

Danville Area Community College

Community College District No. 507

Danville, IL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Years Ended

June 30, 2020 and 2019



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Fiscal Years Ended June 30, 2020 and 2019

**Prepared by:
Finance and Administration Office**

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

MISSION STATEMENT

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

NON-DISCRIMINATION STATEMENT:

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

Danville Area Community College - Community College District No. 507

Comprehensive Annual Financial Report

Fiscal years ended June 30, 2020 and 2019

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A Leader in Education

"I chose DACC because of the supportive atmosphere. From advising to tutoring services, I know I can get the help I need to be successful."

Selena
Caballero,
• Business, '20
• Franklin
University
3 + 1, '22





March 23, 2021

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

The Comprehensive Annual Financial Report (Annual Report) 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, 2020, is hereby submitted. The Annual Report provides a snap shot of the College's financial performance and major initiatives as well as an overview of trends in the local economy. Above all, the report represents the College's commitment to inform members of the community about the College's finances.

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

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

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

2000 East Main Street

*Martin Luther King
Memorial Way*

Danville, IL 61832

217-443-DACC (3222)

PROFILE OF THE COLLEGE

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

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

While the campus is located in Danville, with an extension center in Hoopston, the College District encompasses high school districts in Vermilion, Edgar, Iroquois, Ford and Champaign counties with an estimated population of approximately 83,000.

MISSION, VISION AND CORE VALUES

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

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

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

Our core values:

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

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

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

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

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

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

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

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

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

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

FINANCIAL INFORMATION

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

Internal Controls:

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

Budgeting Controls:

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

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

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

CARES ACT FUNDING

The College was awarded approximately \$1.0 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act grant funds in the last quarter of fiscal year 2020. Part of a national economic stimulus program, CARES funding was signed into law in late March 2020. Out of the College's \$1.0 million award, half was for emergency financial aid assistance to students for expenses related to the disruption of campus operations due to coronavirus and the other half covers costs associated with significant changes to the delivery of instruction due to the coronavirus. As of June 30, 2020, the College spent the entire allocation for CARES student financial aid funds, \$471,036. Of the institutional and strengthening institutions portions, the College spent over 90%, \$471,936 as of June 30, 2020.

ECONOMIC CONDITION AND OUTLOOK

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

District Economy

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

The construction of a new casino in Danville is still in the development stages. An operating partner, site and concept plans have all been approved by the City Council and have been submitted to the Illinois Gaming Board for approval. While the entire project may take up to six years to complete, it is anticipated that Phase 1 (of 3) could be completed by the end of 2021, including 500 slot machines and 10 gaming tables. With this casino the economy in the next several years is expected to experience significant growth through the creation of new jobs, an influx of new residents, an increase in tourism, new homes, hotels, and restaurants. Not only is this expected to boost the overall economy of the area, but is also expected to increase enrollment at the College through various programs and partnerships with the casino. The College hopes to provide not only specific training for casino employees such as card dealers, callers, and wheel spinners, but also a wide range of supervisors, cashiers, computer programmers, attendants, clerks, hosts, surveillance officers, and uniformed security. New associate-degree programs could include culinary arts, hospitality management, and food-service management, as well as transferable associate of science degrees such as psychosocial rehabilitation and addictions counseling.

Unemployment in the Danville Metropolitan Statistical Area has been declining over the last several years to the lowest rate in 10 years of 5.1%. This is more than 50% lower than the highest rate of 12.1% in 2011. Per capita income has also increased steadily even though population has been decreasing, which would be a result of the lower unemployment rate, as well as the increase in the property tax base from the additional wind farms. Typically as unemployment decreases, enrollment also decreases, which has been the case for the College the last several years. Full-time equivalent (FTE) enrollment is also at one of the lowest in the last 10 years (1,565 compared to 2,364 in 2011). FTE was at its highest of 2,364 in 2011 when the unemployment rate was at one of its second highest of 11.4%. The College continues to actively pursue enrollment in areas such as dual credit, on-line, program review and the introduction of new programs, and student retention.

Certainly, it is expected that the devastating effects of the COVID-19 pandemic will have an impact on the local economy, and the College is in excellent financial condition to weather any negative impact as well as has the flexibility to adapt quickly to the needs of the community regarding job training and educational needs.

Tax Base:

The District's fiscal year 2019 tax levy base of \$1,118,539,041 experienced an approximate 3.0% increase over the 2018 tax levy base. This increase is primarily attributable to continued increases in farm property. However, over the last several years, residential property has also been steadily increasing, which reflects an improving economy in the area.

The tax base is diverse, with the ten largest taxpayers making up less than 6.0% of the EAV. The 2019 EAV was comprised of 43% residential, 33% farm, 15% commercial, 4% industrial and 5% railroad and mineral (includes wind farms). Local property taxes will continue to be a significant source of revenue to the College. During fiscal year 2020, local property taxes accounted for approximately 31% of total operating funds (Education and Operations & Maintenance Funds) receipts.

Net Position and Liquidity:

Net position increased from \$37.6 million at the end of fiscal year 2019 to \$39 million at the end of 2020. This increase is attributable to a combination of an increase in other non-operating revenue, which includes a \$3.0 million donation from the Foundation to retire the 2013A Technology Center Construction Bonds, and an increase in operating expenses, which includes an increase in state on-behalf payments of \$0.7 million, salary increases for all classes of employees and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

Liquidity is strong, with \$14.0 million of cash and cash equivalents at year end. An additional indicator of financial strength is the College's Moody's rating. The College's Moody's rating was reviewed in June, 2019, and while it retained its rating of A1, the negative outlook was removed. The rating action, according to the Moody's report, *"reflects the college's moderately sized tax base, below average demographic profile, healthy reserves, limited expenditure flexibility with a high reliance on the State of Illinois for operating revenue and a low debt burden."* This rating is considered "upper-medium grade" and is the highest rating in that category.

College Enrollment:

While enrollment continues to steadily decline, primarily as a result of the declining unemployment rate and a shrinking population base, strategic initiatives to counteract that decline continue, such as expanding baccalaureate partnerships with universities, including "3 + 1" programs that enable students to take three years at DACC and a fourth year online to earn a bachelor's degree, as well as dual-admissions programs with four year schools.. Other initiatives include modifying the wind technology program to include a solar-technology component, integrating sustainability with Horticulture and Agriculture programs through aquaponics and "bonus classes," which encourage students to register for 15 or more credit hours in order to receive a \$500 discount on their tuition and fees. The student-service benefit is that bonus classes can keep students on track toward graduation. In addition, marketing efforts for dual-credit courses continued, as did the offering of vocational programs at the Danville Correctional Center.

In an effort to maintain enrollment during the unprecedented COVID-19 pandemic, beginning with the summer 2020 semester, any student enrolled in a course that was 100% on-line, received a waiver of 50% of the per credit hour tuition and mandatory fee rate.

The College is actively focusing on student retention as well. The retention program entitled “Toolbox: Building Bridges to Success,” which focuses on full-time African-American male students who are new to the College, continued. In this program, College employees visit incoming students within the week prior to the start of the fall semester to make a connection and these students attend a weekly “Toolbox” meeting. For attending the weekly meeting, these students earn \$25 a week. Each meeting provides students with an opportunity to offer “progress reports” as they talk about the recent DACC experiences and receive needed information through a different “information segment” each week. Of the original 18 member cohort starting in the fall of 2019, 12 returned to DACC in the fall of 2020. This 66% Fall-to-Fall retention rate is higher than the overall percentage for DACC students.

The College dedicated a lounge in Canon Hall to be the exclusive purview of our veterans. It was remodeled and equipped with computers and printers for studying and video monitors for recreation, giving our veterans a home on campus.

The fiscal year 2020 budget was predicated on credit hours remaining stable over fiscal 2019. . Unfortunately, the decrease in revenue generating credit hours (10th day) at the end of FY20 was 7.9% less than budgeted credit hours. However, a universal fee increase of \$5 was made in summer of 2020 to which helped to counter the decline in enrollment. With this tuition increase the College’s current per credit hour in-district tuition and fees rate of \$165 is comparable to many other community colleges in the State.

State of Illinois:

While funding from the State of Illinois was flat funded for FY20, the College received an increase of approximately 2.7% in FY21. These appropriations will assist the College in attempting to offset current and predicted future enrollment declines. However, the fiscal stability of the State of Illinois remains uncertain at best. The State pension crisis continues to grow and revenues at the State level continue to fall short of planned expenditures. As a result, the future of State funding for the College continues to be a significant concern. Pension reform, if and when implemented, could also have a deleterious financial impact on the College, specifically if the employer cost is shifted from the State to the College. Strategies that have already been developed for addressing funding shortages continue and new ones are being implemented regularly.

Foundation:

The College’s Foundation continues to support the mission of the College and the students. During the past five years, the Foundation has provided significant funds for scholarships, facilities renovations, technology support, instructional equipment, and support for operating the library. A record number of scholarships were awarded for FY20; 533 scholarships equaling \$488,768. The Foundation Board is determined to grow its resources in order to maintain and enhance their level of support to the College and to students through scholarship awards and program enhancements. A successful silent capital campaign was completed April 24, 2020 and raised \$4.25M.

STUDENT SUCCESS

The College continues to increase graduation rates. The graduation rate for the cohort graduating in May, 2020 was an overall rate of 43%, compared to an average of 31% for all Illinois community colleges. This is a one percent (1%) increase over last year's graduation rate and more than 16% higher than the total from nine (9) years ago. The four year average is 39%. Faculty and staff interaction with students through initiatives such as mandatory advising, the mentoring program, TRiO and Achieving the Dream are believed to be the key to DACC's success.

STUDENT SUCCESS – ACHIEVING THE DREAM

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

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

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

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

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

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

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

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

STUDENT SUCCESS – TRIO

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

TRIO services include:

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

STUDENT SUCCESS – HIGH SCHOOL INITIATIVES

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

College Express: College Express, now in its 16th year, experienced steady enrollment in FY20, enrolling over 400 high school students. This program provides high school students with career specific dual enrollment opportunities, typically vocational in nature, at the College. Students enrolled in one of these programs can expect to earn up to sixteen (16) credit hours toward an associate degree or certificate. This program is successful due to the strong partnership with the Regional Office of Education, high schools in our district, Vermilion Vocational Educational Delivery System, and the College.

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

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

STUDENT SUCCESS – OTHER LEARNING OPPORTUNITIES

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

Corporate Education serves the business community by providing customized training for incumbent workers or job seekers either on-site or on the DACC campus. In the past year, Corporate Education generated over \$300,000 in gross revenue.

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

WORKFORCE DEVELOPMENT AND THE AMERICAN JOB CENTER

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

DANVILLE CORRECTIONAL CENTER

Vocational programs were reinstated at the Danville Correctional Center beginning with the Spring 2019 semester. Programming includes Auto Technology, Construction Occupations, Custodial Maintenance and Career Technology. In addition, the College is planning to reinstate transfer courses in the prison and is collaborating with the Illinois Department of Corrections on the possibility of introducing remote learning. Higher education in prisons, whether in the form of vocational training or traditional coursework, is believed to impact recidivism by providing inmates with specific skills needed to find employment after release, as well as developing overall life skills. This programming will also help to increase enrollment.

FACILITIES

Several projects were completed during the fiscal year including an Illinois Capital Development Board project to replace four, fifty year old heating units serving the Mary Miller Gymnasium with two energy efficient heating and cooling units, a Protection, Health, and Safety project to replace the roof on the Child Development Center, and the conversion of HVAC pneumatic controls to digital in several buildings.

Upcoming projects include a \$2.0M renovation to Jacobs Hall, an Illinois Capital Development Board project to replace the carpet on the 2nd floor of Mary Miller, upgrade all passenger elevators to comply with building codes as well as to modernize controls, replace plumbing in Mary Miller, replace ADA handicap ramps for Vermilion, Prairie and Cannon Halls, and other projects included on the deferred maintenance list that will be funded through bond proceeds.

STRATEGIC INITIATIVES

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

- Developed a dual-admissions program with Illinois State University's Mennonite College of Nursing to provide two separate nursing articulation tracks
- Expanded the 3 + 1 program with the addition of an articulation agreement with Indiana Wesleyan University for accounting students to achieve a bachelor's degree, earn an accelerated master's degree and the opportunity to sit for the Illinois CPA exam.
- Modified the "bonus course" program to provide a financial incentive in the form of a \$500 discount for students enrolled in 15 or more credit hours.
- Integrated Sustainability with Horticulture and Agriculture programs by purchasing an aquaponics system for the Greenhouse.
- Automotive technology began partnering with a local Ford dealer to provide students an opportunity to become Ford technicians through online and hands-on training
- Automotive technology added an Engine Performance course and started attending "test & tune's" at a local dragstrip.
- Criminal Justice purchased a training simulator (MILO) that enable local police officers to provide students with real-life law-enforcement scenarios.
- Corporate Education improved our first-time pass rate for Maintenance Technicians and Machine Operators from 70% to 90%.
- Radiologic Technology, Echocardiology and Sonography programs purchased electronic centralized clinical recordkeeping software to track and report student progress in the clinical setting.

- Continued focus on assessment of student learning outcomes by creating sub-teams to work on academic assessment improvements, developing a process for co-curricular assessment and all faculty completed a program assessment for outcomes and/or competencies.
- Addition of a General Education Core Curriculum Credential which allows students to obtain 41 credits in general education courses that are guaranteed to transfer to every Illinois four-year university and most major American universities
- Implement the DACC Mobile App to provide students with a single point of entry into what they need to be successful
- Continued the “Toolbox” program to help boost the success of African-American males
- Continued the Second Chance Scholarship Program (a retroactive scholarship) to provide a path for students with past due balances to attend the College; increased marketing efforts for the program in an attempt to increase participation
- Continued emphasis on institutional effectiveness and assessment activities
- A strategic plan matrix for FY21 was created

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.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firm of Wipfli LLP was selected by the College’s Board of Trustees. Wipfli LLP, Certified Public Accountants, have issued an unmodified (clean) opinion on Danville Area Community College, Community College District No. 507’s CAFR for the year ended June 30, 2020. The independent auditors’ report on the financial statements and schedules is included in the financial section of this report.

The College was also subject to the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Wipfli LLP, Certified Public Accountants, have issued unmodified (clean) opinions on both “Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards” and “Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance.” The required auditors’ reports on compliance are included in the federal reporting section of this report.

Awards for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Danville Area Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the eighth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

/s/Dr. Stephen Nacco

Dr. Stephen Nacco
President

/s/Tammy L. Betancourt

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

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

BOARD OF TRUSTEES

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

OFFICERS OF THE COLLEGE

<u>Name</u>	<u>Position</u>
Dr. Stephen Nacco	President
Mrs. Tammy L. Betancourt	Board Treasurer/Vice President of Finance and Chief Financial Officer
Mrs. Kerri Thurman	Board Secretary/Vice President of Operations
Dr. Natalie Page	Vice President of Academic Affairs
Mrs. Stacy Ehmen	Vice President of Student Services
Mrs. Jill Cranmore	Vice President of Human Resources

OFFICIAL ISSUING REPORT

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

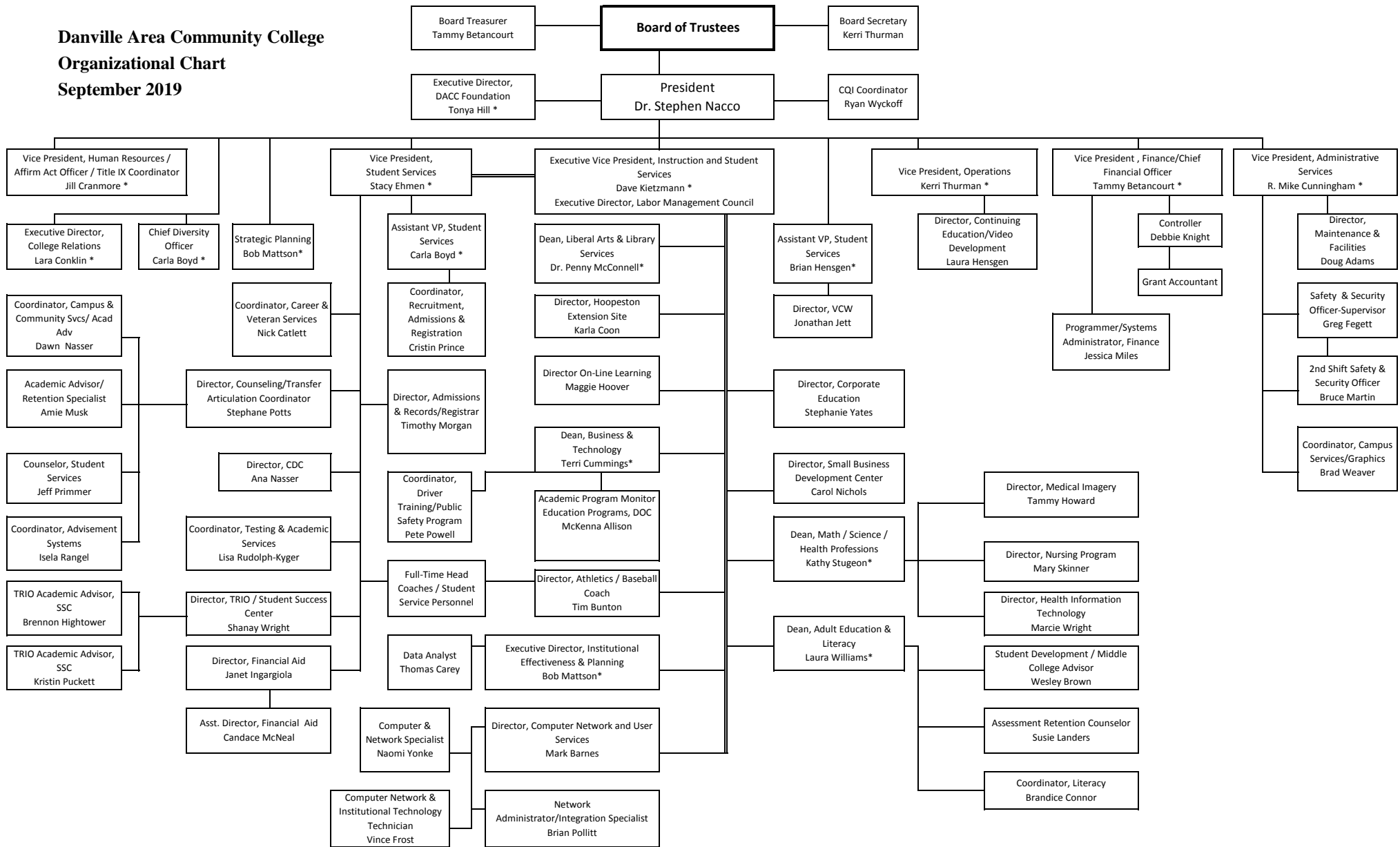
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Danville Area Community College
Organizational Chart
September 2019



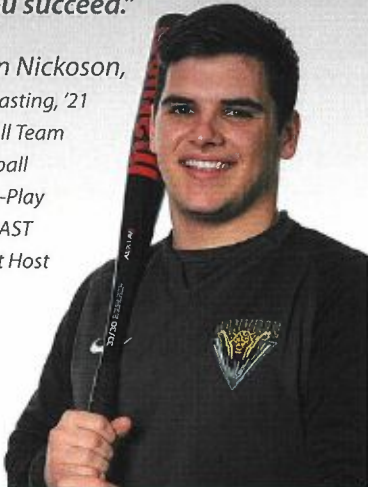
* Member of College Cabinet

A Leader in Education

"I chose DACC because I had the opportunity to play Baseball at the next level at a College where the faculty, coaches, and administration care about students personally and want to see you succeed."

Keegan Nickoson,

- Broadcasting, '21
- Baseball Team
- Basketball
Play-by-Play
- DACCAST
Podcast Host



Independent Auditor's 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 financial statements of the business-type activities and the discretely presented component unit of Danville Area Community College, Community College District No. 507 (College) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 opinions on these financial statements based on our audits. We did not audit the financial statements of the Danville Area Community College Foundation, a discretely presented component unit, which represents 100 percent of the assets, net assets, and revenue of the discretely presented component unit except for contributions receivable which were audited by us. Except for the contributions receivable, the financial statements were audited by other auditors whose report thereon has been furnished to us and, in our opinion, insofar as it relates to the amounts included for Danville Area Community College Foundation, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Danville Area Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Danville Area Community College, Community College District No. 507 as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the 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 March 23, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
March 23, 2021

Introduction

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

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

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

Financial Highlights

The College's financial position at June 30, 2020 shows assets at \$59.4 million, deferred outflows at \$0.9 million, liabilities at \$19.3 million, deferred inflows at \$2.0 million and net position at \$39.0 million. Net position represents the balance in the College's assets and deferred outflows after liabilities and deferred inflows are deducted.

For the year ended June 30, 2020, the College recorded total operating revenue of \$4.8 million which is defined as net tuition and fees, and auxiliary revenues. The total operating expenses are \$35.2 million. This difference produced an operating loss of \$30.4 million. Net non-operating revenue is \$31.7 million, which includes the major categories of government grants and contracts, and local property taxes. Including capital contributions, the resulting overall increase in net position was \$1.4 million.

This \$1.4 million increase is primarily a result of an increase in other non-operating revenue, which includes \$3.2 million in donations from the Foundation, combined with an increase in operating expenses.

Operating revenue accounted for 13.1% of the College's total revenue, while non-operating revenues, including donations from the Foundation and capital contributions, accounted for the remaining 86.9% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, which totaled \$3.8 million and auxiliary enterprise and miscellaneous revenues which totaled \$1.0 million. Non-operating revenue included local property taxes and personal property replacement taxes of \$7.4 million, state appropriations of \$5.2 million, on-behalf payments from the state of \$9.9 million, federal grants and local contracts of \$5.8 million, donations from the Foundation of \$3.2 million and other miscellaneous revenue of \$0.3 million.

Statement of Net Position

The Statement of Net Position presents the assets and deferred outflows, liabilities and deferred inflows and net position of the College at fiscal year-end June 30, 2020. The purpose of this statement is to present a snapshot of the financial condition of the College and classifies assets and liabilities into current and non-current categories. Total net position, which is the difference between total assets and deferred outflows and total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

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

Net position is presented in three major categories. The first is net investment in capital assets, which is a \$30.6 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 78.5% 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, \$13.2 million, are funds that are limited in terms of the purpose and time for which they can be spent. Restricted net position is further categorized between expendable and non-expendable. Restricted expendable net position is available to be spent by the College with adherence to externally imposed rules and regulations. This category includes the funds restricted for the 25% matching share of implementing the Campus Master Plan; the Protection, Health, Safety Projects; the principal and interest payments for the Technology/Equipment Bonds and Construction Bonds; the various federal and state grants awarded to the College; the Working Cash principal; the funds provided for the annual audit; and the Liability, Protection and Settlement Fund.

The third category is unrestricted net position. These assets of (\$4.8 million), comprised of assets of \$8.3 million available for any lawful purpose that supports the mission of the College and (\$13.1) related to Other Postretirement Benefits (OPEB). Included in this amount are internal Board Restricted Funds reserved for specific purposes in the amount of \$5.1 million. The major accounts in the reserves provide additional funding support for one-time future expenditures such as the support for the Campus Master Plan, support for the Management Information System, building and grounds repair and maintenance, SURS/Retirement cost support, and equipment replacement. The net position related to OPEB is the result of recording the College's proportionate share of the collective OPEB amounts for OPEB benefits provided to members through the Community College Health Insurance Security Fund (CCHISF) as required under GASB Statement No. 75.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

The following chart is a summary of the College's net position at June 30:

	(In Millions)		
	FY 2020	FY 2019	FY 2018
Current assets	\$24.3	\$21.4	\$22.0
Noncurrent assets - Capital assets, net of depreciation	35.1	35.5	36.3
Total assets	59.4	56.9	58.3
Deferred outflows	0.9	0.6	0.2
Current liabilities	2.4	2.2	3.3
Noncurrent liabilities	16.9	16.2	15.0
Total liabilities	19.3	18.4	18.3
Deferred inflows	2.0	1.5	0.9
Net investment in capital assets	30.6	30.1	31.5
Restricted:			
Expendable	13.2	10.5	9.6
Unrestricted	(4.8)	(3.0)	(1.8)
Total net position	\$39.0	\$37.6	\$39.3

Fiscal Year 2020 compared to 2019

The value of net position was \$1.4 million more at the end of FY20 as compared to the prior year. This \$1.4 million increase is a combination of an increase in other non-operating revenue, which includes a \$3.0 million donation from the Foundation to retire the 2013A Technology Center Construction Bonds, and an increase in operating expenses, which includes an increase in state on-behalf payments of \$1.3 million, salary increases for all classes of employees, an increase in scholarships, and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

Fiscal Year 2019 compared to 2018

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

Statement of Revenues, Expenses, and Changes in Net Position

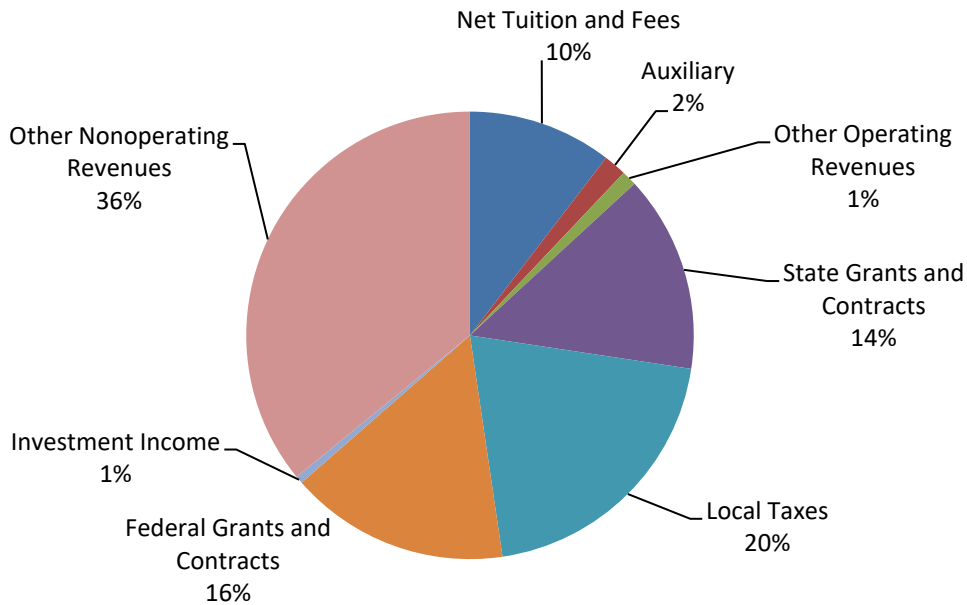
The Statement of Revenues, Expenses and Changes in Net Position presents the revenue earned and expense incurred during the year. Activities are reported as either operating or nonoperating. The primary operating revenues are tuition and fees, which are stated net of scholarship waivers, and auxiliary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

Danville Area Community College - Community College District No. 507

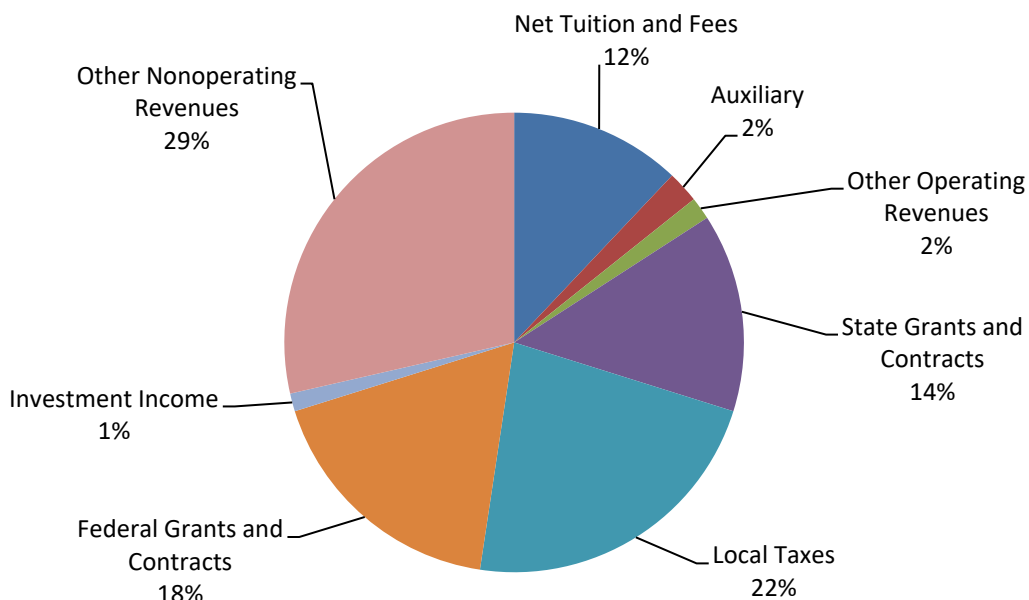
Management Discussion and Analysis

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

FY2020 Revenues by Category



FY2019 Revenues by Category



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

The following schedule is a summary of the College's operating results for fiscal years:

Summary of Operating Results

	(In Millions)		
	FY 2020	FY 2019	FY 2018
Operating revenues:			
Net tuition and fees	\$3.8	\$3.8	\$4.3
Auxiliary	0.6	0.7	0.7
Other	0.4	0.5	0.2
Total operating revenue	4.8	5.0	5.2
Less operating expenses (see detail in following table)	35.2	33.2	31.8
Net operating loss	(30.4)	(28.2)	(26.6)
Nonoperating revenue			
State grants and contracts	5.2	4.4	5.9
Local taxes	7.4	7.1	7.0
Federal grants and contracts	5.8	5.6	5.7
Investment income	0.2	0.4	0.2
Other	13.1	9.0	8.1
Total nonoperating revenue	31.7	26.5	26.9
Capital contributions	0.1	0.0	0.2
Change in net position	1.4	(1.7)	0.5
Net position, beginning of year	37.6	39.3	49.5
Cumulative effect of GASB 75 (OPEB)	0.0	0.0	(10.7)
Net position, end of year	\$39.0	\$37.6	\$39.3

Detail of Operating Expenditures by Classification and Function

	FY 2020	FY 2019	FY 2018
Operating expenditures by classification:			
Salaries and benefits	\$26.1	\$24.8	\$23.7
Supplies and other services	4.3	3.8	4.0
Scholarships	2.1	1.9	1.5
Depreciation	1.9	1.9	1.8
Utilities	0.8	0.8	0.8
Total operating expenditures	\$35.2	\$33.2	\$31.8

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

	FY 2020	FY 2019	FY 2018
Operating expenditures by function:			
Instruction	\$8.3	\$8.8	\$8.1
Academic support	1.2	1.1	0.8
Student services	2.3	2.2	2.3
Public service	1.0	1.0	1.1
Auxiliary expense	0.9	0.8	0.8
Operation and maintenance of plant	2.0	2.1	2.4
Institutional support	5.0	4.0	3.9
Scholarships	2.1	1.9	1.7
On-behalf payments	9.9	8.6	7.9
Other postemployment benefits	0.6	0.8	1.0
Depreciation	1.9	1.9	1.8
Total operating expenditures	\$35.2	\$33.2	\$31.8

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 2020 compared to 2019

Operating revenues decreased slightly by \$0.2 million due primarily to a decrease in other operating revenue. Non-operating revenue reflects a significant increase of \$5.2 million which is primarily due to a \$1.3 million increase in state on-behalf payments, a \$3.0 million donation from the Foundation to retire the 2013A Technology Center construction bonds and an increase in state appropriations of \$0.8 million. Other non-operating revenue line items remained relatively stable with small increases offsetting small decreases.

Operating Expenses increased \$2.0 million in FY2020. The primary reason for the increase was the addition of approximately \$1.3 million expense related to the increase of state on-behalf payments, salary increases for all classes of employees, an increase in scholarships, and an increase in instructional supplies and equipment as a result of spending funds from technology/equipment bonds.

The fluctuations previously discussed resulted in the College's net position increasing from the prior year by \$1.4 million to a level of \$39.0 million at June 30, 2020.

Fiscal Year 2019 compared to 2018

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

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

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

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

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 30:

Statement of Cash Flows

	FY 2020	FY 2019	FY 2018
Cash provided (used) by:			
Operating activities	(\$18.4)	(\$17.0)	(\$15.7)
Noncapital financing activities	17.8	20.9	19.0
Capital and related financing activities	(1.5)	(1.8)	(0.6)
Investing activities	0.4	0.2	0.2
Net increase/(decrease) in cash	(1.7)	2.3	2.9
Cash, beginning of year	15.7	13.4	10.5
Cash, end of year	\$14.0	\$15.7	\$13.4

Fiscal Year 2020 compared to 2019

The \$1.7 million decrease in cash and cash equivalents at the end of FY20 as compared to FY19 was due primarily to timing of distributions of property tax revenues.

Fiscal Year 2019 compared to 2018

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

Capital Assets

FY2020

As of June 30, 2019, the College had recorded \$84.7 million invested in capital assets, \$49.6 million in accumulated depreciation and \$35.1 million in net capital assets. During FY2020, capital assets decreased by \$0.3 million. The decrease is due to more asset deletions in the current year, along with a depreciation expense of \$1.9 million.

Danville Area Community College - Community College District No. 507

Management Discussion and Analysis

FY2019

As of June 30, 2020, the College had recorded \$83.7 million invested in capital assets, \$48.2 million in accumulated depreciation and \$35.5 million in net capital assets. During FY2019, capital assets decreased by \$0.8 million. The decrease is due to less asset additions in the current year, along with a depreciation expense of \$1.9 million.

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

Debt Administration

The total balance outstanding at June 30, 2020 for all of the College's various Working Cash, Technology/Equipment and Construction Bonds is \$5,321,000.

During fiscal year 2020 the College issued \$1,000,000 in General Obligation Technology and Equipment Bonds to provide continued funding of the four to five year recycling plan of updating existing technology and new or updated instructional equipment.

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

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

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

Contacting the College's Financial Management

This financial report is designed to provide our constituents and other interested parties with a general overview of the College's finances and to demonstrate accountability for the resources we receive, both financial and those non-financial in nature. For further information regarding this report contact Tammy L. Betancourt, Vice President of Finance and Chief Financial 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, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash	\$14,036,903	\$15,744,517
Investments	0	155,129
Property taxes receivable	6,725,119	3,411,736
Student tuition and fees, net of allowance 2020 \$2,047,471 and 2019 \$1,995,105	1,565,859	1,104,102
Government claims receivable	1,668,235	711,725
Other accounts receivable	67,077	101,869
Prepaid items	204,227	178,612
Total current assets	24,267,420	21,407,690
Noncurrent assets:		
Capital assets, net of accumulated depreciation, 2020 \$49,597,522 and 2019 \$48,183,893	35,122,776	35,459,048
Total assets	59,390,196	56,866,738
DEFERRED OUTFLOW OF RESOURCES		
Subsequent year's pension expense related to federal, trust, or grant contributions in the current year	66,990	63,957
Subsequent year's other postemployment benefit expense related to contributions in the current year	807,606	547,559
Total deferred outflows of resources	874,596	611,516
Total assets and deferred outflows of resources	60,264,792	57,478,254
LIABILITIES		
Current liabilities:		
Accounts payable	213,905	296,883
Accrued expenses	475,145	424,834
Deposits held in custody for other	243,073	86,758
Unearned tuition revenue	210,492	354,747
Unearned grant revenue	182,646	17,856
Debt certificates payable	0	0
Bonds payable, current maturities	768,000	714,000
Capital lease obligations, current maturities	70,318	67,902
Accrued compensated absences, current	210,000	264,000
Total current liabilities	2,373,579	2,226,980
Noncurrent liabilities:		
Bonds payable, less current maturities	4,553,000	4,321,000
Capital lease obligations, less current maturities	154,623	224,942
Net other postemployment benefit liabilities	11,968,403	11,563,940
Accrued compensated absences	212,456	85,025
Total noncurrent liabilities	16,888,482	16,194,907
Total liabilities	19,262,061	18,421,887
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	1,952,334	1,473,669
Total liabilities and deferred inflows of resources	21,214,395	19,895,556
NET POSITION		
Net investment in capital assets	30,576,834	30,131,204
Restricted - expendable:		
Capital projects	1,676,429	2,105,044
Debt service	4,053,341	1,015,844
Grant purposes	1,084,320	862,148
Working cash	5,429,723	5,429,723
Audit purposes	48,782	46,705
Liability insurance	951,114	1,025,873
Unrestricted	(4,770,146)	(3,033,843)
Total net position	\$39,050,397	\$37,582,698

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$2,078,119 and \$2,664,025, respectively	\$3,749,857	\$3,810,069
Auxiliary enterprises revenue	631,080	647,961
Other operating revenues	384,344	538,939
Total operating revenue	4,765,281	4,996,969
Operating expenses:		
Instruction	8,300,465	8,843,999
Academic support	1,172,255	1,061,446
Student services	2,322,309	2,177,494
Public services	968,904	1,013,695
Auxiliary enterprises expense	872,158	821,876
Operation and maintenance of plant	2,061,719	2,146,072
Institutional support	5,001,090	4,029,300
Scholarships	2,099,118	1,863,400
On-behalf payments	9,876,311	8,567,738
Other postemployment benefits	623,081	784,116
Depreciation	1,873,737	1,908,487
Total operating expenses	35,171,147	33,217,623
Operating loss	(30,405,866)	(28,220,654)
Nonoperating revenues and (expenses):		
State grants and contracts	5,210,090	4,405,902
Local property tax revenues	6,765,353	6,547,752
Personal property replacement tax	617,229	570,826
Federal grants and contracts	5,801,805	5,616,297
Local grants and contracts	10,151	8,370
Investment income	232,201	353,590
On-behalf payments	9,876,311	8,567,738
Other non-operating revenues	3,374,361	708,110
Gain (loss) on disposal of assets	14,375	(63,889)
Interest expense	(171,468)	(223,025)
Net nonoperating revenues and (expenses)	31,730,408	26,491,671
Capital contributions -		
Capital contributions	143,157	41,136
Change in net position	1,467,699	(1,687,847)
Net position, beginning of year	37,582,698	39,270,545
Net position, end of year	\$39,050,397	\$37,582,698

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Cash Flows

For the years ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$3,178,638	\$3,866,800
Payments to suppliers	(4,980,447)	(5,595,318)
Payments to employees and benefits paid	(15,496,540)	(15,372,872)
Payments for financial aid and scholarships	(2,102,616)	(1,117,392)
Auxiliary enterprise charges - bookstore and childcare	631,081	647,960
Other operating	384,344	538,939
Net cash from operating activities	(18,385,540)	(17,031,883)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Local property taxes	3,462,119	9,473,782
State grants and contracts	5,950,070	4,998,943
Federal grants and contracts	5,026,254	5,748,172
Other nonoperating	3,392,955	737,564
Direct lending receipts	548,189	667,549
Direct lending payments	(548,189)	(667,549)
Net cash from noncapital financing activities	17,831,398	20,958,461
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,537,465)	(1,150,489)
Principal paid on bonds payable/capital debt	(714,000)	(1,765,000)
Principal paid on capital lease obligations	(67,903)	(70,330)
Interest paid on bonds payable/capital debt	(221,452)	(177,734)
Proceeds from bonds issued	1,000,000	1,000,000
Proceeds from capital lease	0	352,024
Net cash from capital and related financing activities	(1,540,820)	(1,811,529)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investments	155,129	(155,129)
Interest received	232,219	353,604
Net cash from investing activities	387,348	198,475
Net increase (decrease) in cash and cash equivalents	(1,707,614)	2,313,524
CASH AND CASH EQUIVALENTS:		
Beginning of year	15,744,517	13,430,993
End of year	\$14,036,903	\$15,744,517

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Statements of Cash Flows (Continued)

For the years ended June 30, 2020 and 2019

	2020	2019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	(\$30,405,866)	(\$28,220,654)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,873,737	1,908,487
State on-behalf payments	9,876,311	8,567,738
Changes in deferred outflows and inflows of resources	215,585	141,126
Changes in assets and liabilities:		
Receivables	(426,965)	15,451
Other assets	(25,615)	(20,403)
Accounts payable	156,142	(169,970)
Accrued liabilities	90,922	64,599
Net other postemployment benefit liabilities	404,463	640,462
Unearned revenue	(144,254)	41,281
Net cash used in operating activities	(\$18,385,540)	(\$17,031,883)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Acquisition of capital assets with capital contributions	\$143,157	\$237,000
Loss on disposal of assets	\$0	\$76,600
STATE ON-BEHALF PAYMENTS	\$9,876,311	\$8,567,738

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statements of Financial Position

June 30, 2020 and 2019

ASSETS	2020	2019
Assets:		
Cash and cash equivalents	\$2,629,588	\$1,019,606
Investments	12,957,628	11,842,127
Contributions receivable	99,652	0
Beneficial interests in trusts	1,145,563	1,138,378
Land held for investment	2,911,390	2,851,509
Total assets	\$19,743,821	\$16,851,620

LIABILITIES AND NET ASSETS

Liabilities -		
Accounts payable and accrued expenses	\$67,889	\$76,068
Net assets:		
Without donor restrictions:		
General operating	1,600,290	611,304
Board designated endowment	2,277,756	2,159,401
	3,878,046	2,770,705
With donor restrictions:		
Purpose restricted:		
Scholarship	7,552,063	5,880,626
Library	881,026	915,353
Frontline 2000	62,966	62,966
Total purpose restrictions	8,496,055	6,858,945
Perpetual in nature:		
Endowment:		
Faculty	308,045	308,045
Scholarship	5,848,223	5,699,479
Total endowment	6,156,268	6,007,524
Trust	1,145,563	1,138,378
Total perpetual in nature	7,301,831	7,145,902
Total net assets	19,675,932	16,775,552
Total liabilities and net assets	\$19,743,821	\$16,851,620

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statements of Activities

For the years ended June 30, 2020 and 2019

	2020	2019
Changes in net assets without donor restrictions:		
Revenues, gains and other support:		
Contributions	\$75,766	\$13,350
Investment income	35,640	430,646
Realized and unrealized gains (losses), net	569,961	0
Net assets released from prior year's restrictions	4,513,972	984,266
Total revenue, gains, and other support	5,195,339	1,428,262
Expenses and losses:		
Program service expenses:		
Grants issued	3,136,999	0
Scholarships, awards and projects	488,768	444,781
Library	65,000	65,000
Greenhouse renovations	50,000	50,000
Instructional equipment	89,233	146,539
Hoopeston extension site	0	5,000
Other program services	25,647	178,767
Total program service expenses	3,855,647	890,087
Supporting service expenses:		
Management and general	160,015	147,990
Fundraising	72,336	60,001
Total supporting service expenses	232,351	207,991
Total expenses	4,087,998	1,098,078
Increase in unrestricted net assets	1,107,341	330,184
Changes in net assets with donor restrictions - purpose restricted:		
Contributions	5,563,015	673,464
Investment income	171,803	315,336
Realized and unrealized gains (losses), net	299,538	0
Other income	88,128	88,128
Donor-Restricted income transfer	28,598	(14,499)
Net assets released from prior year's restrictions	(4,513,972)	(984,266)
Increase in net assets with donor restrictions - purpose restricted	1,637,110	78,163
Changes in net assets with donor restrictions - perpetual in nature:		
Contributions	177,341	498,330
Gain (loss) on sale of fixed asset	7,186	
Investment income	0	17,272
Donor-Restricted income transfer	(28,598)	14,499
Increase in net assets with donor restrictions - perpetual in nature	155,929	530,101
Increase in net assets	2,900,380	938,448
Net assets, beginning of year	16,775,552	15,837,104
Net assets at end of year	\$19,675,932	\$16,775,552

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Component Unit - Danville Area Community College Foundation

Statements of Functional Expenses

For the year ended June 30, 2020 and 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries and benefits	\$0	\$94,680	\$63,120	\$157,800	\$0	\$84,080	\$56,054	\$140,134
Professional fees	0	54,298	0	54,298	0	50,562	0	50,562
Printing and postage	0	1,534	0	1,534	0	1,211	0	1,211
Office expense	0	3,982	0	3,982	0	4,838	0	4,838
Events and campaigns	0	0	2,507	2,507	0	0	48	48
Seminar and dues	0	780	0	780	0	4,749	0	4,749
Insurance	0	2,418	0	2,418	0	2,055	0	2,055
Promotion	0	0	6,709	6,709	0	0	3,899	3,899
Grants and scholarships	3,855,647	0	0	3,855,647	890,087	0	0	890,087
Certificates and awards	0	2,323	0	2,323	0	495	0	495
Total expenses	\$3,855,647	\$160,015	\$72,336	\$4,087,998	\$890,087	\$147,990	\$60,001	\$1,098,078

See Notes to Financial Statements.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 1 Organization and Summary of Significant Accounting Policies

Danville Area Community College, Community College District No. 507 (College) is an accredited public two-year community college providing higher education opportunities for youth and adults in East Central Illinois. Established initially as an extension center of the University of Illinois in 1946, the College became a public junior college named Danville Community College under Danville Public Schools in 1949. In 1951, the name was changed to Danville Junior College. In June of 1966, the College separated from Danville School District No. 118 under provisions of the Public Junior College Act and became an independent two-year area college under the control of the Board of Trustees of Junior College District No. 507. The name Danville Junior College was changed to Danville Area Community College on July 1, 1979, to be more reflective of the services rendered. The College district encompasses high school districts in Vermilion, Edgar, Iroquois, Ford, and Champaign counties with an estimated population of 83,000.

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.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard's Board (FASB) Accounting Standards Codification (ASC). Most significant to the Foundation's operations and reporting models is FASB ASC 958 related to accounting for contributions received and financial reporting for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. However, the Foundation records transactions under the income tax basis of accounting which differs from the accrual basis of accounting. Conversion adjustments were made to the Foundation's financial statements to convert them from income tax basis to accrual basis. The conversion adjustments resulted in the recording of contributions receivable.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

Reporting Entity (continued)

Significant note disclosures (Note 11) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. Financial statements for the Foundation can be obtained by calling the Foundation at (217)443-8843.

During the fiscal year ended June 30, 2020, the Foundation distributed \$446,356 to students attending the College and gave \$3,338,685 in direct support to the College. In addition, the College provided the Foundation with \$61,802 of in-kind services.

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.

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

Use of Estimates

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

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

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 with maturities of three months or less at the time of purchase.

Investments

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

Accounts Receivable

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

Account balances that are not on a payment plan and are unpaid at the end of the term are considered delinquent. Collection costs may be applied to account balances still outstanding thirty days following the end of the semester. Payments of accounts receivable are applied to the specific invoices identified on the student's remittance advise or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

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

Prepaid Expenses

Prepaid expenses represent current expenditures which benefit future periods.

Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Pursuant to Board of Trustees resolution, property tax levies passed in December 2019 were allocated to fiscal year 2020. 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.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

Property Taxes (continued)

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, 2019 and 2018 tax levies, per \$100 of assessed valuation, are reflected in the following table.

	Statutory Maximum	2019 Rate	2018 Rate
Education	\$0.3729	\$0.3729	\$0.3678
Operations and maintenance	0.0750	0.0750	0.0740
Workers compensation	-	0.0045	0.0070
Social security	-	0.0149	0.0144
Tort liability, protection	-	0.0610	0.0584
Audit	0.0050	0.0041	0.0042
Operations and maintenance (Restricted)			
Protection, Health and Safety	0.0500	0.0068	0.0070
Bond and interest	-	<u>0.0723</u>	<u>0.0742</u>
		<u>\$0.6115</u>	<u>\$0.6070</u>

Capital Assets

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

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

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

Impairment of Assets

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

Deferred Outflows of Resources

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

Unearned Revenue

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

Non-Current Liabilities

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

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

Deferred Inflows of Resources

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

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

Pensions

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

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

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

Other Post-Employment ("OPEB") Obligations

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

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

Net Position

The College's net position is classified as follows:

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

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

Net Position (continued)

Restricted net position – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted net position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

Classification of Revenues and Expenses

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

Federal Financial Assistance Programs

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

Note 2 Cash and Investments

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

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

Cash as of June 30, 2020 and 2019 consist of the following:

	Carrying Amount	
	2020	2019
Cash on hand	\$1,800	\$1,500
Deposits with financial institutions	14,035,103	15,743,017
Total	\$14,036,903	\$15,744,517

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, 2020 and 2019, deposits were collateralized with securities held by the pledging financial institution. Therefore, none of the College’s bank balance was exposed to custodial risk.

Investments at June 30, 2020 and 2019 comprise the following at fair value:

	2020	2019
Local Government Investment Pool	\$0	\$155,129

As of June 30, 2020, the College had the following investments with stated maturities.

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

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

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

As of June 30, 2020, the College had the following investments with stated ratings.

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

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

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

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

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 2 Cash and Deposits (continued)

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020 and 2019, there are no investments with custodial credit risk.

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

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

Note 3 Capital Assets

The following tables present the changes in various capital asset categories for fiscal years 2020 and 2019.

At June 30, 2020 and 2019, the College had several uncompleted construction contracts. The remaining commitment on these construction contracts was approximately \$2,155,327 and \$82,172, respectively.

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Construction in process	\$182,796	\$633,545	\$149,368	\$666,973
Land	911,931	0	0	911,931
Total capital assets not being depreciated	1,094,727	633,545	149,369	1,578,904
Capital assets being depreciated:				
Land improvements	5,563,184	0	0	5,563,184
Buildings	18,288,110	264,575	(24,187)	18,576,872
Building improvements	41,797,872	0	0	41,797,872
Campus lighting	40,955	0	0	40,955
Equipment	16,858,093	639,345	334,927	16,858,093
Total capital assets being depreciated	82,548,214	1,537,465	460,108	84,720,298

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 3 Capital Assets (continued)

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Less accumulated depreciation:				
Land improvements	3,093,792	155,166	0	3,248,958
Buildings	9,972,077	335,002	0	10,307,079
Building improvements	19,185,598	789,438	0	19,975,036
Campus lighting	40,504	450	0	40,954
Equipment	15,891,922	593,681	460,108	16,025,495
Total accumulated depreciation	48,183,893	1,873,737	460,108	49,597,522
Net capital assets	\$35,459,048	(\$336,272)	\$0	\$35,122,776

Construction in progress represents costs incurred to renovate Jacobs Hall Carnegie Library and install new HVAC in the Mary Miller Gymnasium. Total costs for all projects are estimated to be \$2,822,300 of which \$2,000,000 is expected to be donated by a donor for Jacobs Hall and \$178,390 will be paid by a capital grant from the Illinois Capital Development Board. Costs paid by the Capital Development Board as of June 30, 2020 and 2019 total \$175,291 and \$24,378, respectively.

The College deposited \$459,070 in a trust account for its share of project costs. Disbursements from this account are authorized by the Illinois Capital Development Board. The balance of this account as of June 30, 2020 and 2019 was \$155,117 and \$465,796, respectively.

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Construction in process	\$85,400	\$173,996	\$76,600	\$182,796
Land	911,931	0	0	911,931
Total capital assets not being depreciated	997,331	173,966	76,600	1,094,727
Capital assets being depreciated:				
Land improvements	5,494,951	68,233	0	5,563,184
Buildings	18,288,110	0	0	18,288,110
Building improvements	41,797,872	0	0	41,797,872
Campus lighting	40,955	0	0	40,955
Equipment	15,993,199	908,260	43,366	16,858,093
Total capital assets being depreciated	81,615,087	976,493	43,366	82,548,214
Less accumulated depreciation:				
Land improvements	2,938,626	155,166	0	3,093,792
Buildings	9,626,328	345,749	0	9,972,077
Building improvements	18,306,408	879,190	0	19,185,598
Campus lighting	40,054	450	0	40,504
Equipment	15,407,356	527,932	43,366	15,891,922
Total accumulated depreciation	46,318,772	1,908,487	43,366	48,183,893
Net capital assets	\$36,293,646	(\$757,988)	\$76,600	\$35,459,048

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

Note 4 Long-Term Debt

	Balance 6/30/19	Additional Obligations	Retirements	Balance 6/30/20	Due Within One Year
2013A Construction bonds	\$2,995,000	\$0	\$0	\$2,995,000	\$0
2015 Technology bonds	260,000	0	260,000	0	0
2016 Technology and deferred maint. bonds	780,000	0	255,000	525,000	525,000
2018A Technology and deferred maint. bonds	1,000,000	0	199,000	801,000	243,000
2020 Technology bonds	0	1,000,000	0	1,000,000	0
Accrued compensated absences	349,025	282,580	209,150	422,455	210,000
Capital lease obligations	292,844	0	67,902	224,942	70,318
Total	\$5,676,869	\$1,282,580	\$991,052	\$5,968,397	\$1,048,318

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

General Obligation Bonds

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

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 4 Long-Term Debt (continued)

Series 2013A Construction Bonds: On October 11, 2013, the College issued bonds in the amount of \$2,995,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the construction and equipment of a 10,000 square foot addition to the Technology Center (the "Project"). Serial retirement interest began on July 1, 2014, with interest payable semiannually at 4.25%. A lump sum principal payment will be due upon maturity. Maturity date is January 1, 2028. A donor has contributed \$3,000,000 to the Foundation to be used to call the bonds at the earliest call date of January 1, 2022. In addition, the donor has contributed to the Foundation \$100,000 per year after the date the construction started. The College used 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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$0	\$127,287	\$127,287
2022	0	127,288	127,288
2023	0	127,287	127,287
2024	0	127,288	127,288
2025	0	127,287	127,287
2026-2028	2,995,000	381,863	3,376,863
Total	\$2,995,000	\$1,018,300	\$4,013,300

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 was June 1, 2020.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$525,000	\$6,169	\$531,169
Total	\$525,000	\$6,169	\$531,169

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 4 Long-Term Debt (continued)

Series 2018A Technology and Deferred Maintenance Bonds: On July 2, 2018, the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of deferred maintenance projects and technological and instructional equipment. Serial retirement of principal and interest begins on December 1, 2019, with interest payable semiannually at 3.75% - 4.00%. Maturity date is December 1, 2022. Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$243,000	\$25,481	\$268,481
2022	274,000	15,788	289,788
2023	284,000	5,325	289,325
Total	\$801,000	\$46,594	\$847,594

Series 2020 Technology Bonds: On June 12, 2020, 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 begins on December 1, 2021, with interest payable semiannually at 3.75% and 1.40%. As of June 30, 2020, proceeds of the bonds were used 0% for the purchase capital assets. Maturity date is December 1, 2022. Remaining principal and interest payments to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$481,000	\$40,815	\$521,815
2023	519,000	3,633	522,633
Total	\$1,000,000	\$44,448	\$1,044,448

Capital Lease Obligations

Copiers: The College is leasing copy machines under a capital lease which expires June 2023. The equipment is capitalized and depreciated over its estimated productive life. Total cost on the equipment was \$352,024. Accumulated depreciation on the equipment as of June 30, 2020 was \$140,810, respectively.

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

Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$70,318	\$6,752	\$77,070
2022	72,819	4,251	77,070
2023	75,408	1,661	77,069
2024	6,397	26	6,423
Total	\$224,942	\$12,690	\$237,632

Note 5 Contingencies and Commitments

Grant Contingencies

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

Litigation

As of June 30, 2020, the College is involved in various litigated issues. Possible judgments in these cases cannot be predicted at this time nor any damages, if any, reasonably estimated.

Construction Commitments

In fiscal year 2020, the College entered into a contract with Commercial Builders for \$1,652,000 for the renovation of Jacobs Hall, Carnegie Library. The estimated total cost of the project is \$2,073,000. The remaining project costs as of June 30, 2020 was \$1,923,501. The project is expected to be completed in the summer of 2021.

In fiscal year 2019, the College entered into a contract with the Illinois Capital Development Board for the replacement of four, fifty year old heating units serving the Mary Miller Gymnasium with two energy efficient heating and cooling units with an estimated total cost of approximately \$749,300. The contract states that the Capital Development Board is to pay \$178,390 and the College's portion is \$570,910. Of the College's portion, \$459,070 has been put in a trust account. As of June 30, 2020 and 2019, the balance of the College's trust account was \$155,177 and \$465,796, respectively. The total remaining project costs as of June 30, 2020 was \$231,825, of which the College portion is \$228,726. The project is expected to be completed in 2021.

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 fully insured for its health, dental and vision benefits, utilizing the services of various commercial providers.

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

Note 7 Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (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's financial reporting entity and is included in the State's Comprehensive Annual Financial Report 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 six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2019 can be found in SURS Comprehensive Annual Financial Report's Notes to the Financial Statements.

Contributions. The State 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 within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2020, respectively, was 12.29% and 13.02% 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 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. 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), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 7 Defined Benefit Pension Plans (continued)

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2019 and June 30, 2018. SURS reported a net pension liability (NPL) of \$28,720,071,173 at June 30, 2019 and \$27,494,556,682 at June 30, 2018.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College at both fiscal years ended June 30, 2019 and 2018 was \$-0-. The proportionate share of the State's net pension liability associated with the College at June 30, 2019 and 2018 was \$86,476,134 or 0.3011% and \$79,651,731 or 0.2897%, respectively. These amounts should not be recognized in the financial statements. The net pension liability and total pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2019.

Pension Expense

At June 30, 2019 and June 30, 2018, SURS reported a collective net pension expense of \$3,094,666,252 and \$2,685,322,700, 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 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue and pension expense of \$9,318,040 and \$7,779,380, respectively, for the fiscal years ended June 30, 2020 and 2019.

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. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources

Fiscal Year Ended June 30, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$160,132,483	\$80,170,745
Changes in assumptions	773,321,300	0
Net difference between projected and actual Earnings on pension plan investments	0	55,456,660
Total	\$933,453,783	\$135,627,405

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 7 Defined Benefit Pension Plans

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

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
2020	\$786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	30,001,419
Thereafter	0
Total	\$797,826,378

Employer Deferral of Fiscal Year 2020 and 2019 Contributions

The College paid \$66,990 and \$63,957 in federal, trust or grant contributions for the fiscal year ended June 30, 2020 and June 30, 2019, respectively. These contributions were made subsequent to the pension liability date of June 30, 2019 and June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2020 and June 30, 2019.

Assumptions and Other Inputs

Actuarial Assumptions. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014, through June 30, 2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 7 Defined Benefit Pension Plans (continued)

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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.20%
Treasury-Inflation Protected Securities	4%	4.00%
Emerging Market Debt	3%	5.70%
Real Estate REITS	4%	4.85%
Direct Real Estate	6%	2.00%
Commodities	2%	2.85%
Hedged Strategies	5%	1.20%
Opportunity Fund	1%	7.00%
Total	100%	4.80%
Inflation		<u>2.75%</u>
Expected Arithmetic Return		7.55%

Discount Rate. A single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and 6.75% at June 30, 2019 and June 30, 2018, respectively, and a municipal bond rate of 3.13% and 3.62% at June 30, 2019 and June 30, 2018, 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 SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Note 7 Defined Benefit Pension Plans (continued)

Sensitivity of SURS 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 State’s net pension liability, calculated using a single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, respectively, as well as what the State’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, 2019		
1% Decrease 5.59%	Current Single Discount Rate Assumption 6.59%	1% Increase 7.59%
\$34,786,851,779	\$28,720,071,173	\$23,712,555,197
June 30, 2018		
1% Decrease 5.65%	1% Decrease 5.65%	1% Decrease 5.65%
\$33,352,188,584	\$33,352,188,584	\$33,352,188,584

Additional information regarding the SURS basic financial statements including the plan’s net position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

Note 8 Postemployment Benefits Other Than Pension (OPEB)

General Information about the OPEB Plan

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

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

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

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

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

Contributions. The Act requires every active contributor of SURS, who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires a special funding situation whereby the State makes an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The Act requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the College to CIP and the College's contributions for the years ended June 30, 2020 and 2019 were \$56,860 and \$55,442, respectively.

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

Net OPEB Liability. The net OPEB liability was measured as of June 30, 2019 and June 30, 2018. CIP reported a net OPEB liability at June 30, 2019 of \$1,888,540,494 and at June 30, 2018 of \$1,885,251,764.

Employer Proportionate Share of Net OPEB Liability. The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2019 is \$11,968,403 or 0.6337%, and for fiscal year 2018 is \$11,563,940 or 0.6134%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0203%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$11,968,403 or 0.6337% and \$11,563,940 or 0.6134%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$23,936,806 and \$23,127,880, respectively. The net OPEB liability and total OPEB liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2019.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

OPEB Expense. At June 30, 2019 and June 30, 2018, CIP reported a collective net OPEB expense of \$84,924,196 and \$125,287,478, respectively.

Employer Proportionate Share of OPEB Expense. The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue of \$58,334 and \$56,888 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Additionally, the College recognized OPEB expense (and revenue) of \$499,937 and \$731,470 for the fiscal years ended June 30, 2020 and June 30, 2019. For the year ended June 30, 2020 and 2019, the College recognized OPEB expense of \$623,081 and \$784,116, respectively, for its proportionate share of the OPEB expense.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. Deferred outflows of resources are the consumption of net position by the plan that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by the plan that is applicable to future reporting periods.

The College's Deferred Outflows and Deferred Inflows of Resources by Sources:

Fiscal Year Ended June 30, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>Deferred Amounts to be recognized in OPEB expense in future Periods</i>			
Differences between expected and actual experience	\$140,268	\$253,105	(\$112,837)
Changes of assumptions	0	1,667,477	(1,667,477)
Net difference between projected and actual investment earnings on OPEB plan investments	0	528	(528)
Changes in proportion and differences between employer contributions and share of contributions	610,478	31,224	579,254
Total deferred amounts to be recognized in OPEB expenses In future period	750,746	1,952,334	(1,201,588)
OPEB contributions made subsequent to the measurement date	56,860	0	56,860
Total deferred amounts related to OPEB	\$807,606	\$1,952,334	(\$1,144,728)

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

Fiscal Year Ended June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
<i>Deferred Amounts to be recognized in OPEB expense in future Periods</i>			
Differences between expected and actual experience	\$169,962	\$25,327	\$144,635
Changes of assumptions	0	1,447,464	(1,447,464)
Net difference between projected and actual investment earnings on OPEB plan investments	0	380	(380)
Changes in proportion and differences between employer contributions and share of contributions	322,155	498	321,657
Total deferred amounts to be recognized in OPEB expenses In future period	492,117	1,473,669	(981,552)
OPEB contributions made subsequent to the measurement date	55,442	0	55,442
Total deferred amounts related to OPEB	\$547,559	\$1,473,669	(\$926,110)

The College reported \$56,860 and \$55,442 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting years ended June 30, 2021 and June 30, 2020, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Inflows of Resources
2020	\$200,265
2021	200,265
2022	200,265
2023	200,265
2024	200,265
Thereafter	200,263
Total	\$1,201,588

Actuarial assumptions and other inputs.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

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

Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Actual trend used for fiscal year 2019 based on premium increases. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.40% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity’s index “20-year Municipal GO AA Index” has been selected. The discount rates are 3.13% as of June 30, 2019, and 3.62% as of June 30, 2018.

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

The following presents the plan’s net OPEB liability, calculated using a Single Discount Rate of 3.13% and 3.62% at June 30, 2019 and June 30, 2018, respectively, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

Sensitivity of the College’s Proportional Share of the Net OPEB Liability As of June 30, 2019 to the Single Discount Rate Assumption			
	1% Decrease 2.13%	Current Single Discount Rate Assumption 3.13%	1% Increase 4.13%
Net OPEB liability	\$13,736,566	\$11,968,403	\$10,467,668

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

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

Sensitivity of the College's Proportional Share of the Net OPEB Liability As of June 30, 2018 to the Single Discount Rate Assumption

	1% Decrease 2.62%	Current Single Discount Rate Assumption 3.62%	1% Increase 4.62%
Net OPEB liability	\$13,402,306	\$11,563,940	\$10,033,872

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

Sensitivity of the College's Proportional Share of the Net OPEB Liability As of June 30, 2019 to the Healthcare Cost Trend Rate Assumption

	1% Decrease	Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB liability	\$9,933,045	\$11,968,403	\$14,658,010

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.90% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.90% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 for Medicare coverage.

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

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

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

Note 9 Operating Leases

On July 1, 2014, the College entered into an agreement with Follett Higher Education Group, Inc. (Follett) to operate and provide services for the bookstore of the College. The agreement expired June 30, 2019. On July 1, 2019, the College entered into the First Amendment to the original agreement. The amendment expires June 30, 2022, but will continue year-to-year unless terminated by either party pursuant to the terms of the agreement. Follett will receive all revenue generated from sales and will pay the College the applicable percentage of the bookstores' gross revenue. The percentage of gross revenue is 8.1% of all gross revenue up to \$1,000,000 and 9.6% of all gross sales over \$1,000,000. If in the first full contract year during the term of the agreement, calculated commission payments are less than \$50,000 ("Guaranteed Annual Income"), Follett will pay the College an additional amount necessary to bring the total payments to the College for that year up to the Guaranteed Annual Income. Follett will provide a Guaranteed Annual Income in all future years of this agreement that will be an amount equal to ninety percent (90%) of the calculated commission on Commissionable Sales of the immediately preceding year. In the original agreement, Follett also agreed to spend up to \$228,000 in store improvements. If the contract is terminated, the College has the obligation to pay Follett the value of inventory on hand and the unamortized book value of the store improvements. During the years ended June 30, 2020 and 2019, the College received \$53,708 and \$98,297, respectively, from Follett which is included as operating revenue in the Auxiliary Enterprises Fund.

The College leases vehicles and building space for the American Job Center under operating leases expiring through 2023. Future minimum lease payments under these leases are as follows:

2021	\$158,960
2022	107,436
2023	12,885
	\$279,281

The College's expense under operating leases was \$132,839 and \$123,660 for 2020 and 2019, respectively.

Note 10 Impact of Pending Accounting Pronouncements

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

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

Note 10 Impact of Pending Accounting Pronouncements (continued)

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

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

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The College has not determined the effect of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

Note 10 Impact of Pending Accounting Pronouncements (continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of Statement No. 84 applies, and this statement clarifies that Statement 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if Statement 84 has been implemented. The College has not determined the effect of this Statement.

Note 11 Component Unit

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

Investments

Investments consist of U.S. government agencies' securities and notes, corporate obligations and equity securities and mutual funds. These investments are recorded at fair market value with the net unrealized gain or loss recorded as an increase or decrease in net assets without donor restrictions or with donor restrictions.

The land held for investment includes farm land donated to the Foundation. The land is carried at the lower of cost (value at the date of the donation) or fair value. Income derived from the land is included in other income in the Foundation's statement of activities.

Beneficial Interest in Trust

The Foundation is a partial beneficiary in a trust that was created under terms of a will. Terms of the trusts vary but generally require the principal to remain intact in perpetuity with the income distributed to the beneficiaries. The Foundation believes fair value of the future cash flows to be received from its beneficial interest in assets approximate the fair value of the underlying assets held by the trusts.

Net Assets

Net assets are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions expire, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 11 Component Unit (continued)

Contributions and Revenue

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions are recorded at their estimated fair value and are considered to be available for unrestricted use unless specifically restricted by a donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Investments and Beneficial Interest in Trusts

Investments

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

	2020 Fair Value	2019 Fair Value
Equity securities and mutual funds	\$8,560,178	\$8,240,598
Corporate bonds and fixed income mutual funds	3,086,560	1,863,726
U.S. government obligations	1,310,890	1,737,803
Subtotal	12,957,628	11,842,127
Land held for investment	2,911,390	2,851,509
Total	\$15,869,018	\$14,693,636

Net realized gains totaled \$360,841 and \$183,231 and net unrealized gains totaled \$515,844 and \$360,117 for the years ended June 30, 2020 and 2019, respectively.

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.

Note 11 Component Unit (continued)

Investments and Beneficial Interest in Trusts (continued)

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

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, 2020 and 2019.

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.

Real estate investments are generally valued based at appraised amounts or assumptions used to determine fair values. Such investments are generally classified within Level 3 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.

Fixed Income funds: This asset class is generally comprised of investment options that pay a fixed rate of return through government bonds or corporate bonds.

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 11 Component Unit (continued)

Investments and Beneficial Interest in Trusts (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, 2020 and 2019:

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$6,509,496	\$0	\$0	\$6,509,496
Equity securities	2,050,682	0	0	2,050,682
Fixed income mutual funds	1,038,659	0	0	1,038,659
Corporate bonds	0	2,047,901	0	2,047,901
U.S. government obligations	0	1,310,890	0	1,310,890
Total assets at fair value	\$9,598,837	\$3,358,791	\$0	\$12,957,628

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$6,067,830	\$0	\$0	\$6,067,830
Equity securities	1,898,047	0	0	1,898,047
Fixed income mutual funds	274,721	0	0	274,721
Corporate bonds	0	1,863,726	0	1,863,726
U.S. government obligations	0	1,737,803	0	1,737,803
Total assets at fair value	\$8,240,598	\$3,601,529	\$0	\$11,842,127

Credit Risk

Level 2 corporate bonds totaling \$1,971,841 and \$1,581,194 are rated between AA+ to BB as of June 30, 2020 and 2019, respectively. The remaining level 2 corporate bonds of \$76,060 and \$282,532 are not rated as of June 30, 2020 and 2019, respectively.

Beneficial Interest in Trusts

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, 2020 and 2019.

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Beneficial interests in trust	\$0	\$0	\$1,145,563	\$1,145,563

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Beneficial interests in trust	\$0	\$0	\$1,138,378	\$1,138,378

Danville Area Community College - Community College District No. 507

Notes to Financial Statements

Note 11 Component Unit (continued)

Investments and Beneficial Interest in Trusts (continued)

	Beneficial Interest in Trusts
Balance – July 1, 2018	\$1,121,106
Unrealized gain (loss)	17,272
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Balance – June 30, 2019	\$1,138,378
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Balance – July 1, 2019	\$1,138,378
Unrealized gain (loss)	7,185
<hr/>	
Balance – June 30, 2020	\$1,145,563

Note 12 Subsequent Events

On August 20, 2020, the Board approved a transfer of \$755,267 to a trust account to be used by the Illinois Capital Development Board for a joint project to renovate the Clock Tower and Ornamental Horticulture Buildings. The estimated total cost of the project is approximately \$3,021,067 of which the College's portion would be the \$755,267 transferred to the trust account. The project is estimated to begin in 2021.

On September 25, 2020, the College entered into an amendment to the General Terms and Conditions Agreement with Ellucian Company L.P. to provide managed cloud services for our Colleague SIS/ERP system. The five year agreement begins on November 1, 2020 and terminates on October 31, 2025. The one-time fee for implementation (onboarding/transition) services is \$115,000 payable monthly over 24 months in the amount of \$4,807. The monthly application hosting services fee is \$13,238 or \$158,856 annually.

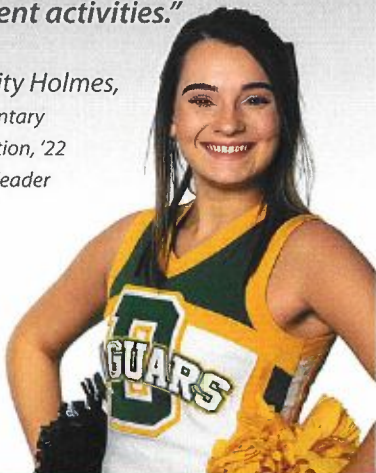
REQUIRED SUPPLEMENTARY INFORMATION

A Leader in Education

"I chose DACC because of the great scholarship opportunities. It's an affordable bridge between high school and university, and it gave me a chance to participate in many student activities."

Serenity Holmes,

- Elementary Education, '22
- Cheerleader



Danville Area Community College - Community College District No. 507

Schedule of Share of Net Pension Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%				
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0				
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$86,476,134	\$79,651,731	\$73,512,991	\$76,320,380	\$68,062,674	\$63,586,595				
College DB covered payroll	\$10,919,715	\$10,385,095	\$10,219,702	\$10,649,612	\$10,466,182	\$10,591,044				
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	791.93%	766.98%	719.33%	716.65%	650.31%	600.38%				
SURS plan net position as a percentage of total pension liability	41.71%	41.27%	42.04%	39.57%	42.37%	44.39%				

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

Danville Area Community College - Community College District No. 507

Schedule of Pension Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Federal, trust, grant and other contribution	\$66,990	\$63,957	\$61,429	\$63,075	\$64,668	\$63,187	\$61,599			
Contribution in relation to required contribution	66,990	63,957	61,429	63,075	64,668	63,187	61,599			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
College covered payroll	\$11,855,548	\$11,435,132	\$10,548,446	\$10,219,702	\$10,649,612	\$10,466,182	\$10,591,044			
Contribution as a percentage of covered payroll	0.57%	0.56%	0.58%	0.62%	0.61%	0.60%	0.58%			

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

Danville Area Community College - Community College District No. 507

Schedule of Share of Net OPEB Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2016)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net OPEB liability	0.63%	0.61%	0.60%	0.59%						
Proportion amount of the collective net OPEB liability	\$11,968,403	\$11,563,940	\$10,923,478	\$10,774,342						
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$11,968,403	\$11,563,940	\$10,779,609	\$11,381,335						
Total collective net OPEB liability associated with the College	\$23,936,806	\$23,127,880	\$21,703,087	\$22,155,677						
College covered payroll	\$11,435,132	\$10,548,446	\$10,219,702	\$10,649,612						
Proportion of collective net OPEB liability associated with the College as a percentage of covered-employee payroll	209.33%	219.25%	212.37%	208.04%						
College insurance plan net position as a percentage of total OPEB liability	-4.13%	-3.54%	-2.87%	-2.15%						

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

Danville Area Community College - Community College District No. 507

Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$56,860	\$55,442	\$52,595							
Contribution in relation to the required statutorily	56,860	55,442	52,595							
Contribution deficiency (excess)	\$0	\$0	\$0							
College covered-employee payroll	\$11,855,548	\$11,435,132	\$10,548,446							
Contribution as a percentage of covered payroll	0.48%	0.48%	0.50%							

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

See Accompanying Notes to Required Supplementary Information

Danville Area Community College Community College District No. 507

Notes to Required Supplementary Information

Note 1 Changes of Pension Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2019.

Note 2 Changes of Pension Assumptions:

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

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

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2019.

Note 4. Changes of OPEB Assumptions:

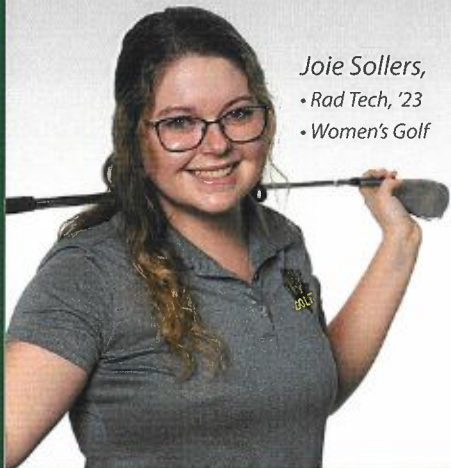
In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2018. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2017:

Note 4 Changes of OPEB Assumptions (continued):

- The price inflation was decreased from 2.75 percent to 2.25 percent.
- The salary scale assumption was decreased.
- The rates of retirement were decreased.
- The rates of termination were decreased.
- The rates of disability were decreased.
- The mortality table was updated to reflect recent experience and mortality improvement scales.
- The discount rate was changed from 3.62 percent at June 30, 2018, to 3.13 percent at June 30, 2019.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2019;
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year end 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.

A Leader in Education

"I chose DACC because of the wide variety of career programs. The faculty and staff are very involved and helped me set career goals and create the best path to achieve them."



Joie Sollers,
• Rad Tech, '23
• Women's Golf

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.

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Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Danville Area Community College - Community College District No. 507

Net Position by Component

Last Ten Fiscal Years

Table A

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities										
Net investment in capital assets	\$30,576,834	\$30,131,204	\$31,482,497	\$31,923,227	\$32,954,847	\$35,099,459	\$35,944,120	\$37,411,102	\$36,990,036	\$34,407,305
Restricted										
Capital projects	1,676,429	2,105,044	1,217,062	1,668,655	1,636,621	1,038,308	2,642,071	590,986	1,259,018	1,131,319
Debt service	4,053,341	1,015,844	1,074,550	758,848	766,898	767,757	873,702	908,937	917,584	887,405
Grant purposes	1,084,320	862,148	843,372	1,073,262	1,194,007	1,023,344	359,153	463,566	398,368	364,321
Working cash	5,429,723	5,429,723	5,429,723	5,429,723	5,179,723	4,854,723	4,119,723	3,824,723	3,588,091	5,432,211
Audit purposes	48,782	46,705	48,443	42,754	35,348	29,726	36,910	57,021	53,402	52,654
Liability insurance	951,114	1,025,873	957,415	939,510	1,015,161	1,054,830	1,183,036	1,293,686	1,308,966	1,317,034
Unrestricted	(4,770,146)	(3,033,843)	(1,782,517)	7,680,658	9,277,526	11,953,430	12,069,991	12,724,662	12,109,615	8,260,717
Total net position	\$39,050,397	\$37,582,698	\$39,270,545	\$49,516,637	\$52,060,131	\$55,821,577	\$57,228,706	\$57,274,683	\$56,625,080	\$51,852,966

Source: College's Annual Financial Reports

Danville Area Community College - Community College District No. 507

Changes in Net Position

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Table B										
Operating revenues										
Student tuition and fees, net of scholarship allowances	\$3,749,857	\$3,810,069	\$4,307,077	\$4,123,692	\$3,795,210	\$3,640,226	\$3,797,592	\$3,444,023	\$3,529,368	\$3,166,396
Auxiliary enterprise revenue	631,080	647,961	730,402	554,770	583,445	611,917	1,572,107	1,635,844	1,756,952	1,921,512
Other operating revenue	384,344	538,939	158,239	36,450	16,913	5,332	90,872	96,297	133,112	741,019
Total operating revenues	4,765,281	4,996,969	5,195,718	4,714,912	4,395,568	4,257,475	5,460,571	5,176,164	5,419,432	5,828,927
Operating expenses										
Instruction	8,300,465	8,843,999	8,149,799	7,891,261	8,153,578	8,282,774	8,172,747	7,677,960	7,639,489	7,467,535
Academic support	1,172,255	1,061,446	786,882	968,749	1,091,578	1,059,757	1,115,259	1,078,947	1,012,435	945,905
Student services	2,322,309	2,177,494	2,278,768	2,029,366	1,955,524	1,941,911	1,909,172	1,872,718	1,865,047	1,958,784
Public service	965,404	1,013,695	1,067,489	1,099,860	1,044,724	1,515,176	1,165,666	1,192,022	1,872,594	1,918,203
Auxiliary enterprise	872,158	821,876	752,014	461,973	507,939	527,600	1,411,733	1,544,480	1,637,358	1,706,388
Operation and maintenance of plant and capital outlay	2,061,719	2,146,072	2,404,679	2,176,315	2,218,289	2,394,952	2,335,408	2,213,157	2,303,366	2,295,187
Institutional support	5,001,090	4,029,300	3,878,478	4,004,008	3,795,615	3,980,444	3,806,755	3,703,532	3,428,496	3,550,541
Scholarships	2,102,618	1,863,400	1,701,431	1,610,882	1,421,511	1,423,858	1,734,556	1,888,823	1,890,898	2,354,805
On-behalf payments	9,876,311	8,567,738	7,915,506	7,544,386	5,658,291	4,752,538	3,869,867	3,502,084	2,434,534	1,952,143
Other postemployment benefits	623,081	784,116	983,559	0	0	0	0	0	0	0
Depreciation	1,873,737	1,908,487	1,849,668	1,879,879	1,974,482	2,117,550	1,897,870	1,773,702	1,671,260	1,684,228
Total operating expenses	35,171,147	33,217,623	31,768,273	29,666,679	27,821,531	27,996,560	27,419,033	26,447,425	25,755,477	25,833,719
Operating (loss)	(30,405,866)	(28,220,654)	(26,572,555)	(24,951,767)	(23,425,963)	(23,739,085)	(21,958,462)	(21,271,261)	(20,336,045)	(20,004,792)
Nonoperating revenues (expenses)										
State grants and contracts	5,210,090	4,405,902	5,946,734	2,267,118	1,438,607	4,998,816	5,064,905	5,876,838	8,824,366	5,164,358
Local property tax revenues	6,765,353	6,547,752	6,444,604	6,215,639	6,111,782	5,880,830	5,649,735	5,705,172	5,743,885	5,835,858
Personal property replacement tax	617,229	570,826	513,965	622,143	564,193	616,276	573,034	566,452	554,398	602,653
Federal grants and contracts	5,801,805	5,616,297	5,690,901	5,433,046	5,590,168	5,992,094	5,887,239	6,137,625	7,289,525	8,344,384
Local grants and contracts	10,151	8,370	40,705	13,922	68,183	5,500	70,374	65,400	65,000	0
Investment income earned	232,201	353,590	216,908	110,319	73,257	61,757	66,504	106,496	119,977	94,869
On-behalf payments	9,876,311	8,567,738	7,913,860	7,542,793	5,716,032	4,815,725	3,869,867	3,502,084	2,434,534	1,952,143
Other nonoperating revenues (expenses)	3,374,361	708,110	224,899	409,688	310,111	184,604	449,161	14,349	12,875	(500)
Gain (loss) on disposal of assets	14,375	(63,889)	0	0	7,000	0	0	0	(44,665)	(964)
Interest expense	(171,468)	(223,025)	(180,737)	(206,395)	(214,816)	(223,646)	(205,334)	(126,848)	(147,387)	(148,234)
Net nonoperating revenues	31,730,408	26,491,671	26,811,839	22,408,273	19,664,517	22,331,956	21,425,485	21,847,568	24,852,508	21,844,567
Capital contributions										
Capital contributions	143,157	41,136	237,000	0	0	0	487,000	73,296	255,651	48,690
Increase (decrease) in net position	\$1,467,699	(\$1,687,847)	\$476,284	(\$2,543,494)	(\$3,761,446)	(\$1,407,129)	(\$45,977)	\$649,603	\$4,772,114	\$1,888,465

Source: College's Annual Financial Reports

Danville Area Community College - Community College District No. 507

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Table C

Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Mineral Property	Other Property	Unallocated TIF	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2019	\$482,830,189	\$365,502,984	\$170,540,991	\$44,271,747	\$18,990,654	\$36,402,476	\$0	\$0	1,118,539,041	0.6115	3,389,512,245	33.00%
2018	472,120,795	344,275,185	169,683,597	44,063,755	18,378,148	37,619,325	0	0	1,086,140,805	0.6255	3,291,335,773	33.00%
2017	448,435,619	306,362,629	167,583,423	41,146,758	17,675,061	34,834,496	0	0	1,016,037,986	0.6235	3,078,902,988	33.00%
2016	439,319,200	289,791,685	164,119,648	40,813,423	18,705,613	33,337,250	0	0	986,086,819	0.6185	2,988,141,876	33.00%
2015	433,762,886	297,447,603	168,042,132	40,933,844	5,253,911	1,046,825	11,764,747	0	958,251,948	0.6185	2,903,793,782	33.00%
2014	436,829,009	278,541,423	161,675,354	41,564,120	5,277,629	1,047,838	8,097,541	0	933,032,914	0.6127	2,827,372,467	33.00%
2013	451,283,044	238,494,724	162,443,020	41,140,807	4,908,504	1,048,813	12,190,641	0	911,509,553	0.6307	2,762,150,161	33.00%
2012	466,219,117	221,309,760	171,295,781	49,576,083	4,765,082	1,044,806	12,108,841	0	926,319,470	0.6233	2,807,028,697	33.00%
2011	487,878,257	207,929,367	184,385,440	52,861,063	4,178,329	2,446,380	10,829,212	0	950,508,048	0.6193	2,880,327,418	33.00%
2010	505,530,753	195,406,987	191,621,902	56,779,351	3,773,743	2,199,814	9,482,586	0	964,795,136	0.6122	2,923,621,624	33.00%

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

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

Taxing Bodies	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overlapping Property Tax Rates:										
Vermilion County										
Airport Authority	.09912	.10614	.10927	.11077	.11031	.10589	.10480	.09730	.09000	.10250
Catlin Cemetery	.07122	.07546	.07913	.08212	.08120	.08172	.08481	.08620	.08780	.08700
Georgetown Cemetery	.06580	.06392	.06559	.06718	.06754	.06252	.06071	.05820	.06070	.05750
Pilot Cemetery	.05720	.05563	.05411	.05211	.05009	.04539	.04835	.05030	.03510	.03350
Rossville/South Ross Cemetery	.00000	.08947	.19216	.19908	.19999	.14964	.14617	.14500	.15310	.15420
Vermilion County	1.46338	1.42073	1.40926	1.44450	1.48477	1.44616	1.47315	1.44860	1.41420	1.37220
Conservation District	.12407	.12435	.12846	.13167	.12344	.12058	.12132	.12420	.12130	.11680
Blount Water	.00964	.00961	.01030	.01039	.01051	.01158	.01172	.01230	.01200	.01150
South Ross Water	.02707	.02942	.03151	.03292	.03455	.03652	.03889	.04160	.04960	.05000
City of Allerton	.44778	.47298	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
City of Alvin	.43763	.45065	1.01646	.02481	.47619	.26380	.25000	.24890	.25000	.25000
City of Belgium	.32466	.31061	.31819	.35800	.35800	.35800	.35800	.35730	.34420	.33340
City of Bismarck	.29115	.27817	.27767	.00000	.00000	.00000	.00000	.00000	.00000	.00000
City of Catlin	.75109	.78283	.79262	.79252	.71322	.73532	.74163	.73870	.71060	.71190
City of Danville	2.28835	2.27346	2.24598	2.04299	2.08259	2.05525	2.06604	1.99890	1.97950	1.97490
City of Fairmount	.75140	.74946	.79504	.75516	.73696	.67281	.62460	.59350	.62670	.57230
City of Fithian	.79573	.81899	.79929	.76927	.79817	.77158	.73980	.69050	.64300	.57770
City of Georgetown	1.06999	1.04290	1.07701	1.12495	1.13842	.94365	.92516	.85160	.84870	.77490
City of Henning	.26833	.33774	.33845	.32302	.31588	.31169	.29612	.31050	.56790	.52050
City of Hoopeston	2.87778	2.82191	2.75227	2.61117	2.51197	2.60635	2.44469	2.21840	2.03630	1.90970
City of Indianola	.28756	.29723	.32371	.30947	.34199	.36600	.36057	.35890	.36910	.34570
City of Muncie	.27804	.27646	.26307	.25628	.24873	.25000	.25000	.25000	.23720	.25000
City of Potomac	1.03319	1.05740	1.12091	1.07765	1.04390	1.04121	.95004	.88280	.90530	.83780
City of Rankin	.76717	.81806	.81109	.80693	.73564	.78472	.78117	.75900	.80200	.74910
City of Ridge Farm	2.48316	2.61055	2.76764	2.69661	2.69345	2.69383	2.57688	2.46490	2.41950	2.17590
City of Rossville	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000
City of Sidell	.66643	.66836	.66362	.63572	.64228	.66453	.63396	.61600	.64050	.60990
City of Tilton	.00000	.00000	1.86187	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Allerton Fire	.26721	.26352	.26426	.26006	.25768	.25392	.26129	.26460	.26950	.28360
Bismarck Fire	.60381	.52933	.55464	.54901	.53528	.34508	.33638	.33840	.33400	.33070
Blue Grass Fire	.53396	.54237	.54118	.55213	.55605	.52767	.51590	.58480	.59480	.58470
Catlin Fire	.32687	.32585	.32808	.33015	.33457	.34069	.33804	.33650	.34070	.33930
Carroll Fire	.66432	.47816	.48169	.49734	.51229	.51759	.53011	.54350	.60600	.56440
FMC Fire	.16060	.15513	.15781	.15477	.15120	.14969	.10142	.15410	.15940	.16370
Georgetown Fire	.64188	.64177	.70810	.59571	.61354	.55809	.53746	.51290	.52740	.48470
Grant Township Fire	.07131	.07964	.08438	.00000	.40000	.10088	.10739	.11230	.11690	.11980

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

Taxing Bodies	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overlapping Property Tax Rates:										
Homer Fire	.44491	.36706	.39646	.41247	.40788	.38831	.40104	.41200	.41520	.40230
Kickapoo Fire	.41171	.40762	.41997	.18747	.18522	.18667	.18021	.17940	.17290	.16550
Lynch Fire	.62713	.61642	.63574	.67156	.67976	.69074	.69286	.68800	.68330	.63790
Oakwood Fire	.28053	.29481	.30445	.29532	.30062	.30121	.31243	.33160	.25600	.24930
Ogden/Royal Fire	.16376	.16279	.15592	.15815	.16321	.16219	.16214	.20270	.21400	.22060
Rankin Fire	.41949	.41941	.43765	.44317	.44509	.46694	.46506	.42360	.56350	.53430
Ridge Farm Fire	.45611	.47994	.49151	.49733	.51004	.30661	.31937	.32030	.33640	.40020
Rossville Fire	.46515	.49818	.52723	.53735	.56219	.63496	.63286	.64990	.64620	.66120
Sidell Fire	.29035	.29351	.29428	.28602	.28275	.27791	.27605	.27410	.28370	.28120
Westville Fire	.33713	.33456	.39779	.41704	.42277	.41754	.42604	.40760	.40410	.39930
Catlin Library	.21656	.21851	.21827	.21798	.21635	.20950	.20746	.20630	.20500	.20350
Elwood Library	.30468	.30926	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Hoopston Library	.18180	.20514	.22524	.22439	.22661	.22663	.22668	.22580	.22620	.22380
Oakwood Library	.24289	.24964	.26386	.26851	.28072	.28989	.28593	.28390	.28070	.26450
Potomac Library	.19368	.19521	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Sidell Library	.17440	.17499	.17509	.17138	.17856	.18318	.18549	.21570	.22270	.21930
Westville Library	.28042	.27717	.27593	.28021	.28118	.27944	.27990	.26800	.26190	.25720
Carroll/Elwood MTA	.01678	.00352	.06406	.06512	.06727	.06914	.07921	.08190	.08290	.07530
Grant/Butler MTA	.13441	.14362	.15031	.15600	.15634	.18076	.19350	.20280	.20040	.20750
Georgetown/Love/McKendree MTA	.03360	.03509	.03594	.03866	.04031	.03939	.03989	.03880	.04110	.03980
Jamaica/Vance MTA	.03322	.03320	.03316	.03222	.03147	.03157	.03335	.03470	.03560	.03530
Middlefork Pilot MTA	.03918	.04079	.04247	.04157	.04051	.03974	.04033	.04230	.03610	.03460
Rossville Park	.08649	.09103	.00000	.07995	.08456	.09133	.09295	.09410	.09700	.09820
Blount Road & Bridge	.43622	.43361	.43624	.43599	.43147	.44226	.44270	.44350	.42140	.40120
Butler Road & Bridge	.59457	.63748	.68314	.71180	.74745	.97631	.96020	.98390	1.02660	.99530
Carroll Road & Bridge	.51569	.52986	.53768	.51417	.51484	.51207	.47042	.47160	.47900	.45400
Catlin Road & Bridge	.40056	.41435	.42662	.42641	.43147	.43307	.44052	.43710	.44700	.43120
Danville Road & Bridge	.43110	.41847	.47859	.47506	.47373	.47257	.45748	.45200	.43350	.41110
Elwood Road & Bridge	.41138	.43915	.44950	.44607	.45101	.45768	.45547	.45320	.45460	.43990
Georgetown Road & Bridge	.30644	.31306	.33674	.36049	.36966	.35965	.35528	.34200	.35600	.27980
Grant Road & Bridge	.40765	.44062	.46422	.53057	.55321	.48408	.48541	.48060	.46970	.46280
Jamaica Road & Bridge	.81148	.81046	.82876	.82822	.82724	.78550	.79253	.79690	.82490	.82610
Love Road & Bridge	.48508	.48851	.49280	.52124	.51901	.50251	.50861	.50570	.52110	.52980
Mc Kendree Road & Bridge	.49317	.50460	.51323	.52412	.52363	.50211	.49129	.47670	.48510	.46060
Middlefork Road & Bridge	.52549	.54154	.58721	.58644	.59343	.62755	.62340	.63070	.64710	.63540
Newell Road & Bridge	.28664	.27968	.27144	.26106	.25824	.24558	.24226	.25000	.25000	.24600
Oakwood Road & Bridge	.45735	.45575	.46931	.44544	.45000	.45000	.45000	.45000	.45000	.45000

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

Taxing Bodies	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overlapping Property Tax Rates:										
Pilot Road & Bridge	.31018	.31039	.31057	.31088	.31047	.29775	.30014	.32560	.31880	.31880
Rossville Road & Bridge	.19270	.19886	.20893	.21451	.22482	.24603	.24673	.24710	.25000	.25000
Sidell Road & Bridge	.51468	.52351	.52997	.53355	.53803	.53750	.54315	.54430	.56140	.57120
South Ross Road & Bridge	.35196	.20517	.20930	.20824	.20816	.20950	.20603	.20990	.24840	.24840
Vance Road & Bridge	.44750	.44742	.44650	.41917	.41667	.40329	.40865	.40450	.41150	.40460
Westville/Belgium Sanitary	.06903	.07208	.07731	.08056	.08217	.08133	.08021	.07540	.07760	.07440
Danville Special Service	1.66959	1.63872	1.50581	1.53153	1.54626	1.54947	1.54883	1.47640	1.77520	1.63960
Grant Special Service	.01724	.01898	.02012	.02123	.02303	.02408	.02500	.02500	.02500	.02500
North Fork Special Service 01	.06051	.00000	.06765	.06991	.07332	.08245	.08534	.08780	.08870	.08810
North Fork Special Service 02	.06111	.00000	.06550	.06550	.06550	.06550	.06550	.06550	.06350	.06100
North Fork Special Service 03	.05115	.00000	.05270	.05260	.05277	.05199	.05070	.04890	.04840	.04770
Ross Special Service Amb 01	.12000	.12000	.12000	.12000	.12000	.12000	.12000	.12000	.11930	.11760
Ross Special Service Amb 02	.01002	.01070	.01130	.00038	.02500	.01674	.01763	.01850	.01950	.02000
Blount Township	.21127	.20596	.21769	.21320	.20906	.21759	.20813	.20560	.18750	.17070
Butler Township	.49770	.52381	.56133	.55888	.58147	.90106	.92612	.94830	.98260	.94510
Carroll Township	.60783	.63896	.61511	.59973	.61647	.61505	.62468	.63830	.65370	.58750
Catlin Township	.17641	.18691	.19411	.19648	.19886	.20015	.20187	.20870	.22180	.22070
Danville Township	.57356	.56318	.54842	.54173	.53552	.50618	.48114	.45140	.43260	.41110
Elwood Township	.32897	.34576	.51702	.54322	.52861	.55959	.54974	.53480	.54830	.51630
Georgetown Township	.27563	.28465	.30378	.31632	.32915	.30566	.30654	.29280	.39700	.29640
Grant Township	.22359	.25645	.29008	.30051	.33594	.32697	.31609	.32690	.30270	.28320
Jamaica Township	.35993	.35935	.36957	.36070	.35791	.35709	.38065	.38330	.42130	.42200
Love Township	.58033	.60444	.63479	.64059	.64295	.62311	.63442	.63080	.65070	.66190
Mc Kendree Township	.37075	.39713	.42264	.45224	.47557	.47728	.47853	.47660	.49530	.47100
Middlefork Township	.49338	.53485	.58288	.58002	.59386	.61798	.61089	.60530	.63780	.63620
Newell Township	.17253	.18492	.18798	.20764	.20801	.20749	.20468	.19170	.17400	.15720
Oakwood Township	.40042	.40861	.41407	.40495	.40684	.40539	.40002	.39940	.38450	.36510
Pilot Township	.26417	.26948	.27430	.27849	.27997	.26958	.27170	.37930	.33150	.31700
Rossville Township	.57222	.49593	.52080	.53456	.56508	.61863	.62225	.63540	.65260	.66060
Sidell Township	.42544	.43000	.43000	.42373	.41927	.41278	.41712	.41800	.42760	.43000
South Ross Township	.48788	.42634	.45214	.44988	.44973	.45265	.44515	.45350	.53310	.53350
Vance Township	.46351	.46511	.46511	.45075	.43569	.42367	.41908	.43060	.46450	.45210
Bismarck-Henning Unit 1	5.29828	5.32572	5.34021	5.35163	5.35243	5.26859	5.19977	5.15800	5.06940	4.97860
Westville Unit 2	4.99467	5.08649	5.24065	5.44288	5.55050	5.17437	5.12624	4.95180	4.95320	4.76630
Georgetown/Ridge Farm Unit 4	4.88803	5.13551	5.24961	5.57670	5.72343	5.27308	5.26925	5.16130	4.89150	4.72190
Catlin Unit 5	.17297	.17971	.18639	.20249	.20145	5.17412	5.03047	5.12230	5.16410	5.15190
Rossville/Alvin Unit 7	5.48975	5.54266	5.55078	5.25738	5.54454	5.43387	5.45955	5.09560	5.07140	4.81340

Danville Area Community College - Community College District No. 507

Property Tax Rates
Direct and Overlapping
Last Ten Fiscal Years

TABLE D

Taxing Bodies	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overlapping Property Tax Rates:										
Heritage Unit 8C	4.97010	4.88625	5.00157	5.36103	5.50138	5.24637	5.02058	4.98060	4.89090	4.87630
Potomac Unit 10	4.76499	4.82069	4.94754	4.96404	5.15587	4.64882	4.50827	4.62860	4.87080	4.78440
Paxton-Buckley-Loda Unit 10F	6.09831	6.18973	6.27163	6.23634	5.65804	5.46175	5.29721	5.19900	5.33900	5.26650
Hoopston Unit 11	5.01689	5.04797	5.10082	5.13006	5.17614	4.66098	4.64282	4.64930	4.64180	4.63510
Jamaica Unit 12	.00000	5.18729	.00000	.02774	.09692	5.15639	5.15076	5.11960	5.22490	5.09530
Armstrong Unit 61	2.54857	2.46824	2.50819	2.57496	2.77210	2.49909	2.54712	3.02280	2.99110	2.97320
Oakwood Unit 76	5.16233	5.18729	5.27602	5.28734	5.35245	5.10057	5.15382	4.92270	4.55860	4.53140
Danville Unit 118	5.66783	5.46967	5.51422	5.70486	5.70722	5.28616	5.30868	5.12690	5.03080	4.97460
Prairieview-Ogden Unit 197	2.97399	3.03392	3.05012	3.05999	3.05506	2.82308	2.80997	2.80140	2.79050	2.74960
Armstrong High School 225	2.28481	2.12219	2.15195	2.12522	2.34039	2.23827	2.22711	2.53270	2.59390	2.92400
St. Joseph High School 305	2.01243	1.99848	1.99986	1.98993	2.00998	1.99897	1.97297	1.93330	1.97150	1.94760
Salt Fork Unit 512	5.03470	5.06214	5.13504	5.14255	5.16532	.00000	.00000	.00000	.00000	.00000
Total Overlapping Rate	112.39394	117.73849	114.48584	113.57023	115.53758	115.97495	114.69619	113.92360	114.49370	111.92790
Direct Property Tax Rate:										
Danville Area Community College										
Education Fund	.37290	.36780	.37290	.37048	.37290	.37290	.36510	.37290	.37290	.37290
Building and Maintenance Fund	.07500	.07400	.07500	.07451	.07500	.07500	.07340	.07500	.07500	.07500
Worker's Compensation Fund	.00450	.00700	.00786	.00889	.00761	.01000	.01010	.01040	.01020	.00710
Audit Fund	.00410	.00420	.00477	.00500	.00500	.00370	.00220	.00500	.00500	.00500
Tort Liability Fund	.06100	.05840	.05758	.05433	.05578	.04500	.04300	.04900	.04670	.04790
Medicare Fund	.01490	.01440	.01623	.01581	.01623	.01730	.01930	.01980	.01950	.01900
Protection, Health and Safety Fund	.00680	.00700	.00761	.00721	.00894	.00980	.01070	.00800	.00490	.00530
Bond and Interest Fund	.07230	.07410	.08357	.07894	.08200	.08480	.08890	.09060	.08910	.08710
Total Direct Rate	.61150	.60690	.62552	.61517	.62346	.61850	.61270	.63070	.62330	.61930
Total Rate	113.00544	118.34539	115.11136	114.18540	116.16104	116.59345	115.30889	114.55430	115.11700	112.54720

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

Notes:

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

Danville Area Community College - Community College District No. 507

Computation of Direct and Overlapping Bond Debt

General Obligation Bonds

June 30, 2020

TABLE E

ISSUER (Overlapping)	Bonds Outstanding	Percent	Amount
Vermilion County			
City of Danville	\$7,045,000	100.00%	\$7,045,000
City of Georgetown	410,000	100.00%	410,000
Village of Tilton	2,170,000	100.00%	2,170,000
Carroll Fire	500,000	100.00%	500,000
Kickapoo Fire	400,000	100.00%	400,000
Rankin Fire	275,000	99.84%	274,560
Rossville Fire	1,060,000	100.00%	1,060,000
Bismarck-Henning Unit 1	1,105,000	100.00%	1,105,000
Westville Unit 2	2,920,000	100.00%	2,920,000
Georgetown/Ridge Farm Unit 4	3,200,000	100.00%	3,200,000
Catlin Unit 5	590,000	100.00%	590,000
Rossville/Alvin Unit 7	2,805,000	100.00%	2,805,000
Heritage Unit 8C	4,480,000	80.43%	3,603,265
Potomac Unit 10	220,000	100.00%	220,000
Paxton-Buckley-Loda Unit 10F	31,035,000	99.98%	31,028,793
Hoopeston Unit 11	603,500	99.96%	603,259
Armstrong Unit 61	125,000	100.00%	125,000
Oakwood Unit 76	6,360,000	99.96%	6,357,456
Danville Unit 118	27,940,000	100.00%	27,940,000
Prairieview-Ogden Unit 197	800,000	98.02%	784,160
Armstrong Unit 225	515,000	100.00%	515,000
St. Joseph High School 305	4,420,000	99.21%	4,385,082
Vermilion County Conservation District	825,000	97.85%	807,263
Vermilion County	<u>2,810,000</u>	97.85%	<u>2,749,585</u>
Total Vermilion County	<u>102,613,500</u>		<u>101,598,422</u>
Danville Area Community College District No. 507	<u>5,321,000</u>	100.00%	<u>5,321,000</u>
TOTAL	<u><u>\$107,934,500</u></u>		<u><u>\$106,919,422</u></u>

Source: County Clerk Office

Notes:

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

Danville Area Community College - Community College District No. 507

Principal Property Taxpayers

Current and Ten Years Ago

TABLE F

Taxpayer	Taxable Assessed	Rank	Percentage of	Taxable Assessed	Rank	Total District Taxable
	Value		Total District Taxable	Value		Assessed Value
Vermilion County		2019			2009	
California Ridge Wind Energy	\$19,147,849	1	1.7119%			0.0000%
Apex Clean Energy	12,253,518	2	1.0955%			0.0000%
Aqua Illinois/Consumer IL Water	4,562,787	3	0.4079%			0.0000%
Hanson Aggregate, Inc.	4,457,022	4	0.3985%			0.0000%
Mc Lane Company Inc.	4,082,333	5	0.3650%	\$5,703,201	3	0.5911%
Lauhoff Grain and Bungee Milling	3,884,071	6	0.3472%	4,518,841	4	0.4684%
Meijer Stores Limited Partnership	3,877,777	7	0.3467%			0.0000%
Autozone	3,185,401	8	0.2848%	2,204,642		0.2285%
Farmland Reserves	3,011,558	9	0.2692%			0.0000%
Wal Mart Stores Inc.	2,998,610	10	0.2681%	3,420,094	7	0.3545%
Dynegy Property Tax			0.0000%	8,759,489	1	0.9079%
Aluminum Co. of America			0.0000%	5,745,975	2	0.5956%
T Danville Mall LLC/Village Mall Center			0.0000%	3,612,673	5	0.3744%
Danville Towne Centre LLC			0.0000%	3,507,791	6	0.3636%
Carle Foundation			0.0000%	3,212,290	8	0.3330%
Devonshire Village LLC			0.0000%	2,663,077	9	0.2760%
EFN Danville Property LLC			0.0000%	2,444,423	10	0.2534%
	\$ 61,460,926		5.4948%	\$ 45,792,496		4.7463%

Source: County Clerk Office

Notes:

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

Danville Area Community College - Community College District No. 507

Schedule of Property Tax Rates, Extensions and Collections

Last Ten Fiscal Years

Table G

Tax Levy Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed valuation										
Vermilion	\$936,186,706	\$912,245,886	\$876,737,120	\$855,410,106	\$832,322,839	\$812,473,213	\$794,698,498	\$784,487,938	\$805,521,378	\$835,462,404
Edgar	102,080,247	97,869,082	94,401,730	91,114,490	87,460,426	83,277,719	77,310,479	73,076,011	69,215,168	64,963,358
Iroquois	58,268,335	54,810,590	51,696,217	49,372,504	46,902,425	44,360,394	43,361,728	41,968,744	40,353,823	39,232,856
Champaign	21,772,443	21,013,447	19,961,867	19,957,266	19,230,839	18,000,822	17,523,109	11,843,380	11,100,541	10,727,380
Ford	231,310	201,800	184,000	183,620	170,290	139,800	139,100	133,480	128,560	122,050
	\$1,118,539,041	\$1,086,140,805	\$1,042,980,934	\$1,016,037,986	\$986,086,819	\$958,251,948	\$933,032,914	\$911,509,553	\$926,319,470	\$950,508,048
Tax rates (per \$100 of assessed valuation):										
Education Fund	0.3729	0.3678	0.3729	0.3705	0.3729	0.3729	0.3651	0.3729	0.3729	0.3729
Building and Maintenance Fund	0.0750	0.0740	0.0750	0.0745	0.0750	0.0750	0.0734	0.0750	0.0750	0.0750
Worker's Compensation Fund	0.0045	0.0070	0.0078	0.0090	0.0076	0.0100	0.0101	0.0104	0.0102	0.0071
Audit Fund	0.0041	0.0042	0.0048	0.0050	0.0050	0.0037	0.0022	0.0050	0.0050	0.0050
Tort Liability Fund	0.0610	0.0584	0.0576	0.0543	0.0558	0.0451	0.0430	0.0490	0.0467	0.0479
Medicare Fund	0.0149	0.0144	0.0162	0.0158	0.0162	0.0173	0.0193	0.0198	0.0195	0.0190
Protection, Health and Safety Fund	0.0068	0.0070	0.0076	0.0072	0.0089	0.0098	0.0107	0.0080	0.0049	0.0053
Bond and Interest Fund	0.0723	0.0741	0.0836	0.0789	0.0821	0.0848	0.0889	0.0906	0.0891	0.0871
	0.6115	0.6069	0.6255	0.6152	0.6235	0.6185	0.6127	0.6307	0.6233	0.6193
Tax extensions:										
Education Fund	\$4,167,838	\$3,991,100	\$3,882,414	\$3,765,942	\$3,676,762	\$3,569,147	\$3,409,054	\$3,400,883	\$3,454,000	\$3,544,651
Building and Maintenance Fund	838,488	803,244	781,752	757,802	739,550	718,689	685,533	683,632	694,738	712,923
Worker's Compensation Fund	50,467	75,558	81,082	90,585	75,286	95,447	94,299	94,652	94,327	67,457
Audit Fund	45,446	45,374	49,098	50,801	49,303	35,183	20,082	45,575	46,316	47,528
Tort Liability Fund	680,943	634,207	594,064	553,652	551,811	431,749	401,158	446,239	432,031	455,126
Medicare Fund	166,442	156,100	167,443	161,116	160,553	165,693	180,559	180,350	180,353	180,585
Protection, Health and Safety Fund	75,691	75,558	78,408	73,451	88,427	93,907	100,347	72,761	45,294	50,353
Bond and Interest Fund	807,301	806,495	863,454	805,661	812,308	813,990	830,865	826,387	825,346	828,588
Total tax extensions	\$6,832,616	\$6,587,636	\$6,497,715	\$6,259,010	\$6,154,000	\$5,923,805	\$5,721,897	\$5,750,479	\$5,772,405	\$5,887,211

Source: College's Business Office

Danville Area Community College - Community College District No. 507

Property Tax Levies and Collections

Last Ten Fiscal Years

Table H

Tax Levy Year	Fiscal Year Ended June 30,	Tax Levy	Collected within the Fiscal Year of the Levy		Collections Subsequent to the Fiscal Year of the Levy	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	2020	\$6,820,350	\$5,006	0.07%	\$0	\$5,006	0.07%
2018	2019	6,544,906	3,077,085	47.01%	3,451,969	6,529,054	99.76%
2017	2018	6,337,880	70,853	1.12%	6,388,326	6,459,179	101.91%
2016	2017	6,232,412	66,318	1.06%	6,143,162	6,209,480	99.63%
2015	2016	6,157,744	49,631	0.81%	6,062,573	6,112,204	99.26%
2014	2015	5,932,547	61,734	1.04%	5,823,306	5,885,040	99.20%
2013	2014	5,703,979	76,949	1.35%	5,591,122	5,668,071	99.37%
2012	2013	5,936,261	42,103	0.71%	5,627,828	5,669,931	95.51%
2011	2012	6,102,587	39,708	0.65%	5,678,235	5,717,943	93.70%
2010	2011	6,152,517	36,805	0.60%	5,782,523	5,819,328	94.58%

Source: College's Business Office

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

Danville Area Community College - Community College District No. 507

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

Last Ten Fiscal Years

TABLE I

Fiscal Year	Fall Term Enrollment		Tuition and Fee Rates			Tuition and Fee Revenues			
	Credit Headcount	Full-Time Equivalent	In District Tuition and Fees per Credit Hour	Out of District Tuition and Fees per Credit Hour	Out of State Tuition and Fees per Credit Hour	Total Credit Hours Generated	Tuition	Fees	Total
2020	3,659	1,565	\$165	\$275	\$275	39,552.5	\$4,391,442	\$1,603,556	\$5,994,998
2019	3,682	1,529	155	265	265	41,311.5	4,990,494	1,472,114	6,462,608
2018	3,813	1,602	150	250	250	43,596.0	5,416,663	1,545,374	6,962,037
2017	3,872	1,620	140	235	235	44,383.5	5,047,363	1,575,116	6,622,479
2016	4,300	1,880	130	205	205	48,164.5	5,100,658	1,588,651	6,689,309
2015	4,614	1,884	125	205	205	51,588.5	4,749,004	1,543,734	6,292,738
2014	4,981	2,011	120	202	202	54,674.0	5,059,679	1,499,697	6,559,376
2013	5,348	2,031	110	202	202	55,998.5	4,562,071	1,582,115	6,144,186
2012	5,714	2,193	107	197	197	60,858.0	4,852,690	1,590,044	6,442,734
2011	5,094	2,364	101	187	187	65,347.0	5,021,362	1,739,766	6,761,128

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

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

Danville Area Community College - Community College District No. 507

Legal Debt Margin Information

Last Ten Fiscal Years

TABLE J

Tax Levy Year	Fiscal Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value x Debt Limit Rate)	Net Debt Applicable to Debt Limit (1)(2)	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2019	2020	\$1,118,539,041	2.875%	\$32,157,997	\$5,545,941	\$26,612,056	17.25%
2018	2019	1,086,140,805	2.875%	31,226,548	5,327,884	25,898,664	17.06%
2017	2018	1,042,980,934	2.875%	29,985,702	4,811,150	25,174,552	16.04%
2016	2017	1,016,037,986	2.875%	29,211,092	5,579,294	23,631,798	19.10%
2015	2016	986,086,819	2.875%	28,349,996	6,385,994	22,846,894	22.53%
2014	2015	958,251,948	2.875%	27,549,744	6,160,383	22,322,501	22.36%
2013	2014	933,032,914	2.875%	26,824,696	5,957,566	20,867,130	22.21%
2012	2013	911,509,553	2.875%	26,205,900	3,221,964	22,983,936	12.29%
2011	2012	926,319,470	2.875%	26,631,685	3,911,735	22,719,950	14.69%
2010	2011	950,508,048	2.875%	27,327,106	3,139,549	24,187,557	11.49%

Source: College's Annual Financial Reports

Notes:

- (1) Balances include current and non-current portions of bonds payable and capital lease obligations.
- (2) Details of the College's outstanding debt can be found in the notes to the financial statements.

Danville Area Community College - Community College District No. 507

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE K

Tax Levy Year	Fiscal Year	Assessed Value	General Obligation Bonds	Capital Leases	Total	Ratio of Outstanding Debt to Assessed Value	Per Capita	Percentage of Personal Income
2019	2020	\$1,118,539,041	\$5,321,000	\$224,941	\$5,545,941	0.4958%	67.17	54.79%
2018	2019	1,086,140,805	5,035,000	292,844	5,327,844	0.4905%	63.67	56.40%
2017	2018	1,042,980,934	5,800,000	11,150	5,811,150	0.5572%	69.45	50.55%
2016	2017	1,016,037,986	5,515,000	64,294	5,579,294	0.5491%	65.50	51.50%
2015	2016	986,086,819	6,270,000	115,994	6,385,994	0.6476%	74.97	44.23%
2014	2015	958,251,948	5,995,000	165,383	6,160,383	0.6429%	71.39	45.31%
2013	2014	933,032,914	5,745,000	212,566	5,957,566	0.6385%	69.04	48.40%
2012	2013	911,509,553	3,460,000	0	3,460,000	0.3796%	39.89	79.18%
2011	2012	926,319,470	3,165,000	51,964	3,216,964	0.3473%	36.73	82.65%
2010	2011	950,508,048	3,810,000	101,735	3,911,735	0.4115%	44.74	65.74%

Source: College's Business Office

Danville Area Community College - Community College District No. 507

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

TABLE L

Tax Levy Year	Fiscal Year	Estimated Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2019	2020	82,563	\$1,118,539,041	\$5,321,000	\$4,053,341	\$1,267,659	0.11333%	15.35
2018	2019	83,679	1,086,140,805	5,035,000	1,015,844	4,019,156	0.37004%	48.03
2017	2018	83,679	1,042,980,934	4,800,000	1,074,550	3,725,450	0.35719%	44.52
2016	2017	85,178	1,016,037,986	5,515,000	758,848	4,756,152	0.46811%	55.84
2015	2016	85,178	986,086,819	6,270,000	766,898	5,503,102	0.55807%	64.61
2014	2015	86,288	958,251,948	5,995,000	767,757	5,227,243	0.54550%	60.58
2013	2014	86,288	933,032,914	5,745,000	873,702	4,871,298	0.52209%	56.45
2012	2013	86,744	911,509,553	3,460,000	908,937	2,551,063	0.27987%	29.41
2011	2012	87,574	926,319,470	3,165,000	917,584	2,247,416	0.24262%	25.66
2010	2011	87,438	950,508,048	3,810,000	887,405	2,922,595	0.30748%	33.42

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

Danville Area Community College - Community College District No. 507

Demographic and Economic Statistics

Last Ten Fiscal Years

TABLE M

Tax Levy Year	Fiscal Year	District Population	District Assessed Value	District Per Capita Assessed Value	Danville, IL Metropolitan Statistical Area		
					Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2019	2020	82,563	\$1,118,539,041	\$13,548	\$3,038,613	40,109	5.10%
2018	2019	83,679	1,086,140,805	12,980	3,004,944	39,177	6.20%
2017	2018	85,178	1,042,980,934	12,245	2,937,597	37,812	6.30%
2016	2017	85,178	1,016,037,986	11,928	2,873,484	36,577	7.20%
2015	2016	85,178	986,086,819	11,577	2,824,827	35,630	7.10%
2014	2015	86,288	958,251,948	11,105	2,791,196	35,009	8.60%
2013	2014	86,288	933,032,914	10,813	2,883,170	35,892	10.70%
2012	2013	86,744	911,509,553	10,508	2,739,650	33,937	9.90%
2011	2012	87,574	926,319,470	10,578	2,658,710	32,619	10.60%
2010	2011	87,438	950,508,048	10,871	2,571,636	31,520	12.10%
2009	2010	87,438	964,795,136	11,034	2,459,067	30,713	11.40%

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

Danville Area Community College - Community College District No. 507

Principal Employers
Current and Ten Years Ago

TABLE N

Taxpayer	2020			2010		
	Employees	Rank	Percentage to Total	Employees	Rank	Percentage to Total
Vermilion County						
Dept. of Veterans Affairs Illiana Healthcare System	1,461	1	6.2136%	1,333	1	5.4867%
Vermilion County Public Schools	1,197	2	5.0908%	1,197	2	4.9269%
Danville District #118	838	3	3.5640%	666	4	2.7413%
McLane Midwest Company	773	4	3.2875%	660	5	2.7166%
ThyssenKrupp (Crankshaft & Presta)	634	5	2.6964%	631	6	2.5972%
OSF Healthcare Sacred Heart Medical Center/Provena	618	6	2.6283%	746	3	3.0706%
Vermilion County Government	586	7	2.4922%	586	9	2.4120%
Blue Cross/Blue Shield of Illinois	576	8	2.4497%	382		1.5723%
AutoZone	553	9	2.3519%	325		1.3377%
Quaker Foods & Beverages	504	10	2.1435%	600	7	2.4696%
KIK Custom Products (formerly CCL Custom)	452		1.9223%	600	7	2.4696%
GenPact	346		1.4715%	512	10	2.1074%
	<u>8,538</u>		<u>36.3118%</u>	<u>8,238</u>		<u>33.9082%</u>
Total number of employees	<u>23,513</u>			<u>24,295</u>		

Source: Vermilion Advantage

Notes:

- (1) Every effort has been made to seek out and report the principal employers of the District. There are five counties in the District and Vermilion County represents approximately 90% of the total taxable Estimated Assessed Valuation (EAV) of the District. Therefore, this schedule was limited to this county and includes the major taxpayers in that county in our district.
- (2) The total number of employees represents the total number of employees in Vermilion county as a whole

Danville Area Community College - Community College District No. 507

Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

Facilities Data	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Size of campus (acres)	76	72	72	71	71	71	71	71	71	71
Gross square footage	512,019	466,950	466,950	466,950	466,950	466,950	456,365	456,365	445,553	445,553
Number of classrooms	98	98	98	98	103	103	98	98	92	92
Number of laboratories (including computer labs)	70	70	70	70	70	70	62	62	63	63

Source: Administrative Services Department

Danville Area Community College - Community College District No. 507

Operating Information and Employees

Last Ten Fiscal Years

TABLE P

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Enrollment (Fall Unduplicated Headcount)	3,659	3,682	3,813	3,872	4,300	4,614	4,981	5,348	5,714	5,094
Degrees awarded										
Associate in Science and Arts (ASA)	137	146	165	183	167	140	131	133	109	115
Associate in Applied Science (AAS)	138	108	148	145	167	132	162	129	169	147
Associate in Engineering Studies (AES)	0	2	2	1	2	2	2	3	3	0
Associate in Fine Arts (AFA)	0	1	1	0	1	0	0	0	0	0
Associate in General Studies (AGS)	57	54	57	66	77	32	43	58	26	26
	332	311	373	395	414	306	338	323	307	288
Certificates awarded	346	215	315	339	370	328	320	328	396	497
Faculty										
Full-time	65	65	59	65	63	68	68	61	58	59
Part-time	75	74	60	63	63	61	79	85	96	97
	140	139	119	128	126	129	147	146	154	156
Faculty and Staff										
Full-time	195	195	181	177	173	193	197	180	170	184
Part-time	76	76	62	66	69	76	91	92	101	104
	271	271	243	243	242	269	288	272	271	288
Full-Time Employees by Classification										
Admin/Mgf.Prof	74	69	64	60	57	67	71	63	58	61
Faculty	65	65	59	63	63	68	68	61	58	59
Support staff	63	61	58	54	53	58	58	56	54	64
	202	195	181	177	173	193	197	180	170	184
Students/Faculty										
Full-time	49	50	64	61	68	76	63	63	60	53
Part-time	26	26	32	30	34	36	34	37	37	33
	75	76	96	92	102	111	97	100	97	85

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

Danville Area Community College - Community College District No. 507

Operating Statistics

Last Ten Fiscal Years

TABLE Q

Fiscal Year	Instructional Expenses	Enrollment	Cost Per Student	Percentage Change	Faculty	Student/Faculty Ratio
2020	\$8,300,465	3,659	\$2,269	-5.56%	140	26
2019	8,843,999	3,682	2,402	12.38%	139	26
2018	8,149,799	3,813	2,137	4.87%	119	32
2017	7,891,261	3,872	2,038	7.48%	128	30
2016	8,153,578	4,300	1,896	5.63%	126	34
2015	8,282,774	4,614	1,795	9.41%	129	36
2014	8,172,747	4,981	1,641	14.29%	147	34
2013	7,677,960	5,348	1,436	7.38%	146	37
2012	7,639,489	5,714	1,337	-8.80%	154	37
2011	7,467,535	5,094	1,466	4.03%	156	33

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

DNA - Data not available

A Leader in Education

"I chose DACC because of the scholarship support I received. As a Presidential Scholar my tuition was paid for two years."

Trent Maxwell,

- Landscaping
- Architecture, '21
- Presidential Scholar



Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest
Current assets:				
Cash	\$85,451	\$334,194	\$1,601,929	\$3,263,346
Investments	0	0	0	0
Receivables (net of allowance for uncollectibles):				
Property taxes, net	4,102,266	825,297	74,500	794,600
Student tuition and fees, net	2,937,603	0	0	0
Government claims	314,981	58,673	0	0
Other	39,006	0	0	0
Prepaid items	204,227	0	0	0
Due from other funds	0	0	0	0
Total current assets	7,683,534	1,218,164	1,676,429	4,057,946
Noncurrent assets -				
Capital assets, net of accumulated depreciation	0	0	0	0
Total assets	7,683,534	1,218,164	1,676,429	4,057,946
Deferred outflows of resources:				
Subsequent year's pension expense related to federal, trust, or grant contributions in current year	0	0	0	0
Subsequent year's other postemployment benefit expense related to contributions in the current year	0	0	0	0
Total deferred outflows of resources	0	0	0	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Current liabilities:				
Accounts payable	213,905	0	0	0
Accrued expenses	390,354	10,787	0	4,605
Due to other funds	3,000,000	0	0	0
Due to student groups	0	0	0	0
Deposits held in custody for others	0	0	0	0
Unearned tuition revenue	1,835,250	0	0	0
Other unearned revenue	0	0	0	0
Debt certificates payable	0	0	0	0
Bonds payable, current maturities	0	0	0	0
Capital lease obligations, current maturities	0	0	0	0
Accrued compensated absences, current maturities	0	0	0	0
Total current liabilities	5,439,509	10,787	0	4,605
Noncurrent liabilities:				
Bonds payable, less current maturities	0	0	0	0
Capital lease obligations, less current maturities	0	0	0	0
Accrued compensated absences	0	0	0	0
Net other postemployment benefit liabilities	0	0	0	0
Total noncurrent liabilities	0	0	0	0
Total liabilities	5,439,509	10,787	0	4,605
Deferred inflows of resources -				
Other postemployment benefits	0	0	0	0
Fund balance/net position:				
Net investment in capital assets	0	0	0	0
Restricted for:				
Capital projects	0	0	1,676,429	0
Debt service	0	0	0	4,053,341
Grant purposes	0	0	0	0
Working cash	0	0	0	0
Audit purposes	0	0	0	0
Liability insurance	0	0	0	0
Unrestricted	2,244,025	1,207,377	0	0
Total fund balance/net position	\$2,244,025	\$1,207,377	\$1,676,429	\$4,053,341

Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Auxiliary Enterprises	Restricted Purposes	Working Cash	Agency	Audit	Liability Protection and Settlement
Current assets:						
Cash	\$872,614	\$6,743	\$2,429,723	\$243,073	\$4,052	\$70,223
Investments	0	0	0	0	0	0
Receivables (net of allowance for uncollectibles):						
Property taxes, net	0	0	0	0	44,730	883,726
Student tuition and fees, net	2,084	56,443	0	0	0	0
Government claims	7,747	1,286,834	0	0	0	0
Other	25,598	200	0	0	0	2,273
Prepaid items	0	0	0	0	0	0
Due from other funds	25,000	0	3,000,000	0	0	0
Total current assets	933,043	1,350,220	5,429,723	243,073	48,782	956,222
Noncurrent assets -						
Capital assets, net of accumulated depreciation	580,447	0	0	0	0	0
Total assets	1,513,490	1,350,220	5,429,723	243,073	48,782	956,222
Deferred outflows of resources:						
Subsequent year's pension expense related to federal, trust, or grant contributions in current year	0	0	0	0	0	0
Subsequent year's other postemployment benefit expense related to contributions in the current year	0	0	0	0	0	0
Total deferred outflows of resources	0	0	0	0	0	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Current liabilities:						
Accounts payable	0	0	0	0	0	0
Accrued expenses	6,037	58,254	0	0	0	5,108
Due to other funds	0	25,000	0	0	0	0
Due to student groups	0	0	0	0	0	0
Deposits held in custody for others	0	0	0	243,073	0	0
Unearned tuition revenue	0	0	0	0	0	0
Other unearned revenue	0	182,646	0	0	0	0
Debt certificates payable	0	0	0	0	0	0
Bonds payable, current maturities	0	0	0	0	0	0
Capital lease obligations, current maturities	0	0	0	0	0	0
Accrued compensated absences, current maturities	0	0	0	0	0	0
Total current liabilities	6,037	265,900	0	243,073	0	5,108
Noncurrent liabilities:						
Bonds payable, less current maturities	0	0	0	0	0	0
Capital lease obligations, less current maturities	0	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0	0
Net other postemployment benefit liabilities	0	0	0	0	0	0
Total noncurrent liabilities	0	0	0	0	0	0
Total liabilities	6,037	265,900	0	243,073	0	5,108
Deferred inflows of resources -						
Other postemployment benefits	0	0	0	0	0	0
Fund balance/net position:						
Net investment in capital assets	580,447	0	0	0	0	0
Restricted for:						
Capital projects	0	0	0	0	0	0
Debt service	0	0	0	0	0	0
Grant purposes	0	1,084,320	0	0	0	0
Working cash	0	0	5,429,723	0	0	0
Audit purposes	0	0	0	0	48,782	0
Liability insurance	0	0	0	0	0	951,114
Unrestricted	927,006	0	0	0	0	0
Total fund balance/net position	\$1,507,453	\$1,084,320	\$5,429,723	\$0	\$48,782	\$951,114

Danville Area Community College - Community College District No. 507

Combining Balance Sheet - All Funds (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Board Restricted	Long-Term Obligations	Capital Assets	Eliminations	Total
Current assets:					
Cash	\$5,125,555	\$0	\$0	\$0	\$14,036,903
Investments	0	0	0	0	0
Receivables (net of allowance for uncollectibles):					
Property taxes, net	0	0	0	0	6,725,119
Student tuition and fees, net	0	0	0	(1,430,271)	1,565,859
Government claims	0	0	0	0	1,668,235
Other	0	0	0	0	67,077
Prepaid items	0	0	0	0	204,227
Due from other funds	0	0	0	(3,025,000)	0
Total current assets	5,125,555	0	0	(4,455,271)	24,267,420
Noncurrent assets -					
Capital assets, net of accumulated depreciation	0	0	34,542,329	0	35,122,776
Total assets	5,125,555	0	34,542,329	(4,455,271)	59,390,196
Deferred outflows of resources:					
Subsequent year's pension expense related to federal, trust, or grant contributions in current year	0	0	0	66,990	66,990
Subsequent year's other postemployment benefit expense related to contributions in the current year	0	0	0	807,606	807,606
Total deferred outflows of resources	0	0	0	874,596	874,596
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Current liabilities:					
Accounts payable	0	0	0	0	213,905
Accrued expenses	0	0	0	0	475,145
Due to other funds	0	0	0	(3,025,000)	0
Due to student groups	0	0	0	0	0
Deposits held in custody for others	0	0	0	0	243,073
Unearned tuition revenue	0	0	0	(1,624,757)	210,493
Other unearned revenue	0	0	0	0	182,646
Debt certificates payable	0	0	0	0	0
Bonds payable, current maturities	0	768,000	0	0	768,000
Capital lease obligations, current maturities	0	70,318	0	0	70,318
Accrued compensated absences, current maturities	0	210,000	0	0	210,000
Total current liabilities	0	1,048,318	0	(4,649,757)	2,373,580
Noncurrent liabilities:					
Bonds payable, less current maturities	0	4,553,000	0	0	4,553,000
Capital lease obligations, less current maturities	0	154,623	0	0	154,623
Accrued compensated absences	0	212,456	0	0	212,456
Net other postemployment benefit liabilities	0	11,968,403	0	0	11,968,403
Total noncurrent liabilities	0	16,888,482	0	0	16,888,482
Total liabilities	0	17,936,800	0	(4,649,757)	19,262,062
Deferred inflows of resources -					
Other postemployment benefits	0	0	0	1,952,334	1,952,334
Fund balance/net position:					
Net investment in capital assets	0	(4,545,942)	34,542,329	0	30,576,834
Restricted for:					
Capital projects	0	0	0	0	1,676,429
Debt service	0	0	0	0	4,053,341
Grant purposes	0	0	0	0	1,084,320
Working cash	0	0	0	0	5,429,723
Audit purposes	0	0	0	0	48,782
Liability insurance	0	0	0	0	951,114
Unrestricted	5,125,555	(13,390,858)	0	(883,251)	(4,770,146)
Total fund balance/net position	\$5,125,555	(\$17,936,800)	\$34,542,329	(\$883,251)	\$39,050,397

Danville Area Community College - Community College District No. 507

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

For the year ended June 30, 2020

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest
Revenues:				
Operating revenues:				
Student tuition and fees, net	\$5,052,247	\$942,500	\$0	\$0
Auxiliary revenues	0	0	0	0
Other operating revenues	43,169	37,716	0	0
Total operating revenues	5,095,416	980,216	0	0
Expenses:				
Operating expenses:				
Instruction	8,032,138	0	0	0
Academic support	1,172,255	0	0	0
Student services	1,824,209	0	0	0
Public services	267,857	0	0	0
Auxiliary enterprises	0	0	0	0
Operations and maintenance of plant	0	2,034,049	1,020,740	0
Institutional support	2,830,580	0	0	0
SURS & OPEB contribution provided by state	0	0	0	0
Other postemployment benefits	0	0	0	0
Scholarships, grants and waivers	0	0	0	0
Depreciation expense	0	0	0	0
Total operating expense	14,127,039	2,034,049	1,020,740	0
Operating income (loss)	(9,031,623)	(1,053,833)	(1,020,740)	0
Non-operating revenues (expenses):				
State grants and contracts	3,765,928	511,650	0	0
Property taxes	4,126,660	830,206	74,960	799,504
Personal property replacement tax	442,743	174,486	0	0
Federal grants and contracts	73,879	0	0	0
Local grants and contracts	6,150	1,238	116	1,243
SURS & OPEB contribution provided by state	0	0	0	0
Investment income earned	15,282	13,949	31,358	12,623
Other non-operating revenues	65,000	1,363	113,594	3,100,427
Debt service:				
Principal	0	0	0	(714,000)
Interest	0	0	0	(162,300)
Non-operating revenues (expenses), net	8,495,642	1,532,892	220,028	3,037,497
Capital contributions:				
Capital contributions	4,242	0	138,915	0
Other financing sources (uses):				
Issuance of debt	0	0	0	0
Gain (loss) on disposal of assets	18,442	4,005	0	0
Transfer in	545,970	12,244	565,065	0
Transfer out	(23,911)	(495,000)	(331,883)	0
Total financing sources (uses)	540,501	(478,751)	233,182	0
Net change in fund balance/net position	8,762	308	(428,615)	3,037,497
Fund balance/net position, beginning of year	2,235,263	1,207,069	2,105,044	1,015,844
Fund balance/net position, end of year	\$2,244,025	\$1,207,377	\$1,676,429	\$4,053,341

Danville Area Community College - Community College District No. 507

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

For the year ended June 30, 2020

	Auxiliary Enterprises	Restricted Purposes	Working Cash	Audit	Liability Protection and Settlement
Revenues:					
Operating revenues:					
Student tuition and fees, net	\$0	\$0	\$0	\$0	\$0
Auxiliary revenues	769,389	0	0	0	0
Other operating revenues	0	303,459	0	0	0
Total operating revenues	769,389	303,459	0	0	0
Expenses:					
Operating expenses:					
Instruction	0	691,004	0	0	0
Academic support	0	0	0	0	0
Student services	0	513,704	0	0	0
Public services	0	934,726	0	0	0
Auxiliary enterprises	872,158	0	0	0	0
Operations and maintenance of plant	0	51,159	0	0	0
Institutional support	0	1,193,075	0	43,000	965,946
SURS & OPEB contribution provided by state	0	9,876,311	0	0	0
Other postemployment benefits	0	0	0	0	0
Scholarships, grants and waivers	0	4,613,950	0	0	0
Depreciation expense	21,645	0	0	0	0
Total operating expense	893,803	17,873,929	0	43,000	965,946
Operating income (loss)	(124,414)	(17,570,470)	0	(43,000)	(965,946)
Non-operating revenues (expenses):					
State grants and contracts	5,662	926,850	0	0	0
Property taxes	0	0	0	45,007	889,016
Personal property replacement tax	0	0	0	0	0
Federal grants and contracts	15,805	6,260,310	0	0	0
Local grants and contracts	0	0	0	70	1,334
SURS & OPEB contribution provided by state	0	9,876,311	0	0	0
Investment income earned	0	4,330	85,363	0	837
Other non-operating revenues	0	97,338	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Non-operating revenues (expenses), net	21,467	17,165,139	85,363	45,077	891,187
Capital contributions:					
Capital contributions	0	0	0	0	0
Other financing sources (uses):					
Issuance of debt	0	1,000,000	0	0	0
Gain (loss) on disposal of assets	(4,036)	0	0	0	0
Transfer in	203,620	76,965	0	0	0
Transfer out	(450,000)	(449,462)	(85,363)	0	0
Total financing sources (uses)	(250,416)	627,503	(85,363)	0	0
Net change in fund balance/net position	(353,363)	222,172	0	2,077	(74,759)
Fund balance/net position, beginning of year	1,860,816	862,148	5,429,723	46,705	1,025,873
Fund balance/net position, end of year	\$1,507,453	\$1,084,320	\$5,429,723	\$48,782	\$951,114

Danville Area Community College - Community College District No. 507

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

For the year ended June 30, 2020

	Board Restricted	Long-Term Obligations	Capital Assets	Eliminations	Total
Revenues:					
Operating revenues:					
Student tuition and fees, net	\$0	\$0	\$0	(\$2,244,890)	\$3,749,857
Auxiliary revenues	0	0	0	(138,309)	631,080
Other operating revenues	0	0	0	0	384,344
Total operating revenues	0	0	0	(2,383,199)	4,765,281
Expenses:					
Operating expenses:					
Instruction	0	0	(409,072)	(13,605)	8,300,465
Academic support	0	0	0	0	1,172,255
Student services	0	0	(10,330)	(5,274)	2,322,309
Public services	0	0	0	(233,679)	968,904
Auxiliary enterprises	0	0	0	0	872,158
Operations and maintenance of plant	0	0	(1,044,229)	0	2,061,719
Institutional support	0	73,430	(24,250)	(80,691)	5,001,090
SURS & OPEB contribution provided by stat	0	0	0	0	9,876,311
Other postemployment benefits	0	404,463	0	218,618	623,081
Scholarships, grants and waivers	0	0	0	(2,514,832)	2,099,118
Depreciation expense	0	0	1,852,092	0	1,873,737
Total operating expense	0	477,893	364,211	(2,629,463)	35,171,147
Operating income (loss)	0	(477,893)	(364,211)	246,264	(30,405,866)
Non-operating revenues (expenses):					
State grants and contracts	0	0	0	0	5,210,090
Property taxes	0	0	0	0	6,765,353
Personal property replacement tax	0	0	0	0	617,229
Federal grants and contracts	0	0	0	(548,189)	5,801,805
Local grants and contracts	0	0	0	0	10,151
SURS & OPEB contribution provided by state	0	0	0	0	9,876,311
Investment income earned	68,459	0	0	0	232,201
Other non-operating revenues	0	0	0	(3,361)	3,374,361
Debt service:					
Principal	0	781,902	0	(67,902)	0
Interest	0	0	0	(9,168)	(171,468)
Non-operating revenues (expenses), net	68,459	781,902	0	(628,620)	31,716,033
Capital contributions:					
Capital contributions	0	0	0	0	143,157
Other financing sources (uses):					
Issuance of debt	0	(1,000,000)	0	0	0
Gain (loss) on disposal of assets	0	0	(4,036)	0	14,375
Transfer in	512,736	0	0	0	1,916,600
Transfer out	(80,981)	0	0	0	(1,916,600)
Total financing sources (uses)	431,755	(1,000,000)	(4,036)	0	14,375
Net change in fund balance/net position	500,214	(695,991)	(368,247)	(382,356)	1,467,699
Fund balance/net position, beginning of year	4,625,341	(17,240,809)	34,910,576	(500,895)	37,582,698
Fund balance/net position, end of year	\$5,125,555	(\$17,936,800)	\$34,542,329	(\$883,251)	\$39,050,397

Danville Area Community College - Community College District No. 507

Statement of Receipts, Disbursements and Changes in Fund Balance

(Budgetary Basis)

Budget Compared to Actual

Operating Funds (Education/Operations and Maintenance)

For the year ended June 30, 2020

	Budget	Education	Operations and Maintenance	Total	Variance Favorable (Unfavorable)
Receipts:					
Property taxes	\$4,941,000	\$4,126,660	\$830,206	\$4,956,866	\$15,866
Personal property replacement tax	525,000	442,743	174,486	617,229	92,229
State grants and contracts	4,171,378	3,765,928	511,650	4,277,578	106,200
Federal grants and contracts	6,000	73,879	0	73,879	67,879
Student tuition and fees, net	6,757,190	5,052,247	942,500	5,994,747	(762,443)
Investment income earned	35,000	15,282	13,949	29,231	(5,769)
Miscellaneous	172,500	137,003	44,322	181,325	8,825
Total receipts	16,608,068	13,613,742	2,517,113	16,130,855	(477,213)
Disbursements:					
Instruction	8,132,697	8,032,138	0	8,032,138	100,559
Academic support	1,235,221	1,172,255	0	1,172,255	62,966
Student services	2,063,789	1,824,209	0	1,824,209	239,580
Public services	347,267	267,857	0	267,857	79,410
Operations and maintenance of plant	2,226,500	0	2,034,049	2,034,049	192,451
Institutional support	3,060,594	2,830,580	0	2,830,580	230,014
Total disbursements	17,066,068	14,127,039	2,034,049	16,161,088	904,980
Excess (deficiency) of receipts over disbursements (budgetary basis)	(458,000)	(513,297)	483,064	(30,233)	427,767
Other financing sources (uses):					
Transfers in	500,000	545,970	12,244	558,214	58,214
Transfers out	(42,000)	(23,911)	(495,000)	(518,911)	(476,911)
Total other financing sources (uses)	458,000	522,059	(482,756)	39,303	(418,697)
Excess (deficiency) of receipts over disbursements and other financing sources (uses)	<u>\$0</u>	8,762	308	9,070	<u>\$9,070</u>
Fund balance, beginning of year		2,235,263	1,207,069	3,442,332	
Fund balance, end of year		<u>\$2,244,025</u>	<u>\$1,207,377</u>	<u>\$3,451,402</u>	

Danville Area Community College - Community College District No. 507

Uniform Financial Statements

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

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Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds

Year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)
Fund balance, July 1, 2019	\$5,505,379	\$2,562,294	\$2,105,044
Revenues:			
Local tax revenue	4,126,660	830,206	74,960
All other local revenue	448,893	175,724	116
ICCB grants	3,765,928	511,650	0
All other state revenue	0	0	138,915
Federal revenue	73,879	0	0
Student tuition and fees	5,052,247	942,500	0
On-behalf CIP	0	0	0
On-behalf SURS	0	0	0
All other revenue	176,587	95,040	144,952
Total revenues	13,644,194	2,555,120	358,943
Expenditures by program:			
Instruction	8,032,138	0	0
Academic support	1,172,255	0	0
Student services	1,824,209	0	0
Public service/continuing education	267,857	0	0
Auxiliary services	0	0	0
Operations and maintenance	0	2,034,049	1,020,740
Institutional support	2,830,580	0	0
Scholarships, student grants, waivers	0	0	0
Total expenditures	14,127,039	2,034,049	1,020,740
Net transfers	948,321	(477,263)	233,182
Fund balance, June 30, 2020	\$5,970,855	\$2,606,102	\$1,676,429

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds (Continued)

Year ended June 30, 2020

	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund
Fund balance, July 1, 2019	\$1,015,844	\$1,860,816	\$862,148	\$5,429,723
Revenues:				
Local tax revenue	799,504	0	0	0
All other local revenue	1,243	0	0	0
ICCB grants	0	0	272,126	0
All other state revenue	0	5,662	654,724	0
Federal revenue	0	15,805	5,712,121	0
Student tuition and fees	0	494,696	0	0
On-behalf CIP	0	0	558,271	0
On-behalf SURS	0	0	9,318,040	0
All other revenue	3,113,050	270,657	1,405,126	85,363
Total revenues	3,913,797	786,820	17,920,408	85,363
Expenditures by program:				
Instruction	0	0	6,002,043	0
Academic support	0	0	523,055	0
Student services	0	0	1,631,240	0
Public service/continuing education	0	0	1,387,535	0
Auxiliary services	0	893,803	285,600	0
Operations and maintenance	0	0	508,859	0
Institutional support	876,300	0	2,921,646	0
Scholarships, student grants, waivers	0	0	4,065,761	0
Total expenditures	876,300	893,803	17,325,739	0
Net transfers	0	(246,380)	(372,497)	(85,363)
Fund balance, June 30, 2020	\$4,053,341	\$1,507,453	\$1,084,320	\$5,429,723

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 1

All Funds (Continued)

Year ended June 30, 2020

	Audit Fund	Liability, Protection Settlement Fund	Total All Funds	Total Current Funds Only
Fund balance, July 1, 2019	\$46,705	\$1,025,873	\$20,413,826	\$11,863,215
Revenues:				
Local tax revenue	45,007	889,016	6,765,353	5,890,889
All other local revenue	70	1,334	627,380	626,021
ICCB grants	0	0	4,549,704	4,549,704
All other state revenue	0	0	799,301	660,386
Federal revenue	0	0	5,801,805	5,801,805
Student tuition and fees	0	0	6,489,443	6,489,443
On-behalf CIP	0	0	558,271	558,271
On-behalf SURS	0	0	9,318,040	9,318,040
All other revenue	0	837	5,291,612	1,948,247
Total revenues	45,077	891,187	40,200,909	35,842,806
Expenditures by program:				
Instruction	0	0	14,034,181	14,034,181
Academic support	0	0	1,695,310	1,695,310
Student services	0	0	3,455,449	3,455,449
Public service/continuing education	0	0	1,655,392	1,655,392
Auxiliary services	0	0	1,179,403	1,179,403
Operations and maintenance	0	0	3,563,648	2,542,908
Institutional support	43,000	965,946	7,637,472	6,761,172
Scholarships, student grants, waivers	0	0	4,065,761	4,065,761
Total expenditures	43,000	965,946	37,286,616	35,389,576
Net transfers	0	0	0	(147,819)
Fund balance, June 30, 2020	\$48,782	\$951,114	\$23,328,119	\$12,168,626

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 2

Summary of Fixed Assets and Debt

Year ended June 30, 2020

	Fixed Asset/Debt Account Groups July 1, 2019	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2020
Fixed assets:				
Land	\$911,931	\$0	\$0	\$911,931
Land improvements	5,563,184	0	0	5,563,184
Buildings	18,288,110	264,575	(24,187)	18,576,872
Building improvements	41,797,872	0	0	41,797,872
Campus lighting	40,955	0	0	40,955
Equipment	16,858,093	639,345	334,927	17,162,511
Construction	182,796	633,545	149,368	666,973
	<u>83,642,941</u>	<u>1,537,465</u>	<u>460,108</u>	<u>84,720,298</u>
Accumulated depreciation	48,183,893	1,873,737	460,108	49,597,522
Total net fixed assets	<u>\$35,459,048</u>	<u>(\$336,272)</u>	<u>\$0</u>	<u>\$35,122,776</u>
Fixed debt:				
Bonds payable	\$5,035,000	\$1,000,000	\$714,000	\$5,321,000
Debt certificate	0	0	0	0
Other fixed liabilities	641,869	5,529	0	647,398
Net other postemployment benefit liabilities	11,563,940	404,463	0	11,968,403
Total fixed debt	<u>\$17,240,809</u>	<u>\$1,409,992</u>	<u>\$714,000</u>	<u>\$17,936,801</u>

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 3

Operating Funds Revenues and Expenditures

Year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government revenue:			
Local taxes	\$4,126,660	\$830,206	\$4,956,866
Corporate personal property replacement tax	442,743	174,486	617,229
Other local revenue	6,150	1,238	7,388
Total local government revenue	4,575,553	1,005,930	5,581,483
State government:			
ICCB base operating grant	1,116,198	511,650	1,627,848
ICCB equalization grant	2,438,530	0	2,438,530
ICCB career and technical education	188,850	0	188,850
ICCB other	22,350	0	22,350
Total state government	3,765,928	511,650	4,277,578
Federal government -			
Department of labor	69,814	0	69,814
Department of education	4,065	0	4,065
Total federal government	73,879	0	73,879
Student tuition and fees			
Tuition	5,965,819	942,500	6,908,319
Fees	1,603,305	0	1,603,305
Less waivers	(2,516,877)	0	(2,516,877)
Total student tuition and fees	5,052,247	942,500	5,994,747
Other sources:			
Facilities revenue	0	37,716	37,716
Investment revenue	45,734	51,956	97,690
Other	130,853	5,368	136,221
Transfers in	1,040,969	29,981	1,070,950
Total other sources	1,217,556	125,021	1,342,577
Total revenues	\$14,685,163	\$2,585,101	\$17,270,264

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 3

Operating Funds Revenues and Expenditures (Continued)

Year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By Program:			
Instruction	\$8,032,138	\$0	\$8,032,138
Academic support	1,172,255	0	1,172,255
Student services	1,824,209	0	1,824,209
Public service/continuing education	267,857	0	267,857
Operations and maintenance	0	2,034,049	2,034,049
Institutional support	2,830,580	0	2,830,580
Transfers	92,648	507,244	599,892
Total expenditures	14,219,687	2,541,293	16,760,980
Less nonoperating items -			
Instructional service contracts	0	0	0
Adjusted expenditures	\$14,219,687	\$2,541,293	\$16,760,980
By object:			
Salaries	\$10,149,552	\$574,225	\$10,723,777
Employee benefits	1,810,456	217,982	2,028,438
Contractual services	281,624	241,243	522,867
General materials and supplies	1,493,423	156,089	1,649,512
Library materials*	427,178	0	427,178
Conference and meeting expenses	137,366	392	137,758
Fixed charges	108,331	45,467	153,798
Utilities	0	774,197	774,197
Capital outlay	106,834	24,454	131,288
Other	39,453	0	39,453
Transfers out	92,648	507,244	599,892
Total expenditures	14,219,687	2,541,293	16,760,980
Less nonoperating items -			
Instructional service contracts	0	0	0
Adjusted expenditures	\$14,219,687	\$2,541,293	\$16,760,980

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 4

Restricted Purposes Fund Revenues and Expenditures

Year ended June 30, 2020

Revenue by source:

Total local government	
State government	
ICCB - adult education	\$205,665
ICCB - bridges	66,461
On-behalf CIP	558,271
On-behalf SURS	9,318,040
Other	654,724
Total state government	10,803,161
Federal government:	
Department of Education	4,664,862
Department of Labor	1,024,347
Other	22,912
Total federal government	5,712,121
Other sources:	
Tuition and fees	0
Other	1,405,126
Total other sources	1,405,126
Total restricted purposes fund revenues	\$17,920,408

Expenditures by program:

Instruction	\$6,002,043
Academic support	523,055
Student services	1,631,240
Public service/continuing education	1,387,535
Auxiliary services	285,600
Operations and maintenance of plant	508,859
Institutional support	2,921,646
Scholarships, grants, and waivers	4,065,761
Total restricted purposes fund expenditures	\$17,325,739

Expenditures by object:

Salaries	\$1,427,358
Employee benefits	10,214,058
Contractual services	299,272
Student financial aid	4,065,761
General materials and supplies	863,420
Library materials*	0
Travel and conference/meeting expenses	48,362
Fixed charges	81,474
Utilities	1,514
Capital outlay	312,568
Other	11,952
Total restricted purposes fund expenditures	\$17,325,739

*Non-add line

Danville Area Community College - Community College District No. 507

Uniform Financial Statement No. 5
 Current Funds Expenditures by Activity
 Year ended June 30, 2020

Instruction	
Instructional programs	\$14,034,181
Academic support:	
Library center	427,178
Instructional materials center	49,619
Educational media services	73,385
Academic computing support	355,528
Other*	789,600
Total academic support	1,695,310
Student services:	
Admissions and records	368,122
Counseling and career guidance	974,884
Financial aid administration	247,883
Other*	1,864,560
Total student services	3,455,449
Public service/continuing education:	
Community education	127,802
Customized training (Instructional)	627,108
Community services	129,290
Other*	771,192
Total public service/continuing education	1,655,392
Auxiliary services (including SURS on-behalf)	1,179,403
Operations and maintenance of plant:	
Maintenance	526,344
Custodial services	517,497
Grounds	56,985
Campus security	5,586
Utilities	758,908
Administration	151,298
Other*	526,290
Total operations and maintenance of plant	2,542,908
Institutional support:	
Executive management	730,960
Fiscal operations	328,982
Community relations	370,043
Administrative support services	575,912
Board of trustees	14,112
General institution	2,433,594
Institutional research	178,252
Administrative data processing	400,346
Other*	1,728,971
Total institutional support	6,761,172
Scholarships, student grants, and waivers	4,065,761
Total current funds expenditures	\$35,389,576


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


* Includes State of Illinois On-behalf payments

Danville Area Community College - Community College District No. 507
 Certificate of Chargeback Reimbursement
 For Fiscal Year 2021

All Fiscal Year 2020 Non-Capital Audited Operating Expenditures From the Following Funds:

Education	\$ 14,020,205
Operations and maintenance fund	2,009,595
Bond and interest fund	876,300
Restricted purposes fund	7,136,860
Audit fund	43,000
Liability, protection and settlement fund	<u>941,696</u>
 Total non-capital expenditures	 <u>23,825,296</u>
 Depreciation on capital outlay expenditures from sources other than state and federal funds	 <u>736,359</u>
 Total costs included	 <u>24,561,655</u>
 Total certified semester credit hours for FY 2020	 <u>39,552.5</u>
 Per capita cost	 <u>620.99</u>
 All FY 2020 state and federal operating grants for non-capital expenditures, except ICCB grants	 7,136,860
 Fiscal year state and federal grants per semester credit hour	 <u>180.44</u>
 District's average ICCB grant rate for fiscal year 2021	 <u>40.99</u>
 District's student tuition and fee rate per semester credit hour for fiscal year 2021	 <u>165.00</u>
 Chargeback reimbursement per semester credit hour	 <u><u>\$ 234.56</u></u>

Approved: 
 Chief Financial Officer

Approved: 
 President

**Independent Auditor's 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 State Adult Education and Family Literacy Grants of Danville Area Community College, Community College District No. 507 (College), which comprise of the statement of net position as of June 30, 2020, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Danville Area Community College, Community College District No. 507 as of June 30, 2020, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

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

Other Information

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

Compliance

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

Wipfli LLP

Sterling, Illinois
March 23, 2021

Danville Area Community College - Community College District No. 507

State Adult Education Restricted Funds

(State Basic and Performance)

Statement of Net Position

June 30, 2020

ASSETS

Cash	\$434
Intergovernmental receivables	20,566
Total assets	\$21,000

LIABILITIES AND NET POSITION

Liabilities -	
Due to other funds	\$21,000
Net position	0
Total liabilities and net position	\$21,000

Danville Area Community College - Community College District No. 507

State Adult Education Restricted Funds

Statement of Revenues, Expenditures, and Changes in Net Position

Year ended June 30, 2020

	State Basic	Performance	Total
Revenues - ICCB grant	\$149,830	\$55,835	\$205,665
Expenditures:			
Instruction	73,496	1,100	74,596
Social work services	14,639	3,527	18,166
Guidance services	13,930	4,032	17,962
Assessment and testing	13,052	4,032	17,084
Literacy services	12,920	4,537	17,457
Total instructional student services	128,037	17,228	145,265
Improvement of instructional services	0	0	0
General administration	14,841	24,482	39,323
Operation and maintenance of plant	500	8,203	8,703
Workforce coordination	3,990	4,426	8,416
Data and information services	2,462	1,496	3,958
Total program support	21,793	38,607	60,400
Total expenditures	149,830	55,835	205,665
Excess of revenues over expenditures	<u>\$0</u>	<u>\$0</u>	0
Net position, beginning of year			0
Net position, end of year			<u>\$0</u>

Danville Area Community College - Community College District No. 507

ICCB Compliance Statement for the

State Adult Education Restricted Funds

Expenditure Amounts and Percentages for ICCB Grant Funds Only

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$73,496	49.05%
General Administration (20% maximum allowed)	\$14,841	9.91%

RESTRICTED ADULT EDUCATION GRANTS

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

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

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

Note 1 Summary of Significant Accounting Policies

General

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

Basis of Accounting

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

Fixed Assets

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

Note 2 Payment of Prior Year's Encumbrances

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

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

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

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

We have examined management of Danville Area Community College, Community College District No. 507 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Danville Area Community College, Community College District No. 507 during the period July 1, 2019 through June 30, 2020. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

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

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

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Sterling, Illinois
March 23, 2021

Danville Area Community College - Community College District No. 507

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

For the year ended June 30, 2019

Total Reimbursable Semester Credit Hours by Term

Credit Hour Categories	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate	2,046.0	0.0	10,611.0	19.0	9,923.0	0.0	22,580.0	19.0
Business Occupational	381.0	0.0	1,361.5	127.0	1,126.0	0.0	2,868.5	127.0
Technical Occupation	793.0	0.0	2,998.0	0.0	2,708.5	13.5	6,499.5	13.5
Health Occupational	622.0	0.0	2,471.5	0.0	2,076.0	0.0	5,169.5	0.0
Remedial Development	128.0	0.0	576.0	0.0	456.0	0.0	1,160.0	0.0
Adult Education	0.0	120.0	0.0	567.5	0.0	428.0	0.0	1,115.5
	3,970.0	120.0	18,018.0	713.5	16,289.5	441.5	38,277.5	1,275.0

	In-District (All Terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Reimbursable Credit Hours:	31,205.0	1,259.0	7,097.0	4.0	0.0	0.0

Credit Hours on Chargeback or Contractual Agreement: 841.5

District equalized assessed valuation \$1,118,539,041

Correctional Semester Credit Hours by Term

Credit Hour Categories	Summer	Fall	Spring	Total
	Correctional Hours	Correctional Hours	Correctional Hours	Correctional Hours
Baccalaureate	328.0	879.0	1,095.0	2,302.0
Business Occupational	80.0	140.0	100.0	320.0
Technical Occupation	331.0	529.0	483.0	1,343.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	739.0	1,548.0	1,678.0	3,965.0

Signature: _____

President

Signature: _____

Chief Financial Officer (CFO)

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

Danville Area Community College - Community College District No. 507

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

(Continued)

For the year ended June 30, 2019

Credit Hour Categories	Total Reimbursable Semester Credit Hours					
	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
Baccalaureate	22,580.0	22,580.0	0.0	19.0	19.0	0.0
Business Occupational	2,868.5	2,868.5	0.0	127.0	127.0	0.0
Technical Occupation	6,499.5	6,499.5	0.0	13.5	13.5	0.0
Health Occupational	5,169.5	5,169.5	0.0	0.0	0.0	0.0
Remedial Development	1,160.0	1,160.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	1,115.5	1,115.5	0.0
Total:	38,277.5	38,277.5	0.0	1,275.0	1,275.0	0.0

Credit Hour Categories	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
	In-District Credit Hours:	31,205.0	31,205.0	0.0	1,259.0	1,259.0
Dual Credit Hours:	7,097.0	7,097.0	0.0	4.0	4.0	0.0
Dual Enrollment Hours:	0.0	0.0	0.0	0.0	0.0	0.0

Credit Hour Categories	Total Correctional Semester Credit Hours					
	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
Baccalaureate	2,302.0	2,302.0	0.0	0.0	0.0	0.0
Business Occupational	320.0	320.0	0.0	0.0	0.0	0.0
Technical Occupation	1,343.0	1,343.0	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0	0.0	0.0
Total:	3,965.0	3,965.0	0.0	0.0	0.0	0.0

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

Danville Area Community College - Community College District No. 507

Verification of Student Residency (Unaudited)

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

Applicants

The residency status on application forms is normally determined by the address the student uses on his application form for admission. If the address is an in-district address, then the student is tagged by the College's Admissions Office as "1" for in-district. Likewise, if there is an out-of-district or out-of-state address, then a code of "3" or "5" is used, respectively.

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

Students

If a student already in the College's computer system is changing an address from out-of-district to in-district, the College will change the address but not change the residency code. In order to change an out-of-district status to an in-district status, the student must complete the Request for Change of Residency paperwork and provide the required documentation. The request is then reviewed by the Director of Admissions and Records who makes the decision based upon pre-determined, allowable reasons.

Returned Mail

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

FEDERAL REPORTING SECTION

A Leader in Education

"I chose DACC because it offers an affordable Nursing degree close to home."

Marisa Rush,
• Nursing, '22
• Presidential
Scholar



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Danville Area Community College, Community College District No. 507 (the College) as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated March 23, 2021. Our report includes a reference to other auditors who audited the financial statements of Danville Area Community College Foundation, as described in our report on the College's financial statements. The financial statements of Danville Area Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Danville Area Community College Foundation or that are reported on separately by those auditors who audited the financial statements of Danville Area Community College Foundation.

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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
March 23, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Danville Area Community College, Community College District No. 507's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

Opinion on Each Major Federal Program

In our opinion, Danville Area Community College, Community College District No. 507 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Wipfli LLP

Sterling, Illinois
March 23, 2021

Danville Area Community College - Community College District No. 507

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2020

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Equity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed through Illinois State Board of Education:				
Child & Adult Care Food Program	10.558	N/A	\$15,805	\$0
Total U.S. Department of Agriculture			\$15,805	\$0
U.S. Department of Labor				
Passed through Illinois Department of Commerce and Economic Opportunities (DCEO):				
WIOA - TAA	17.245	420-30-0074	\$21,085	\$0
WIOA Cluster:				
WIOA - Incentive	17.278*	16-651018	5,890	0
WIOA - Dislocated Worker	17.278*	420-30-0076	233,676	0
WIOA - ICP Pipeline - Dislocated Worker	17.278*	420-30-0075	69,814	0
WIOA - WERC	17.278*	420-30-0075	98,196	0
Total WIOA Dislocated Worker			407,576	0
WIOA - Adult Program	17.258*	420-30-0076	429,643	0
WIOA - Youth Program	17.259*	420-30-0076	235,857	91,004
Total WIOA Cluster			1,073,076	91,004
Total U.S. Department of Labor			\$1,094,161	\$91,004
U.S. Small Business Administration				
Passed through Illinois Department of Commerce and Economic Opportunities (DCEO):				
COVID-19 Small Business Development Centers	59.037	420-35-0083	1,914	0
Total U.S. Small Business Administration			\$1,914	\$0
U.S. Department of Education:				
Direct awards:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007*		\$103,737	\$0
Federal Work-Study Program	84.033*		106,635	0
Federal Pell Grant Program	84.063*		2,874,107	0
Federal Direct Student Loans	84.268*		548,189	0
Total student financial assistance cluster			3,632,668	0
TRIO Student Support Services	84.042		323,746	0
COVID-19 Educational Stabilization Fund - Higher Education Emergency Relief Fund -				
Student Portion	84.425E*		471,037	0
Institutional Portion	84.425F*		424,859	0
Strengthening Institutions Program	84.425M*		47,077	0
Total CFDA #84.425			942,973	0

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Danville Area Community College - Community College District No. 507

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2020

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Equity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Passed through Illinois Community College Board:				
VE - Perkins - Title II C - Post Secondary	84.048	684-00-0465	205,639	0
Adult Education - Federal Basic	84.002	684-01-1625	112,090	0
Total ICCB			317,729	0
Total U.S. Department of Education			\$5,217,116	\$0
U.S. Department of Homeland Security				
Passed through Illinois Emergency Management Agency:				
COVID-19 Public Assistance Grants	97.036	588-00-0448	\$20,998	\$0
Total U.S. Department of Homeland Security			\$20,998	\$0
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$6,349,994	\$91,004

* denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Danville Area Community College - Community College District No. 507

Notes to Schedule of Expenditures of Federal Awards

Note 1 Summary Of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Danville Area Community College, Community College District No. 507 (the "College") for the year ended June 30, 2020, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 Federal Non-Cash Assistance

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

Note 3 Indirect Cost Rate

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

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

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

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified
 Internal control over major programs:
 • Material weakness(es) identified? yes no
 • Significant deficiency(ies) identified that are not considered to be material weakness(es) yes none reported
 Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.278	WIOA Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.425	COVID-19 Education Stabilization Fund

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

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2020-001: Allowable Activities and Period of Performance

COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF)
CFDA No. 84.425
Department of Education Direct Award
Grant period: April 25, 2020 through May 5, 2021

Questioned costs: \$8,391

How the questioned costs were computed: \$7,309 of questioned costs relates to a group of transactions that when taken as an aggregate become an individually important item and \$1,082 relates to a sample selection of one disbursement that did not meet the allowable activities as prescribed by the Department of Education.

Condition: We discovered two payroll costs that were improperly allocated to the HEERF grant. One cost was the number of payroll hours submitted to be applied towards the grant was improperly calculated. In this instance, the employee was paid the correct amount but the grant was overcharged. The other payroll cost related to student worker wages in which the pay period was before March 13, 2020.

Our testing included a non-statistical sample of 60 transactions out of a population of 1,383. Out of the sample of 60, one transaction was found to be unallowable and one transaction was found to be unallowable and not reported in the proper period of performance.

Criteria: Section 18004(a)(1) of the Higher Education Emergency Relief Fund, Coronavirus Aid, Relief, and Economic Security Act (CARES Act) states that the grant shall be used to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. Section 18004(a)(2) of the CARES Act states that costs must have first been incurred on or after March 13, 2020, the date of the Proclamation of National Emergency.

Cause: The HEERF program was a new grant for the College and the Department of Education. During implementation, there were multiple forms of guidance issued by the Department of Education subsequent to fiscal year-end related to the allowability of expenditures. The delayed release of final guidance as well as changes in interpretation of guidance meant the College was reclassifying existing expenditures into the grant as they became eligible and/or ineligible per guidance. This unorthodox approach lead to the opportunity for missteps in the quality control process over allowable activities and period of performance such that unallowable costs went undetected and costs were reported in the improper period.

Effect: The program is not in compliance with Department of Education requirements.

Recommendation: We recommend that the College modify quality control processes over this grant when additional guidance is issued to ensure internal control deficiencies and noncompliance will be prevented or detected and corrected on a timely basis.

View of responsible officials: Management acknowledges the finding and has prepared a corrective action plan.



Corrective Action Plan for Current Year Findings

Finding 2020-001: Allowable Activities and Period of Performance

Corrective Action Plan

Any transactions recorded in any HEERF grant will be subject to a detail review by both an Assistant Vice President of Finance and the Vice President of Operations for proper accounting treatment and proper grant compliance .

Person(s) Responsible: Vice President of Finance and CFO
Assistant Vice President of Finance Vice President of Operations

Timing for Implementation: Immediately



Tammy L. Betancourt, VP Finance & CFO



Dr. Stephen Nacco, President

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

Section IV – Prior Year Findings

None