COLLEGE
COMBINING SCHEDULE OF NET POSITION, BY SUBFUND
Year Ended June 30, 2016

| | Education | Operations and Maintenance | Operations and Maintenance Restricted | Bond and Interest | Auxiliary Enterprises | Restricted Purposes |
|---|----------------------------|----------------------------------|--|--------------------------|----------------------------|----------------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash | \$ 15,451 | \$ 200,478 | \$ 1,374,511 | \$ 2,796 | \$ 1,605,435 | \$ 478,665 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Property taxes, net | 3,591,958 | 722,493 | 86,387 | 793,573 | - | - |
| Student tuition and fees, net | 3,455,478 | - | - | - | 12,582 | 11,215 |
| Government claims | 71,108 | 30,474 | - | - | 14,125 | 1,067,544 |
| Other | - | 7,025 | 182,263 | - | 14,670 | - |
| Prepaid expenses | 72,681 | - | - | - | - | - |
| Due from other funds | - | - | - | - | 333,000 | - |
| Inventories | - | - | - | - | - | - |
| Total Current Assets | <u>7,206,676</u> | <u>960,470</u> | <u>1,643,161</u> | <u>796,369</u> | <u>1,979,812</u> | <u>1,557,424</u> |
| Noncurrent Assets | | | | | | |
| Capital assets, net of accumulated depreciation | - | - | - | - | 609,885 | - |
| Total Noncurrent Assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>609,885</u> | <u>-</u> |
| TOTAL ASSETS | <u>7,206,676</u> | <u>960,470</u> | <u>1,643,161</u> | <u>796,369</u> | <u>2,589,697</u> | <u>1,557,424</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Subsequent year's pension expense related to federal, trust, or grant contributions in the current year | - | - | - | - | - | - |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | 238,396 | - | - | - | - | - |
| Accrued expenses | 423,352 | 21,627 | 6,540 | 14,471 | 15,229 | 58,019 |
| Due to other funds | 2,175,000 | - | - | 15,000 | - | 303,000 |
| Due to student groups | 8,339 | - | - | - | - | - |
| Deposits held in custody for others | - | - | - | - | - | - |
| Deferred tuition revenue | 3,026,326 | - | - | - | - | - |
| Other deferred revenue | 9,170 | - | - | - | - | 2,398 |
| Capital lease obligations, current maturities | - | - | - | - | - | - |
| Bonds payable, current maturities | - | - | - | - | - | - |
| Accrued compensated absences, current maturities | - | - | - | - | - | - |
| Total Current Liabilities | <u>5,880,583</u> | <u>21,627</u> | <u>6,540</u> | <u>29,471</u> | <u>15,229</u> | <u>363,417</u> |
| Noncurrent Liabilities | | | | | | |
| Capital lease obligations, less current maturities | - | - | - | - | - | - |
| Bonds payable, less current maturities | - | - | - | - | - | - |
| Accrued compensated absences | - | - | - | - | - | - |
| Total Noncurrent Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>5,880,583</u> | <u>21,627</u> | <u>6,540</u> | <u>29,471</u> | <u>15,229</u> | <u>363,417</u> |
| NET POSITION | | | | | | |
| Investment in capital assets, net of related debt | - | - | - | - | 609,885 | - |
| Restricted for: | | | | | | |
| Capital projects | - | - | 1,636,621 | - | - | - |
| Debt service | - | - | - | 766,898 | - | - |
| Grant purposes | - | - | - | - | - | 1,194,007 |
| Working cash | - | - | - | - | - | - |
| Audit purposes | - | - | - | - | - | - |
| Liability insurance | - | - | - | - | - | - |
| Unrestricted | 1,326,093 | 938,843 | - | - | 1,964,583 | - |
| TOTAL NET POSITION | <u>\$ 1,326,093</u> | <u>\$ 938,843</u> | <u>\$ 1,636,621</u> | <u>\$ 766,898</u> | <u>\$ 2,574,468</u> | <u>\$ 1,194,007</u> |

Note 1: This schedule is supplemental information and is maintained for management.

Note 2: The accompanying notes are an integral part of these statements.

| Working Cash | Agency | Audit | Liability Protection and Settlement | Board Restricted | Long-Term Obligations | Capital Assets | Eliminations | Total |
|--------------|------------|-----------|-------------------------------------|------------------|-----------------------|----------------|--------------|---------------|
| \$ 3,254,723 | \$ 140,110 | \$ 2,182 | \$ 252,248 | \$ 4,974,067 | \$ - | \$ - | \$ - | \$ 12,300,666 |
| - | - | 48,166 | 769,482 | - | - | - | - | 6,012,059 |
| - | - | - | - | - | - | - | - | 3,479,275 |
| - | - | - | - | - | - | - | - | 1,183,251 |
| - | - | - | - | - | - | - | - | 203,958 |
| - | - | - | - | - | - | - | - | 72,681 |
| 2,175,000 | - | - | - | - | - | - | (2,508,000) | - |
| - | - | - | - | - | - | - | - | - |
| 5,429,723 | 140,110 | 50,348 | 1,021,730 | 4,974,067 | - | - | (2,508,000) | 23,251,890 |
| - | - | - | - | - | - | 38,480,956 | - | 39,090,841 |
| - | - | - | - | - | - | 38,480,956 | - | 39,090,841 |
| 5,429,723 | 140,110 | 50,348 | 1,021,730 | 4,974,067 | - | 38,480,956 | (2,508,000) | 62,342,731 |
| - | - | - | - | - | - | - | 64,668 | 64,668 |
| - | - | - | - | - | - | - | - | 238,396 |
| - | - | - | 6,569 | - | - | - | - | 545,807 |
| - | - | 15,000 | - | - | - | - | (2,508,000) | - |
| - | - | - | - | - | - | - | - | 8,339 |
| - | 140,110 | - | - | - | - | - | - | 140,110 |
| - | - | - | - | - | - | - | (307,439) | 2,718,887 |
| - | - | - | - | - | - | - | - | 11,568 |
| - | - | - | - | - | 51,700 | - | - | 51,700 |
| - | - | - | - | - | 755,000 | - | - | 755,000 |
| - | - | - | - | - | 270,000 | - | - | 270,000 |
| - | 140,110 | 15,000 | 6,569 | - | 1,076,700 | - | (2,815,439) | 4,739,807 |
| - | - | - | - | - | 64,294 | - | - | 64,294 |
| - | - | - | - | - | 5,515,000 | - | - | 5,515,000 |
| - | - | - | - | - | 28,167 | - | - | 28,167 |
| - | - | - | - | - | 5,607,461 | - | - | 5,607,461 |
| - | 140,110 | 15,000 | 6,569 | - | 6,684,161 | - | (2,815,439) | 10,347,268 |
| - | - | - | - | - | (6,135,994) | 38,480,956 | - | 32,954,847 |
| - | - | - | - | - | - | - | - | 1,636,621 |
| - | - | - | - | - | - | - | - | 766,898 |
| - | - | - | - | - | - | - | - | 1,194,007 |
| 5,429,723 | - | - | - | - | (250,000) | - | - | 5,179,723 |
| - | - | 35,348 | - | - | - | - | - | 35,348 |
| - | - | - | 1,015,161 | - | - | - | - | 1,015,161 |
| - | - | - | - | 4,974,067 | (298,167) | - | 372,107 | 9,277,526 |
| \$ 5,429,723 | \$ - | \$ 35,348 | \$ 1,015,161 | \$ 4,974,067 | \$ (6,684,161) | \$ 38,480,956 | \$ 372,107 | \$ 52,060,131 |

DANVILLE AREA COMMUNITY COLLEGE
COMBINING SCHEDULE OF CHANGES IN NET POSITION, BY SUBFUND
Year Ended June 30, 2016

| | Education | Operations and Maintenance | Operations and Maintenance Restricted | Bond and Interest | Auxiliary Enterprises |
|--|---------------------|----------------------------------|--|----------------------|--------------------------|
| REVENUES | | | | | |
| Operating Revenues: | | | | | |
| Student tuition and fees, net | \$ 6,012,674 | \$ 650,000 | \$ - | \$ - | \$ - |
| Auxiliary revenues | - | - | - | - | 610,592 |
| Other operating revenues | 16,459 | 59,689 | - | - | - |
| Total operating revenues | <u>6,029,133</u> | <u>709,689</u> | <u>-</u> | <u>-</u> | <u>610,592</u> |
| EXPENSES | | | | | |
| Operating Expenses: | | | | | |
| Instruction | 7,427,829 | - | - | - | - |
| Academic support | 1,091,578 | - | - | - | - |
| Student services | 1,612,299 | - | - | - | - |
| Public services | 316,282 | - | - | - | - |
| Auxiliary enterprises | - | - | - | - | 507,939 |
| Operations and maintenance of plant | - | 2,176,308 | 100,202 | - | - |
| Institutional support | 2,795,950 | - | - | - | - |
| SURS contribution provided by State | 5,714,551 | - | - | - | - |
| Scholarships, grants and waivers | - | - | - | - | - |
| Depreciation expense | - | - | - | - | 23,548 |
| Total operating expenses | <u>18,958,489</u> | <u>2,176,308</u> | <u>100,202</u> | <u>-</u> | <u>531,487</u> |
| Operating income (loss) | <u>(12,929,356)</u> | <u>(1,466,619)</u> | <u>(100,202)</u> | <u>-</u> | <u>79,105</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| State grants and contracts | 804,521 | 108,288 | - | - | - |
| Property taxes | 3,651,791 | 734,534 | 87,894 | 807,007 | - |
| Personal property replacement tax | 394,935 | 169,258 | - | - | - |
| Federal grants and contracts | 7,075 | - | - | - | - |
| Local grants and contracts | 4,720 | 950 | 124 | 1,077 | - |
| SURS contribution provided by State | 5,714,551 | - | - | - | - |
| Investment income earned | 8,053 | 2,455 | 9,481 | 496 | - |
| Other non-operating revenues | 126,186 | 23,928 | - | 100,000 | - |
| Debt Service | | | | | |
| Principal | - | - | - | (725,000) | - |
| Interest | - | - | - | (208,320) | - |
| Non-operating revenues (expenses), net | <u>10,711,832</u> | <u>1,039,413</u> | <u>97,499</u> | <u>(24,740)</u> | <u>-</u> |
| CAPITAL CONTRIBUTIONS | | | | | |
| Capital contributions | - | - | - | - | - |
| Total capital contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond proceeds | - | - | 500,000 | - | - |
| Gain on disposal of assets | 7,000 | - | - | - | - |
| Transfer in | 461,543 | 50,000 | 408,753 | 23,881 | 80,000 |
| Transfer out | (30,493) | - | (307,737) | - | (380,000) |
| Total financing sources (uses) | <u>438,050</u> | <u>50,000</u> | <u>601,016</u> | <u>23,881</u> | <u>(300,000)</u> |
| NET CHANGE IN NET POSITION | <u>(1,779,474)</u> | <u>(377,206)</u> | <u>598,313</u> | <u>(859)</u> | <u>(220,895)</u> |
| NET POSITION, BEGINNING OF YEAR | <u>3,105,567</u> | <u>1,316,049</u> | <u>1,038,308</u> | <u>767,757</u> | <u>2,795,363</u> |
| NET POSITION, END OF YEAR | <u>\$ 1,326,093</u> | <u>\$ 938,843</u> | <u>\$ 1,636,621</u> | <u>\$ 766,898</u> | <u>\$ 2,574,468</u> |

Note 1: This schedule is supplemental information and is maintained for management.

Note 2: The accompanying notes are an integral part of these statements.

| Restricted Purposes | Working Cash | Audit | Liability Protection and Settlement | Board Restricted | Long-Term Obligations | Capital Assets | Eliminations | Total |
|---------------------|--------------|-----------|-------------------------------------|------------------|-----------------------|----------------|----------------|---------------|
| \$ 313,657 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (3,181,121) | \$ 3,795,210 |
| - | - | - | - | - | - | - | (27,147) | 583,445 |
| 10,400 | - | - | - | - | - | - | (69,635) | 16,913 |
| 324,057 | - | - | - | - | - | - | (3,277,903) | 4,395,568 |
| 808,758 | - | - | - | - | - | (80,688) | (2,321) | 8,153,578 |
| - | - | - | - | - | - | - | - | 1,091,578 |
| 352,413 | - | - | - | - | - | - | (9,188) | 1,955,524 |
| 964,543 | - | - | - | - | - | - | (236,101) | 1,044,724 |
| - | - | - | - | - | - | - | - | 507,939 |
| 55,269 | - | - | - | - | - | (113,490) | - | 2,218,289 |
| 319,619 | - | 43,287 | 823,062 | - | - | (186,303) | - | 3,795,615 |
| - | - | - | - | - | - | - | (56,260) | 5,658,291 |
| 5,207,088 | - | - | - | - | - | - | (3,785,577) | 1,421,511 |
| - | - | - | - | - | - | 1,950,934 | - | 1,974,482 |
| 7,707,690 | - | 43,287 | 823,062 | - | - | 1,570,453 | (4,089,447) | 27,821,531 |
| (7,383,633) | - | (43,287) | (823,062) | - | - | (1,570,453) | 811,544 | (23,425,963) |
| 525,798 | - | - | - | - | - | - | - | 1,438,607 |
| - | - | 48,862 | 781,694 | - | - | - | - | 6,111,782 |
| - | - | - | - | - | - | - | - | 564,193 |
| 6,405,315 | - | - | - | - | - | - | (822,222) | 5,590,168 |
| 60,348 | - | 47 | 917 | - | - | - | - | 68,183 |
| - | - | - | - | - | - | - | 1,481 | 5,716,032 |
| 4,007 | 21,818 | - | 782 | 26,165 | - | - | - | 73,257 |
| 62,310 | - | - | - | 488 | 2,654 | - | (5,455) | 310,111 |
| - | - | - | - | - | 774,389 | - | (49,389) | - |
| - | - | - | - | - | - | - | (6,496) | (214,816) |
| 7,057,778 | 21,818 | 48,909 | 783,393 | 26,653 | 777,043 | - | (882,081) | 19,657,517 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 500,000 | - | - | - | - | (1,000,000) | - | - | - |
| - | - | - | - | - | - | - | - | 7,000 |
| 289,456 | - | - | - | - | - | - | - | 1,313,633 |
| (292,938) | (21,818) | - | - | (280,647) | - | - | - | (1,313,633) |
| 496,518 | (21,818) | - | - | (280,647) | (1,000,000) | - | - | 7,000 |
| 170,663 | - | 5,622 | (39,669) | (253,994) | (222,957) | (1,570,453) | (70,537) | (3,761,446) |
| 1,023,344 | 5,429,723 | 29,726 | 1,054,830 | 5,228,061 | (6,461,204) | 40,051,409 | 442,644 | 55,821,577 |
| \$ 1,194,007 | \$ 5,429,723 | \$ 35,348 | \$ 1,015,161 | \$ 4,974,067 | \$ (6,684,161) | \$ 38,480,956 | \$ 372,107 | \$ 52,060,131 |

DANVILLE AREA COMMUNITY COLLEGE
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
(BUDGETARY BASIS)
BUDGET COMPARED TO ACTUAL
OPERATING FUNDS (EDUCATION/OPERATIONS AND MAINTENANCE)
Year Ended June 30, 2016

| | <u>Budget</u> | <u>Education</u> | <u>Operations and Maintenance</u> | <u>Total</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|---------------------|---------------------|---------------------------------------|---------------------|---|
| RECEIPTS | | | | | |
| Property taxes | \$ 4,334,000 | \$ 3,651,791 | \$ 734,534 | \$ 4,386,325 | \$ 52,325 |
| Personal property replacement tax | 620,000 | 394,935 | 169,258 | 564,193 | (55,807) |
| State grants and contracts | 3,777,634 | 804,521 | 108,288 | 912,809 | (2,864,825) |
| Federal grants and contracts | 10,000 | 7,075 | - | 7,075 | (2,925) |
| Student tuition and fees, net | 6,571,737 | 6,012,674 | 650,000 | 6,662,674 | 90,937 |
| Investment income earned | 8,500 | 8,053 | 2,455 | 10,508 | 2,008 |
| Miscellaneous | 138,000 | 147,365 | 84,567 | 231,932 | 93,932 |
| Total receipts | <u>15,459,871</u> | <u>11,026,414</u> | <u>1,749,102</u> | <u>12,775,516</u> | <u>(2,684,355)</u> |
| DISBURSEMENTS | | | | | |
| Instruction | 7,749,680 | 7,427,829 | - | 7,427,829 | 321,851 |
| Academic support | 1,154,794 | 1,091,578 | - | 1,091,578 | 63,216 |
| Student services | 1,756,835 | 1,612,299 | - | 1,612,299 | 144,536 |
| Public services | 405,578 | 316,282 | - | 316,282 | 89,296 |
| Operations and maintenance of plant | 2,339,481 | - | 2,176,308 | 2,176,308 | 163,173 |
| Institutional support | 2,884,224 | 2,795,950 | - | 2,795,950 | 88,274 |
| Total disbursements | <u>16,290,592</u> | <u>13,243,938</u> | <u>2,176,308</u> | <u>15,420,246</u> | <u>870,346</u> |
| Excess (deficiency) of receipts over disbursements (Budgetary Basis) | <u>(830,721)</u> | <u>(2,217,524)</u> | <u>(427,206)</u> | <u>(2,644,730)</u> | <u>(1,814,009)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Gain on disposal of assets | - | 7,000 | - | 7,000 | 7,000 |
| Transfer in | 480,500 | 461,543 | 50,000 | 511,543 | 31,043 |
| Transfer out | (40,500) | (30,493) | - | (30,493) | 10,007 |
| Total other financing sources (uses) | <u>440,000</u> | <u>438,050</u> | <u>50,000</u> | <u>488,050</u> | <u>48,050</u> |
| Excess (deficiency) of receipts over disbursements and other financing sources (uses) | <u>\$ (390,721)</u> | <u>(1,779,474)</u> | <u>(377,206)</u> | <u>(2,156,680)</u> | <u>\$ (1,765,959)</u> |
| FUND BALANCE, BEGINNING OF YEAR | | 3,105,567 | 1,316,049 | 4,421,616 | |
| FUND BALANCE, END OF YEAR | | <u>\$ 1,326,093</u> | <u>\$ 938,843</u> | <u>\$ 2,264,936</u> | |

Note: On-behalf contributions provided by the State of Illinois were excluded for purposes of this schedule. These are not budgeted items as the amounts are determined each year by the State of Illinois

**DANVILLE AREA COMMUNITY COLLEGE
ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT NO. 1
Year Ended June 30, 2016**

| | Education Fund | Operations and Maintenance Fund | Operations and Maintenance Fund (Restricted) | Bond and Interest Fund |
|---------------------------------------|---------------------------|--|---|---------------------------------------|
| FUND BALANCE JULY 1, 2015 | \$ 6,347,697 | \$ 3,301,980 | \$ 1,038,308 | \$ 767,757 |
| Revenues | | | | |
| Local tax revenue | 3,651,791 | 734,534 | 87,894 | 807,007 |
| All other local revenue | 399,655 | 170,208 | 124 | 1,077 |
| ICCB grants | 804,521 | 108,288 | - | - |
| All other state revenue | - | - | - | - |
| Federal revenue | 7,075 | - | - | - |
| Student tuition and fees | 6,012,674 | 650,000 | - | - |
| All other revenue | 167,978 | 102,445 | 509,481 | 100,496 |
| Total revenues | 11,043,694 | 1,765,475 | 597,499 | 908,580 |
| Expenditures by Program | | | | |
| Instruction | 7,427,829 | - | - | - |
| Academic support | 1,091,578 | - | - | - |
| Student services | 1,612,299 | - | - | - |
| Public service/Continuing education | 316,282 | - | - | - |
| Auxiliary services | - | - | - | - |
| Operations and maintenance | - | 2,176,308 | 100,202 | - |
| Institutional support | 2,795,950 | - | - | 933,320 |
| Scholarships, student grants, waivers | - | - | - | - |
| Total expenditures | 13,243,938 | 2,176,308 | 100,202 | 933,320 |
| Net transfers | 325,300 | (124,897) | 101,016 | 23,881 |
| FUND BALANCE JUNE 30, 2016 | \$ 4,472,753 | \$ 2,766,250 | \$ 1,636,621 | \$ 766,898 |

Excludes SURS on behalf payments of \$5,714,551

| Auxiliary Enterprises Fund | Restricted Purposes Fund | Working Cash Fund | Audit Fund | Liability, Protection Settlement Fund | Total All Funds | Total Current Funds Only |
|---|---|----------------------------------|-----------------------|--|----------------------------|---|
| \$ 2,795,363 | \$ 1,023,344 | \$ 5,429,723 | \$ 29,726 | \$ 1,054,830 | \$ 21,788,728 | \$ 14,945,226 |
| - | - | - | 48,862 | 781,694 | 6,111,782 | 5,216,881 |
| - | 60,348 | - | 47 | 917 | 632,376 | 631,175 |
| - | 204,169 | - | - | - | 1,116,978 | 1,116,978 |
| - | 321,629 | - | - | - | 321,629 | 321,629 |
| - | 5,583,093 | - | - | - | 5,590,168 | 5,590,168 |
| - | 313,657 | - | - | - | 6,976,331 | 6,976,331 |
| 610,592 | 576,717 | 21,818 | - | 782 | 2,090,309 | 1,458,514 |
| 610,592 | 7,059,613 | 21,818 | 48,909 | 783,393 | 22,839,573 | 21,311,676 |
| - | 808,758 | - | - | - | 8,236,587 | 8,236,587 |
| - | - | - | - | - | 1,091,578 | 1,091,578 |
| - | 352,413 | - | - | - | 1,964,712 | 1,964,712 |
| - | 964,543 | - | - | - | 1,280,825 | 1,280,825 |
| 531,487 | - | - | - | - | 531,487 | 531,487 |
| - | 55,269 | - | - | - | 2,331,779 | 2,231,577 |
| - | 319,619 | - | 43,287 | 823,062 | 4,915,238 | 3,981,918 |
| - | 4,384,866 | - | - | - | 4,384,866 | 4,384,866 |
| 531,487 | 6,885,468 | - | 43,287 | 823,062 | 24,737,072 | 23,703,550 |
| (300,000) | (3,482) | (21,818) | - | - | - | (103,079) |
| \$ 2,574,468 | \$ 1,194,007 | \$ 5,429,723 | \$ 35,348 | \$ 1,015,161 | \$ 19,891,229 | \$ 12,450,273 |

**DANVILLE AREA COMMUNITY COLLEGE
SUMMARY OF FIXED ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT NO. 2
June 30, 2016**

| | Fixed Asset/Debt Account Groups July 1, 2015 | Additions | Deletions | Fixed Asset/Debt Account Groups June 30, 2016 |
|--------------------------|---|-----------------------|---------------------|--|
| FIXED ASSETS | | | | |
| Land | \$ 884,259 | \$ - | \$ - | \$ 884,259 |
| Land improvements | 5,210,079 | - | - | 5,210,079 |
| Buildings | 18,288,110 | - | - | 18,288,110 |
| Building improvements | 41,697,872 | - | - | 41,697,872 |
| Campus lighting | 40,955 | - | - | 40,955 |
| Equipment | 15,227,435 | 280,088 | 14,200 | 15,493,323 |
| Construction in progress | - | 100,393 | - | 100,393 |
| | <u>81,348,710</u> | <u>380,481</u> | <u>14,200</u> | <u>81,714,991</u> |
| Accumulated depreciation | 40,663,868 | 1,974,482 | 14,200 | 42,624,150 |
| NET FIXED ASSETS | <u>\$ 40,684,842</u> | <u>\$ (1,594,001)</u> | <u>\$ -</u> | <u>\$ 39,090,841</u> |
| FIXED DEBT | | | | |
| Bonds payable | \$ 5,995,000 | \$ 1,000,000 | \$ 725,000 | \$ 6,270,000 |
| Other fixed liabilities | 466,204 | 264,884 | 316,927 | 414,161 |
| TOTAL FIXED DEBT | <u>\$ 6,461,204</u> | <u>\$ 1,264,884</u> | <u>\$ 1,041,927</u> | <u>\$ 6,684,161</u> |

DANVILLE AREA COMMUNITY COLLEGE
OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3
Year Ended June 30, 2016

| | Education Fund | Operations and Maintenance Fund | Total Operating Funds |
|-------------------------------------|---------------------------|--|--------------------------------------|
| OPERATING REVENUES BY SOURCE | | | |
| Local Government Revenue | | | |
| Local taxes | \$ 3,651,791 | \$ 734,534 | \$ 4,386,325 |
| CPPRT | 394,935 | 169,258 | 564,193 |
| Other local revenue | 4,720 | 950 | 5,670 |
| Total local government revenue | 4,051,446 | 904,742 | 4,956,188 |
| State Government | | | |
| ICCB Base Operating Grant | 324,864 | 108,288 | 433,152 |
| ICCB Equalization Grant | 479,657 | - | 479,657 |
| ICCB Career and Technical Education | - | - | - |
| Total state government | 804,521 | 108,288 | 912,809 |
| Federal Government | | | |
| Department of Education | 7,075 | - | 7,075 |
| Student Tuition and Fees | | | |
| Tuition | 6,059,997 | 650,000 | 6,709,997 |
| Fees | 1,562,016 | - | 1,562,016 |
| Less waivers | (1,609,339) | - | (1,609,339) |
| Total student tuition and fees | 6,012,674 | 650,000 | 6,662,674 |
| Other Sources | | | |
| Facilities revenue | - | 59,689 | 59,689 |
| Investment revenue | 17,845 | 18,828 | 36,673 |
| Other | 150,133 | 23,928 | 174,061 |
| Total other sources | 167,978 | 102,445 | 270,423 |
| TOTAL REVENUE | \$ 11,043,694 | \$ 1,765,475 | \$ 12,809,169 |

**DANVILLE AREA COMMUNITY COLLEGE
OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3 (Continued)
Year Ended June 30, 2016**

| | <u>Education Fund</u> | <u>Operations and Maintenance Fund</u> | <u>Total Operating Funds</u> |
|-------------------------------------|---------------------------------|--|--------------------------------------|
| OPERATING EXPENDITURES | | | |
| BY PROGRAM | | | |
| Instruction | \$ 7,427,829 | \$ - | \$ 7,427,829 |
| Academic support | 1,091,578 | - | 1,091,578 |
| Student services | 1,612,299 | - | 1,612,299 |
| Public service/Continuing education | 316,282 | - | 316,282 |
| Operations and maintenance | - | 2,176,308 | 2,176,308 |
| Institutional support | <u>2,795,950</u> | <u>-</u> | <u>2,795,950</u> |
| Total expenditures | <u>13,243,938</u> | <u>2,176,308</u> | <u>15,420,246</u> |
| Less: Nonoperating items | | | |
| Instructional service contracts | <u>-</u> | <u>-</u> | <u>-</u> |
| ADJUSTED EXPENDITURES | <u><u>\$ 13,243,938</u></u> | <u><u>\$ 2,176,308</u></u> | <u><u>\$ 15,420,246</u></u> |
| BY OBJECT | | | |
| Salaries | \$ 9,580,193 | \$ 692,702 | \$ 10,272,895 |
| Employee benefits | 1,879,562 | 224,718 | 2,104,280 |
| Contractual services | 291,105 | 294,302 | 585,407 |
| General materials and supplies | 1,161,767 | 114,614 | 1,276,381 |
| Library materials* | 101,923 | - | 101,923 |
| Conference and meeting expenses | 144,333 | 1,156 | 145,489 |
| Fixed charges | 123,965 | 71,836 | 195,801 |
| Utilities | 172 | 748,045 | 748,217 |
| Capital outlay | 7,000 | 28,935 | 35,935 |
| Other | <u>55,841</u> | <u>-</u> | <u>55,841</u> |
| Total expenditures | <u>13,243,938</u> | <u>2,176,308</u> | <u>15,420,246</u> |
| Less: Nonoperating items | | | |
| Instructional service contracts | <u>-</u> | <u>-</u> | <u>-</u> |
| ADJUSTED EXPENDITURES | <u><u>\$ 13,243,938</u></u> | <u><u>\$ 2,176,308</u></u> | <u><u>\$ 15,420,246</u></u> |

* Non-add line

Excludes SURS on behalf payments of \$5,714,551

**DANVILLE AREA COMMUNITY COLLEGE
RESTRICTED PURPOSES REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 4
Year Ended June 30, 2016**

REVENUE BY SOURCE

| | |
|---|----------------------------|
| Total Local Government | <u>\$ 60,348</u> |
| State Government | |
| ICCB - Adult Education | 204,169 |
| Department of Corrections | 207,121 |
| Other | 114,508 |
| Total state government | <u>525,798</u> |
| Federal Government | |
| Department of Education | 4,402,592 |
| Department of Labor | 1,180,501 |
| Total federal government | <u>5,583,093</u> |
| Other Sources | |
| Tuition and fees | 313,657 |
| Other | 576,717 |
| Total other sources | <u>890,374</u> |
| TRANSFERS | <u>289,456</u> |
| TOTAL RESTRICTED PURPOSES FUND REVENUE | <u><u>\$ 7,349,069</u></u> |

EXPENDITURES BY PROGRAM

| | |
|--|----------------------------|
| Instruction | \$ 808,758 |
| Academic support | - |
| Student services | 352,413 |
| Public service/Continuing education | 964,543 |
| Auxiliary services | - |
| Operations and maintenance of plant | 55,269 |
| Institutional support | 319,619 |
| Scholarships, grants, and waivers | 4,384,866 |
| Transfers | 292,938 |
| TOTAL RESTRICTED PURPOSES FUND EXPENDITURES | <u><u>\$ 7,178,406</u></u> |

EXPENDITURES BY OBJECT

| | |
|--|----------------------------|
| Salaries | \$ 1,119,384 |
| Employee benefits | 306,548 |
| Contractual services | 289,111 |
| Student financial aid | 4,384,866 |
| General materials and supplies | 443,012 |
| Library materials * | - |
| Travel and conference/Meeting expenses | 22,034 |
| Fixed charges | 81,569 |
| Utilities | 13,998 |
| Capital outlay | 215,883 |
| Other | 9,062 |
| Transfers | 292,938 |
| Scholarships, grants, and waivers* | 4,384,866 |
| TOTAL RESTRICTED PURPOSES FUND EXPENDITURES | <u><u>\$ 7,178,405</u></u> |

*Non-add line

**DANVILLE AREA COMMUNITY COLLEGE
CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT NO. 5
Year Ended June 30, 2016**

| | |
|--|----------------------|
| INSTRUCTION | |
| Instructional programs | \$ 8,236,587 |
| ACADEMIC SUPPORT | |
| Library center | 434,657 |
| Instructional materials center | 59,051 |
| Educational media services | 104,945 |
| Academic computing support | 248,816 |
| Other | 244,109 |
| Total academic support | <u>1,091,578</u> |
| STUDENT SERVICES | |
| Admissions and records | 379,144 |
| Counseling and career guidance | 810,928 |
| Financial aid administration | 245,569 |
| Other | 529,071 |
| Total student services | <u>1,964,712</u> |
| PUBLIC SERVICE/CONTINUING EDUCATION | |
| Community education | 160,741 |
| Customized training (Instructional) | 787,170 |
| Community services | 153,930 |
| Other | 178,984 |
| Total public service/continuing education | <u>1,280,825</u> |
| AUXILIARY SERVICES | <u>531,487</u> |
| OPERATIONS AND MAINTENANCE OF PLANT | |
| Maintenance | 537,024 |
| Custodial services | 597,153 |
| Grounds | 94,385 |
| Campus security | 1,444 |
| Utilities | 723,572 |
| Administration | 171,344 |
| Other | 106,655 |
| Total operations and maintenance of plant | <u>2,231,577</u> |
| INSTITUTIONAL SUPPORT | |
| Executive management | 686,963 |
| Fiscal operations | 306,913 |
| Community relations | 302,471 |
| Administrative support services | 560,441 |
| Board of trustees | 29,551 |
| General institution | 1,452,818 |
| Institutional research | 182,059 |
| Administrative data processing | 452,806 |
| Other | 7,896 |
| Total institutional support | <u>3,981,918</u> |
| SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS | <u>4,384,866</u> |
| TOTAL CURRENT FUNDS EXPENDITURES | <u>\$ 23,703,550</u> |

- (1) Current funds include: Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection and Settlement; and Board Restricted.
(2) Excludes SURS on behalf payments of \$5,714,551.

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

Board of Trustees
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 Adult Education and Family Literacy Grants Program of Danville Area Community College, Community College District No. 507 (the "District"), which comprise the statement of net position as of June 30, 2016, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related note 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 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.

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 of America and the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants Program of Danville Area Community College, Community College District No. 507 as of June 30, 2016, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

The financial statements of the Adult Education and Family Literacy Grants are intended to present the net position and changes in net position of only that portion of the business-type activities of Danville Area Community College, Community College District No. 507 that is attributable to the Adult Education and Family Literacy Grants Program. These financial statements do not purport to, and do not, present fairly the statement of net position of Danville Area Community College, Community College District No. 507 as of June 30, 2016, or the revenues, expenses, and changes in net position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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 Adult Education and Family Literacy Grants Program basic financial statements. The supplementary schedule on page 111 is presented for purposes of additional analysis and is not a required part of the basic financial statements.



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

Independent Auditors' Report on Compliance

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Adult Education and Family Literacy Grants Program, of Danville Area Community College, Community College District No. 507 (the "District"), which comprise the statement of net position as of June 30, 2016, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related note to the financial statements, and have issued our report thereon dated October 13, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that Danville Area Community College, Community College District No. 507 failed to comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to accounting matters. 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 Districts noncompliance with the above-referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to accounting matters.

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



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

**DANVILLE AREA COMMUNITY COLLEGE
STATE ADULT EDUCATION RESTRICTED FUNDS
(STATE BASIC AND PERFORMANCE)
BALANCE SHEET
June 30, 2016**

ASSETS

| | |
|-------------------------------|-------------------|
| Cash | \$ 98,831 |
| Intergovernmental receivables | <u>204,169</u> |
| | <u>\$ 303,000</u> |

LIABILITIES AND NET POSITION

LIABILITIES

| | |
|--------------------|------------|
| Due to other funds | \$ 303,000 |
|--------------------|------------|

NET POSITION

-

TOTAL LIABILITIES AND NET POSITION

\$ 303,000

**DANVILLE AREA COMMUNITY COLLEGE
STATE ADULT EDUCATION RESTRICTED FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
Year Ended June 30, 2016**

| | State Basic | Performance | Total |
|---|------------------------|--------------------|--------------|
| REVENUES | | | |
| ICCB Grant | \$ 126,539 | \$ 77,630 | \$ 204,169 |
| EXPENDITURES | | | |
| Instruction | 59,204 | 29,281 | 88,485 |
| Social work services | 17,493 | 12,869 | 30,362 |
| Guidance services | 17,493 | 10,207 | 27,700 |
| Assessment and testing | 5,148 | 3,123 | 8,271 |
| Literacy services | 5,444 | 4,009 | 9,453 |
| Total instructional student services | 104,782 | 59,489 | 164,271 |
| Improvement of instructional services | - | 16.00 | 16.00 |
| General administration | 12,265 | 11,455 | 23,720 |
| Operation and maintenance of plant services | 490.00 | 1,161 | 1,651 |
| Workforce coordination | 3,871 | 1,926 | 5,797 |
| Data and information services | 5,131 | 3,583 | 8,714 |
| Total program support | 21,757 | 18,141 | 39,898 |
| Total expenditures | 126,539 | 77,630 | 204,169 |
| EXCESS OF REVENUES OVER EXPENDITURES | | | |
| | \$ - | \$ - | - |
| NET POSITION, BEGINNING OF YEAR | | | |
| | | | - |
| NET POSITION, END OF YEAR | | | |
| | | | \$ - |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY**

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.

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
STATE ADULT EDUCATION RESTRICTED FUNDS, AND CAREER AND TECHNICAL
EDUCATION – PROGRAM IMPROVEMENT GRANT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying statements relate to specific grants awarded by the Illinois Community College Board (ICCB) and include only those transactions resulting from Adult Education and Family Literacy. These transactions are accounted for in the Restricted Purposes Fund.

BASIS OF ACCOUNTING

The statements have been prepared on the full accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

**DANVILLE AREA COMMUNITY COLLEGE
 ICCB COMPLIANCE STATEMENT FOR THE
 STATE ADULT EDUCATION RESTRICTED FUNDS
 EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
 Year Ended June 30, 2016**

| <u>State Basic</u> | <u>Audited Expenditure Amount</u> | <u>Actual Expenditure Percentage</u> |
|--|-----------------------------------|--------------------------------------|
| Instruction (45% minimum required) | \$ 59,204 | 46.79% |
| General Administration (15% maximum allowed) | \$ 12,265 | 9.69% |

SUPPLEMENTARY ICCB SCHEDULES

**Independent Accountants' 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 the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours of Danville Area Community College, Community College District No. 507 for the year ended June 30, 2016. Management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and guidelines of the Illinois Community College Board's Fiscal Management Manual and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed and reconciliation of semester credit hours of Danville Area Community College, Community College District No. 507 for the year ended June 30, 2016, in accordance with the provisions of the aforementioned guidelines.



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

DANVILLE AREA COMMUNITY COLLEGE
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
Year Ended June 30, 2016

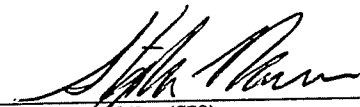
| Categories | Total Reimbursable Semester Credit Hours by Term | | | | | | | |
|---|--|--------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Summer | | Fall | | Spring | | Total | |
| | Unrestricted | Restricted | Unrestricted | Restricted | Unrestricted | Restricted | Unrestricted | Restricted |
| Baccalaureate | 2,541.0 | - | 11,869.0 | 12.0 | 10,821.0 | 14.0 | 25,231.0 | 26.0 |
| Business Occupational | 341.0 | - | 1,660.0 | 12.0 | 1,586.0 | 6.0 | 3,587.0 | 18.0 |
| Technical Occupational | 256.0 | - | 4,655.0 | 42.0 | 2,844.0 | 100.0 | 7,755.0 | 142.0 |
| Health Occupational | 660.0 | - | 3,077.0 | - | 2,928.0 | - | 6,665.0 | - |
| Remedial Developmental | 201.0 | - | 1,012.0 | - | 845.0 | - | 2,058.0 | - |
| Adult Basic Education/ Adult Secondary Education | 12.0 | 244.0 | 18.0 | 1,211.0 | - | 1,197.5 | 30.0 | 2,652.5 |
| TOTAL CREDIT HOURS CERTIFIED | 4,011.0 | 244.0 | 22,291.0 | 1,277.0 | 19,024.0 | 1,317.5 | 45,326.0 | 2,838.5 |

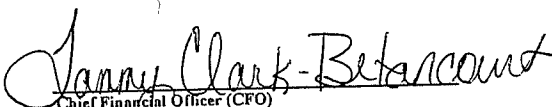
| | Attending In-District | Attending Out-of-District on Chargeback or Contractual Agreement | Total |
|--|--------------------------|--|----------|
| Semester Credit Hours | 40,639.5 | 805.0 | 41,444.5 |
| District 2015 Equalized Assessed Valuation | \$986,066,819 | | |

| | Total Reimbursable Dual Credit and Dual Enrollment Hours by Term | | | |
|-------------------|---|---------|---------|---------|
| | Summer | Fall | Spring | Total |
| Dual Credit Hours | 206.5 | 2,834.0 | 2,985.0 | 6,025.5 |

| Categories | Total Reimbursable Correctional Semester Credit Hours by Term | | | | |
|---|--|----------------|--------------|----------------|---------|
| | Summer | Fall | Spring | Total | |
| Baccalaureate | | 675.0 | 1,151.0 | 354.0 | 2,180.0 |
| Business Occupational | | 76.0 | 76.0 | - | 152.0 |
| Technical Occupational | | 37.0 | 1,703.0 | - | 1,740.0 |
| Health Occupational | | - | - | - | - |
| Remedial Developmental | | - | - | - | - |
| Adult Basic Education/ Adult Secondary Education | | - | - | - | - |
| TOTAL CREDIT HOURS CERTIFIED | 788.0 | 2,930.0 | 354.0 | 4,072.0 | |

Signatures:


 Chief Executive Officer (CEO)


 Chief Financial Officer (CFO)

**DANVILLE AREA COMMUNITY COLLEGE
RECONCILIATION OF TOTAL REIMBURSABLE
SEMESTER CREDIT HOURS
Year Ended June 30, 2016**

| Categories | Total Reimbursable Credit Hours | Total Reimbursable Credit Hours Certified to the ICCB | Difference |
|---|--|--|-------------------|
| Baccalaureate | 25,257.0 | 25,257.0 | - |
| Business Occupational | 3,605.0 | 3,605.0 | - |
| Technical Occupational | 7,897.0 | 7,897.0 | - |
| Health Occupational | 6,665.0 | 6,665.0 | - |
| Remedial Developmental | 2,058.0 | 2,058.0 | - |
| Adult Basic Education/ Adult Secondary Education | 2,682.5 | 2,682.5 | - |
| TOTAL CREDIT HOURS CERTIFIED | 48,164.5 | 48,164.5 | - |

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK
REIMBURSABLE CREDIT HOURS**

| | Total Attending | Total Attending as Certified to the ICCB | Difference |
|--|----------------------------|---|-------------------|
| Reimbursable In-District Residents | 40,639.5 | 40,639.5 | - |
| Reimbursable Out-of District on Chargeback or Contractual Agreement | 805.0 | 805.0 | - |
| Total | 41,444.5 | 41,444.5 | - |

**RECONCILIATION OF TOTAL REIMBURSABLE CORRECTIONAL SEMESTER
CREDIT HOURS**

| Categories | Total Reimbursable Correctional Credit Hours | Total Reimbursable Correctional Credit Hours Certified to the ICCB | Difference |
|--|---|---|-------------------|
| Baccalaureate | 2,180.00 | 2,180.00 | - |
| Business Occupational | 152.00 | 152.00 | - |
| Technical Occupational | 1,740.00 | 1,740.00 | - |
| Health Occupational | - | - | - |
| Remedial Developmental | - | - | - |
| Adult Basic Education/Adult Secondary Education | - | - | - |
| TOTAL CREDIT HOURS CERTIFIED | 4,072.00 | 4,072.00 | - |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
VERIFICATION OF STUDENT RESIDENCY
Year Ended June 30, 2016**

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.

**DANVILLE AREA COMMUNITY COLLEGE
 CERTIFICATE OF CHARGEBACK
 REIMBURSEMENT FOR FISCAL YEAR 2017
 Year Ended June 30, 2016**

**All Fiscal Year 2016 Non-Capital Audited Operating
 Expenditures From the Following Funds:**

| | | Line |
|--|-----------------------|--------|
| Education | \$ 13,236,938 | 1 |
| Operations and maintenance fund | 2,147,373 | 2 |
| Bond and interest fund | 933,320 | 4 |
| Restricted purposes fund | 6,669,585 | 6 |
| Audit fund | 43,287 | 7 |
| Liability, protection and settlement fund | <u>794,793</u> | 8 |
| Total non-capital expenditures | <u>23,825,296</u> | 10 |
| Depreciation on capital outlay expenditures from sources other than state and federal funds | <u>716,825</u> | 11 |
| Total costs included | <u>24,542,121</u> | 12 |
| Total certified semester credit hours for FY 2016 | <u>48,165</u> | 13 |
| Per capita cost | <u>509.55</u> | 14 |
| All FY 2016 state and federal operating grants for non-capital expenditures, except ICCB grants | * | 15 |
| Fiscal year state and federal grants per semester credit hour | <u>*</u> | 16 |
| District's average ICCB grant rate for fiscal year 2017 | <u>*</u> | 17 |
| District's student tuition and fee rate per semester credit hour for fiscal year 2017 | <u>140.00</u> | 18 |
| Chargeback reimbursement per semester credit hour | <u><u>*</u></u> | 19 |

* Not available, therefore unable to calculate final chargeback reimbursement rate.

Approved: Jammy Clark-Betancourt
 Chief Fiscal Officer

Approved: Stu Nau
 President
 (line 14 less lines 16, 17, and 18)

**Independent Auditors' Report on
Illinois State Library Literacy Grant
Project AVL-16-002**

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

We have audited the accompanying financial statement of the Illinois State Library Literacy Grant Project AVL-16-002 of Danville Area Community College, Community College District No. 507 (College) which comprise the statement of revenues, expenditures and changes in fund balance – budget and actual for the year ended June 30, 2016, and the related notes to the financial statement.

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 State Library Literacy Grant Project AVL-16-002; this includes 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.

Auditors' 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 of America and the guidelines for the Illinois State Library Literacy Grant Project AVL-16-002 issued by the Illinois Secretary of State. 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 auditors' 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 entity'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 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 statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois State Library Literacy Grant Project AVL-16-002 of Danville Area Community College Community College District No. 507 for the year ended June 30, 2016, in accordance with the regulatory basis of accounting of the Illinois State Library Literacy Grant Project AVL-16-002.

Basis of Accounting

We draw attention to the notes to financial statements, which describe the basis of accounting. The financial statement is prepared on the regulatory basis of accounting as required by the Illinois State Library Literacy Grant Project AVL-16-002, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Library Literacy Grant Project AVL-16-002. Our opinion is not modified with respect to that matter.

Restriction of Use

The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual was prepared for the purpose of complying with the terms of the Illinois State Library Literacy Grant Project AVL-16-002 and is not intended to be a complete presentation of the College's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

**DANVILLE AREA COMMUNITY COLLEGE
ILLINOIS STATE LIBRARY LITERACY GRANT
PROJECT AVL-16-002
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2016**

| | Budget | Actual | Variance |
|---|---------------|---------------|-----------------|
| REVENUES | | | |
| Grant revenue | \$ 53,260 | \$ 53,260 | \$ - |
| EXPENDITURES | | | |
| Salaries | 39,455 | 35,572 | 3,883 |
| Employee benefits | 9,127 | 14,247 | (5,120) |
| Contractual services | 2,897 | 1,844 | 1,053 |
| Materials and supplies | 1,131 | 1,292 | (161) |
| Travel | 650 | 305 | 345 |
| Total expenditures | 53,260 | 53,260 | - |
| Excess of revenues over expenditures (Budgetary Basis) | \$ - | - | \$ - |
| FUND BALANCE, BEGINNING OF YEAR | | - | |
| FUND BALANCE, END OF YEAR | | \$ - | |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
ILLINOIS STATE LIBRARY LITERACY GRANT
PROJECT AVL-16-002
NOTE TO FINANCIAL STATEMENTS
June 30, 2016**

The Illinois State Library Literacy Grant program of the College develops various reading programs as well as remedial reading programs as allowed by grant guidelines. Following is a summary of the more significant policies.

Fund accounting

The operations of the Illinois State Library Literacy Grant are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, revenues and expenditures.

Fixed assets

The Literacy Grant requires that written consent and approval be obtained before purchasing any equipment which exceeds a value of \$500. These purchases remain property of the State of Illinois.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when incurred or when obligations are established by executing purchase orders of firm contracts.

Budgets

Budgeted amounts used for comparison in this report were obtained from the approved grant and adjusted for any amendments.

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

**Independent Auditors' Report on the
Illinois Cooperative Work Study Program Grant**

Board of Trustees
Danville Area Community College
Community College District No. 507 and
Illinois Board of Higher Education

We have audited the accompanying financial statement of the Illinois Cooperative Work Study Program of Danville Area Community College, Community College District No. 507 (College) which comprise the statement of revenues, expenditures and changes in fund balance – budget and actual for the grant period April 7, 2015 through June 30, 2016, 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; this includes 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.

Auditors' 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 of America and the guidelines for the Illinois Cooperative Work Study Program Grant issued by the Illinois Board of 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 auditors' 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 entity'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 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 of Danville Area Community College Community College District No. 507 for the grant period April 7, 2015 through June 30, 2016, in accordance with the regulatory basis of accounting of the Illinois Board of Higher Education 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 is 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 of America, 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 that matter.

Restriction on Use

The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual 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 District's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

Illinois Department of Professional Regulation
License Number 065031700

**Independent Auditors' Report on Illinois Board of
Higher Education Cooperative Work Study Program
Grant Regulatory Compliance Requirements**

Board of Trustees
Danville Area Community College
Community College District No. 507
and Illinois Board of Higher Education

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statement of the Illinois Cooperative Work Study Program Grant of Danville Area Community College, Community College District No. 507 (the "District"), which comprises the statement of revenues, expenditures and changes in fund balance – budget and actual for the grant period April 7, 2015 through June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated October 13, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that Danville Area Community College, Community College District No. 507 failed to 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 District's noncompliance with the above-referenced grant agreement, insofar as they relate to accounting matters.

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



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

**DANVILLE AREA COMMUNITY COLLEGE
ILLINOIS COOPERATIVE WORK STUDY PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ending June 30, 2016**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------|---------------|-----------------|
| REVENUES | | | |
| Cooperative Work Study Program Grant | \$ 8,768 | \$ 8,768 | \$ - |
| EXPENDITURES | | | |
| Student salaries and other expenses | 8,768 | 8,768 | - |
| Excess of revenues over expenditures | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE, BEGINNING OF YEAR | | - | |
| FUND BALANCE, END OF YEAR | | <u>\$ -</u> | |

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
ILLINOIS COOPERATIVE WORK STUDY PROGRAM GRANT
NOTES TO FINANCIAL STATEMENT
FOR GRANT PERIOD ENDING JUNE 30, 2016**

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 June 30, 2016. 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 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 GOVERNMENT AUDITING STANDARDS

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Danville Area Community College, Community College District No. 507 (College) and its discretely presented component unit, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 13, 2016. The financial statements of the College's discretely presented component unit 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 (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 the College's major federal programs for the year ended June 30, 2016. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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 of America; 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 of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College 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, 2016.

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 an 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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.



CliftonLarsonAllen LLP

Danville, Illinois
October 13, 2016

DANVILLE AREA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Expenditures | Passed- Through to Subrecipients |
|--|---------------------------|--|-------------------------|--|
| U.S. DEPARTMENT OF EDUCATION | | | | |
| Student financial assistance cluster: | | | | |
| Financial Aid - Pell | 84.063* | P063P151344 | \$ 3,651,327 | \$ - |
| Financial Aid - SEOG | 84.007* | P007A151138 | 103,110 | - |
| Financial Aid - Federal Work Study | 84.033* | P033A151138 | 134,690 | - |
| Financial Aid - Direct Student Loan | 84.268* | P268K161344 | <u>822,222</u> | <u>-</u> |
| Total student financial assistance cluster | | | <u>4,711,349</u> | <u>-</u> |
| Trio Student Support Services | 84.042A | P042A150332 | <u>299,346</u> | <u>-</u> |
| Passed through Illinois Community College Board: | | | | |
| VE - Perkins - Title II C - Post Secondary | 84.048 | CTE50716 | <u>145,335</u> | <u>-</u> |
| Adult Education - Basic | 84.002A | 50701 | <u>99,276</u> | <u>-</u> |
| Total ICCB | | | <u>244,611</u> | <u>-</u> |
| Total U.S. Department of Education | | | <u>5,255,306</u> | <u>-</u> |
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through Illinois State Board of Education: | | | | |
| Child & Adult Care Food Program | 10.558 | N/A | <u>31,862</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | | <u>31,862</u> | <u>-</u> |
| SMALL BUSINESS ADMINISTRATION | | | | |
| Passed through Illinois Department of Commerce and Community Affairs: | | | | |
| Small Business Development Center | 59.037 | 15-561155; 16-181155 | <u>42,053</u> | <u>-</u> |
| Total Small Business Administration | | | <u>42,053</u> | <u>-</u> |

DANVILLE AREA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Expenditures | Passed- Through to Subrecipients |
|---|---------------------------|--|---------------------|--|
| U.S. DEPARTMENT OF LABOR | | | | |
| Passed through Illinois Department of Commerce and Economic Opportunities (DCEO): | | | | |
| Workforce Investment Act - 1E | 17.278 | 13-651018 | \$ 147 | \$ - |
| Workforce Investment Act - Adult Program | 17.258 | 14-681018; 15-681018 | 332,080 | - |
| Workforce Investment Act - Dislocated Worker (ID) | 17.278 | 14-681018; 15-681018 | 447,647 | - |
| Sub-total | | | <u>779,727</u> | <u>-</u> |
| Workforce Investment Act - Youth Program (IY) | 17.259 | 14-681018; 15-681018 | 220,005 | 30,137 |
| Total WIA Cluster | | | 999,879 | 30,137 |
| Workforce Investment Act - ATIM | 17.283 | N/A | 1,055 | - |
| Total DCEO | | | <u>1,000,934</u> | <u>30,137</u> |
| Trade Adjustment Assistance Community College and Career Training Grants | | | | |
| IGEN TAA | 17.282 | TC-22517-11-60-A-17 | 55,269 | - |
| iNam TAA Career Pathways | 17.282 | TC-23795-12-60-A-17 | 82,244 | - |
| Sub-total | | | <u>137,513</u> | <u>-</u> |
| Total U.S. Department of Labor | | | <u>1,138,447</u> | <u>30,137</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through Illinois Department of Human Services: | | | | |
| Childcare and Development Block Grant | 93.575 | 80408490W | 3,792 | - |
| Total U.S. Department of Health and Human Services | | | <u>3,792</u> | <u>-</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 6,471,460</u> | <u>\$ 30,137</u> |

*Major Program

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrued basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Danville Area Community College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – FEDERAL NON-CASH ASSISTANCE

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

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
Year Ended June 30, 2016**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: unmodified opinion

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness? Yes No

Type of auditors’ report issued on compliance for major programs: unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)? Yes No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 84.063 | Federal Student Financial Assistance Programs – PELL Grants |
| 84.007 | Federal Student Financial Assistance Programs – SEOG |
| 84.033 | Federal Student Financial Assistance Programs – Federal Work Study |
| 84.268 | Federal Student Financial Assistance Programs – Federal Direct Student Loans |

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
Year Ended June 30, 2016**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

**DANVILLE AREA COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 507
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016**

Finding No. 2015-001 – (Noncompliance with Disbursement Requirements)

| | |
|------------------|--|
| Federal Agency | United States Department of Education (USDOE) |
| Federal Program | Federal Student Financial Assistance Programs – Federal Direct Student Loans |
| CFDA# | 84.268 |
| Questioned Costs | None |

Condition: During our testing, we noted that the National Student Loan Data System (NSLDS) rosters returned yielded error reports that were not corrected and resubmitted within the required 10 days. The College utilizes the National Student Clearinghouse (NSC) as a third party provider in order to submit student information to NSLDS. NSC had software conversion issues that failed in monitoring and correcting submission errors. However, it is possible for the college to create an enrollment reporting summary report after reporting student status changes on NSLDS, which would have detected these types of errors.

Recommendation: We recommend that the College put a process in place to ensure enrollment statuses are accurately and timely reported to NSLDS. The system should include understanding if and when the NSC Third party servicer has corrected the failed software programming.

Status: This issue has been corrected.