

DANVILLE PUBLIC BUILDING COMMISSION

Danville, Illinois

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

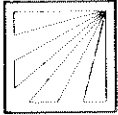
October 31, 1994



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**Clifton,
Gunderson & Co.**
Certified Public Accountants & Consultants

Board of Commissioners
Danville Public Building Commission
Danville, Illinois

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the Danville Public Building Commission as of and for the year ended October 31, 1994, as listed in the table of contents. These general purpose financial statements are the responsibility of the Danville Public Building Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Danville Public Building Commission as of October 31, 1994, and the results of its operations, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Danville Public Building Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the general purpose financial statements taken as a whole.

Clifton, Gunderson & Co.

Danville, Illinois
November 18, 1994



**DANVILLE PUBLIC BUILDING COMMISSION
BALANCE SHEET
October 31, 1994**

ASSETS

**PROPRIETARY
FUND
INTERNAL
SERVICE**

CURRENT ASSETS

Cash and cash equivalents	\$ 3,762,387
Accrued interest receivable	29,239
Due from other funds	178
Due from other governments	53,003
Prepaid expenses	110,387
Miscellaneous receivables	<u>4,773</u>

Total current assets 3,959,967

PROPERTY AND EQUIPMENT - NET

4,410,967

OTHER ASSETS

Leases receivable	6,425,233
Unamortized certificates of participation cost	<u>245,800</u>

Total other assets 6,671,033

TOTAL ASSETS

\$ 15,041,967

LIABILITIES AND RETAINED EARNINGS

	PROPRIETARY FUND INTERNAL SERVICE
CURRENT LIABILITIES	
Accounts payable	\$ 136,503
Interest payable	90,346
Certificates of participation payable	450,000
Due to other funds	178
Due to other governments:	
City	188,132
Vermilion County	416,690
State	38,978
Other	5,000
Deferred revenue	<u>117,381</u>
Total current liabilities	<u>1,443,208</u>
LONG-TERM LIABILITIES	
Due to other governmental units	2,559,497
Certificates of participation payable	5,365,000
Unamortized premium on certificates of participation	<u>153,387</u>
Total long-term liabilities	<u>8,077,884</u>
Total liabilities	<u>9,521,092</u>
RETAINED EARNINGS	
Reserved for High School Construction	(31,089)
Reserved for Courthouse Renovation	(303,334)
Reserved for Fire Dispatch	637
Reserved for Burglar Alarm	47,652
Reserved for 911	79,103
Reserved for Municipal Building	27,010
Reserved for Maintenance	88,074
Reserved for Capital Improvements	1,201,855
Investment in property and equipment	<u>4,410,967</u>
Total retained earnings	<u>5,520,875</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$ 15,041,967</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES
Year Ended October 31, 1994**

	PROPRIETARY FUND INTERNAL SERVICE
REVENUES	
Rent	\$ 3,086,987
Salary reimbursement	61,689
Interest on capital lease	554,775
Interest on investments and deposits	171,447
Fees	6,688
Miscellaneous	<u>659</u>
Total revenues	<u>3,882,245</u>
OPERATING EXPENSES	
Administrative	79,368
Operations and maintenance	821,781
Communications	561,628
Assigned personnel cost and dietary	984,320
Municipal building	6,652
Depreciation	<u>226,795</u>
Total operating expenses	<u>2,680,544</u>
OPERATING INCOME	<u>1,201,701</u>
NON-OPERATING REVENUES (EXPENSES)	
Amortization of certificates of participation:	
Premium	25,150
Issuance cost	(16,906)
Interest expense	(412,945)
Excess earnings due to governmental units	<u>(700,249)</u>
Total non-operating expenses	<u>(1,104,950)</u>
NET INCOME	<u>\$ 96,751</u>

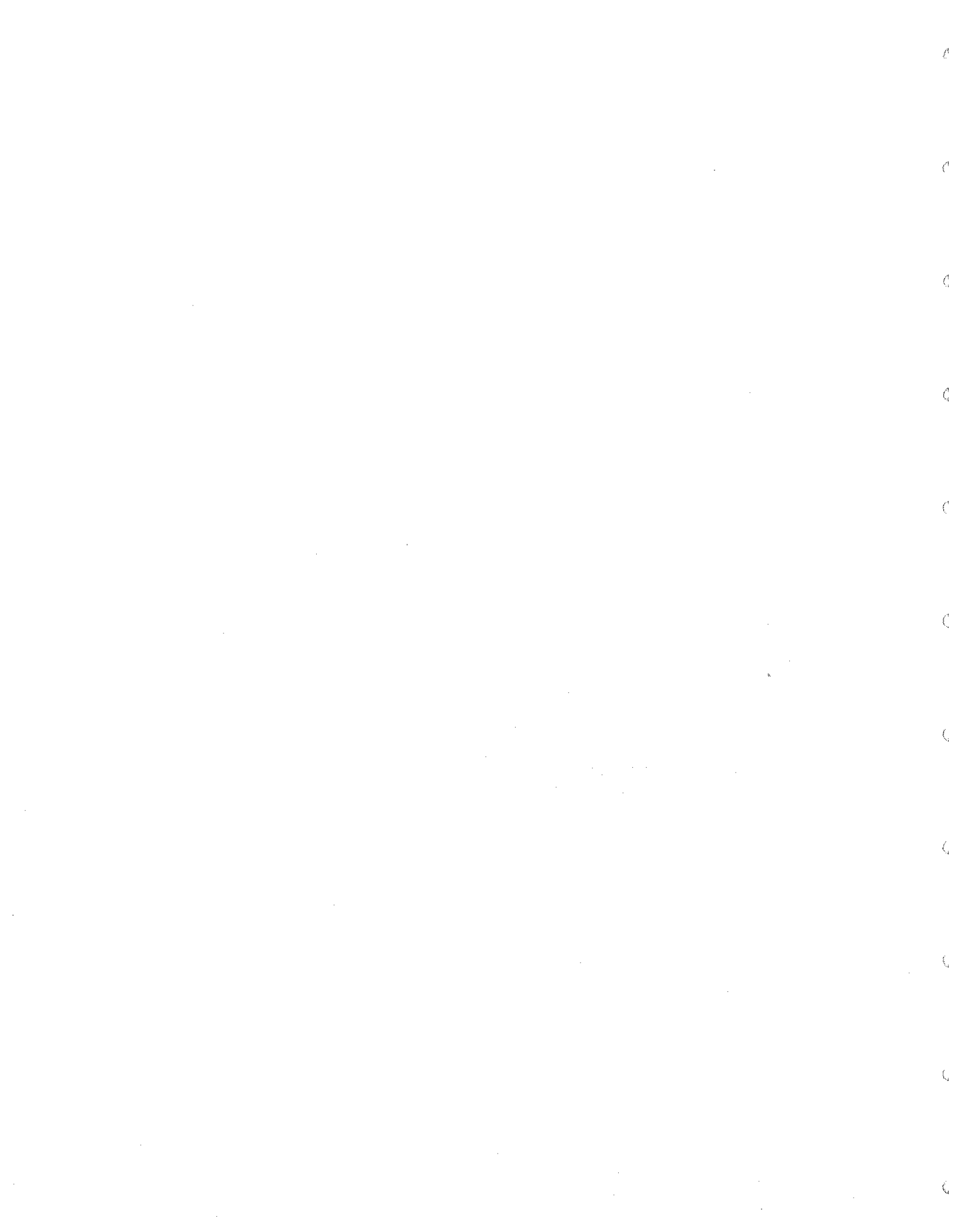
These financial statements should be read only in connection with the
accompanying summary of significant accounting policies
and notes to financial statements.



DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF RETAINED EARNINGS
Year Ended October 31, 1994

	PROPRIETARY FUND INTERNAL SERVICE
BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 5,758,547
Prior period adjustment	<u>(334,423)</u>
BALANCE, BEGINNING OF YEAR, AS RESTATED	5,424,124
Net income	<u>96,751</u>
BALANCE, END OF YEAR	<u>\$ 5,520,875</u>

These financial statements should be read only in connection with the
accompanying summary of significant accounting policies
and notes to financial statements.



DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF CASH FLOWS
Year Ended October 31, 1994

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 96,751
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation	226,795
Amortization of certificates of participation:	
Premiums	(25,150)
Issuance cost	16,906
Changes in operating assets and liabilities:	
Increase in miscellaneous receivables	(3,977)
Decrease in prepaid expenses	(38,334)
Increase in due from other governments	8,250
Increase in accounts payable	51,526
Decrease in deferred revenue	(82,800)
Decrease in due to other governments	<u>(157,987)</u>
Net cash provided by operating activities	<u>91,980</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(238,067)
Principal paid on certificates of participation maturities	(400,000)
Interest paid on certificates of participation	<u>(412,945)</u>
Net cash used for capital and related financing activities	<u>(1,051,012)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from capital lease agreements	1,015,362
Interest on investments	<u>57,292</u>
Net cash provided by investing activities	<u>1,072,654</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 113,622

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 3,648,765

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 3,762,387

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.



**DANVILLE PUBLIC BUILDING COMMISSION
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
October 31, 1994**

The Danville Public Building Commission, a municipal corporation, was organized under the provisions of the "Public Building Commission Act of the State of Illinois", approved July 5, 1955, as amended, and was incorporated for the purpose of exercising the powers and authority prescribed by the provisions of said "Public Building Commission Act of the State of Illinois" to enable the erecting, equipping, and providing of modern public buildings to house the various branches, departments, and agencies of government in the County Seat of Vermilion County, Illinois.

PRINCIPALS USED TO DETERMINE THE SCOPE OF THE REPORTING ENTITY

The Commission's reporting entity includes the Commission's governing board and all related organizations for which the Commission exercises oversight responsibility.

The Commission has developed criteria to determine whether outside agencies with activities which benefit the citizens within the Commission's jurisdiction should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Commission exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The Commission is not aware of any entity which would exercise such oversight as to result in the Commission being considered a component unit of the entity. The Commission is disclosed as a joint venture in the general purpose financial statements of the following entities:

Vermilion County, Illinois
City of Danville, Illinois
Danville Community Consolidated School District 118

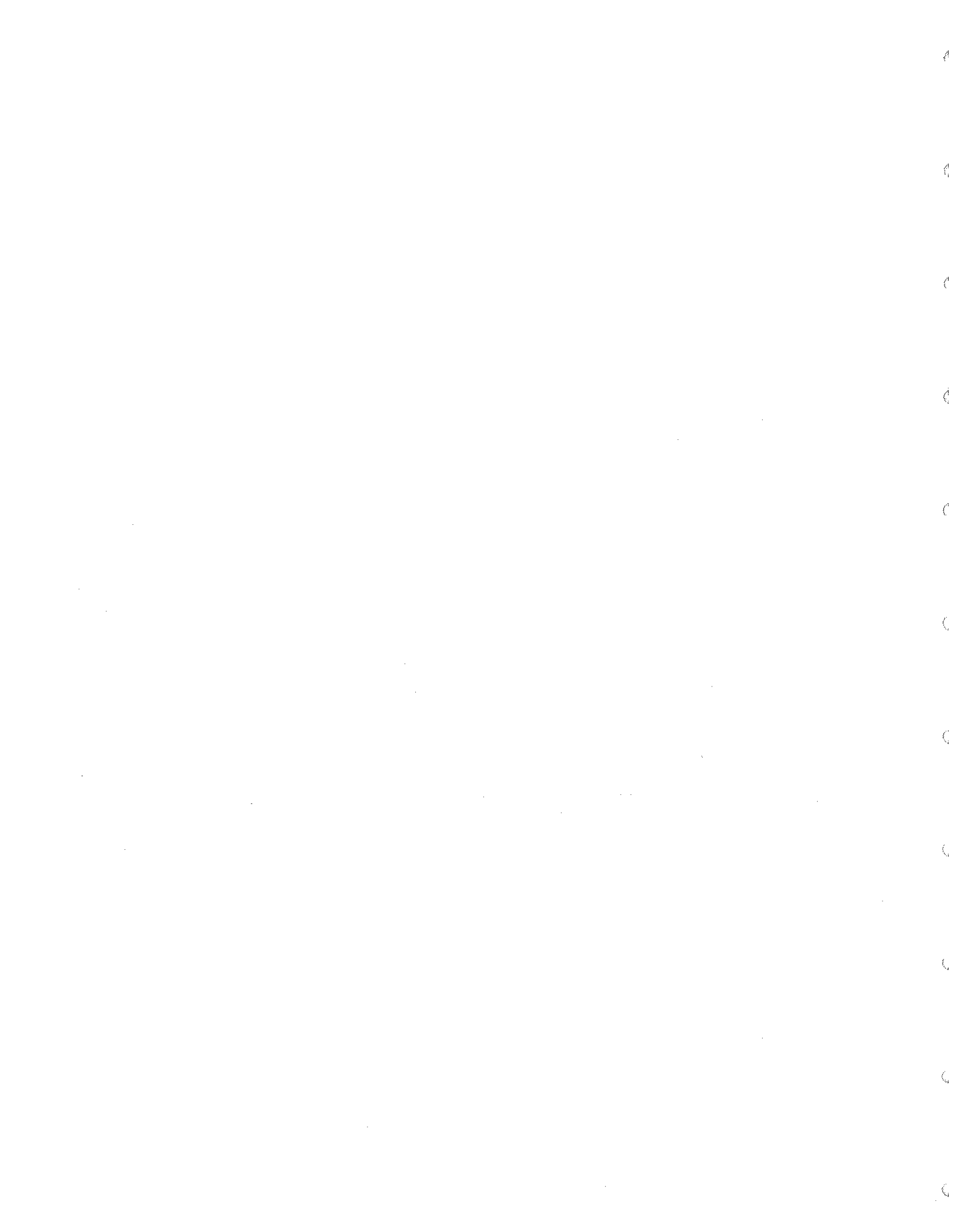
A joint venture presentation is a footnote disclosure of each entity's share of the Commission's assets, liabilities, and retained earnings.

FUND ACCOUNTING

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type, Internal Service Fund, and one broad fund category, Proprietary Fund.

PROPRIETARY FUND - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to governments, on a cost-reimbursement basis.



**DANVILLE PUBLIC BUILDING COMMISSION
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
October 31, 1994**

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building	50 years
Improvements	40 years
Equipment	10 years

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all liquid investments with a maturity of three months or less when purchased.

EXCESS EARNINGS

The Commission records all revenues over expenses associated with their direct financing leases, as non-operating expenses and a liability to other governmental units. The lease agreements require all excess earnings to be refunded at the end of the lease term.

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



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
 October 31, 1994

NOTE 1 - CASH AND CASH EQUIVALENTS

Statutes authorize the Commission to make deposits and invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of the U.S. states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

Cash and cash equivalents

Cash balances available for investment by the majority of Commission funds are maintained in individual bank and pooled investment accounts to improve investment opportunities. Income from pooled investment accounts is allocated to the participating funds on percentage of pool ownership basis.

Deposits

The following table categorizes deposits according to levels of risk.

<u>Category #1</u>	<u>Category #2</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
\$ 100,000	\$ 39,108	\$ 139,108	\$ 112,387

Cash equivalents

The following table categorizes the cash equivalents according to levels of risk.

	<u>Category #1</u>	<u>Category #2</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of deposit	\$ 200,000	\$ 3,450,000	\$ 3,650,000	\$ 3,650,000

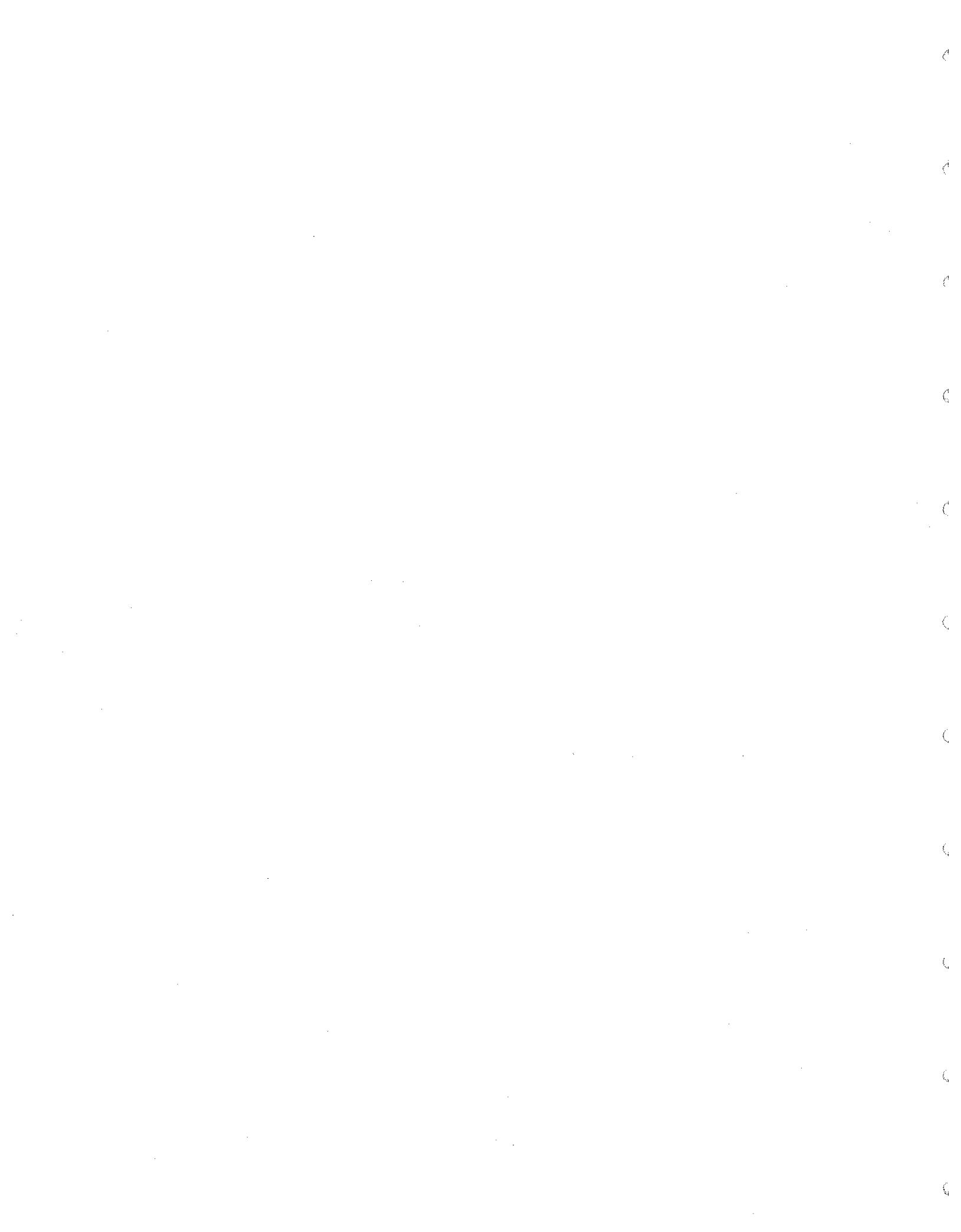
Category #1 includes deposits and cash equivalents that are insured by the FDIC or registered or for which the securities are held by the Commission or its agent in the Commission's name.

Category #2 includes unregistered deposits and investments for which securities are held by the broker or dealer, or its trust department or agent, but not in the Commission's name.

Restricted cash and cash equivalents

The various certificates of participation ordinances require the Commission to retain certain amounts of the annual rent charges for restricted purposes. As of October 31, 1994, restricted cash and cash equivalent balances are:

	<u>High School Construction Fund</u>	<u>Courthouse Renovation Fund</u>	<u>Public Safety Building Fund</u>	<u>Total</u>
Capital improvement	\$ -	\$ -	\$ 1,270,039	\$ 1,270,039
Maintenance	-	-	87,026	87,026
Bond reserve	582,836	382,681	-	965,517
Surplus revenue	<u>11,285</u>	<u>178,302</u>	<u>-</u>	<u>189,587</u>
Total restricted	<u>\$ 594,121</u>	<u>\$ 560,983</u>	<u>\$ 1,357,065</u>	<u>\$ 2,512,169</u>



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 2 - CHANGES IN PROPERTY AND EQUIPMENT

Public Safety Building	Balance 10/31/93	Additions	Balance 10/31/94	Accumulated Depreciation	Net 10/31/94
Land	\$ 558,575	\$ -	\$ 558,575	\$ -	\$ 558,575
Building	6,007,440	191,386	6,198,826	2,778,455	3,420,371
Equipment	1,401,875	46,681	1,448,556	1,016,535	432,021
Furniture and fixtures	<u>137,597</u>	<u>-</u>	<u>137,597</u>	<u>137,597</u>	<u>-</u>
Total	<u>\$ 8,105,487</u>	<u>\$ 238,067</u>	<u>\$ 8,343,554</u>	<u>\$ 3,932,587</u>	<u>\$ 4,410,967</u>

NOTE 3 - LEASE AGREEMENTS

Courthouse Renovation Fund

The Commission entered into a lease agreement with the County of Vermilion, wherein the Commission has renovated the existing Vermilion County Courthouse and Annex and is leasing it to Vermilion County for a period beginning on December 1, 1987 and ending on December 31, 2002.

At the end of the lease, the title to the site will revert back to the County.

At the end of the lease, all assets remaining in the fund will be transferred to the County. As of October 31, 1994, the liability to the County for excess revenues from this lease totaled \$1,421,057.

High School Renovation Lease

The Commission has entered into a lease agreement with Danville Community Consolidated School District 118 dated September 28, 1988. Lease payments are due on May 1 and November 1 of each year.

During the construction phase of the agreement, all costs associated with the renovation were accounted for in the High School Construction Fund.

At the end of the lease, all assets remaining in the fund will be transferred to the School District. As of October 31, 1994, the liability to the School District for excess revenues from this lease totaled \$1,138,440.



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 3 - LEASE AGREEMENTS (CONTINUED)

Future lease payments to be received including principal and interest under the lease agreements are as follows:

<u>Fiscal Year</u>	<u>Courthouse Renovation</u>	<u>High School Renovation</u>
1995	\$ 449,763	\$ 500,000
1996	459,238	500,000
1997	466,737	500,000
1998	472,213	500,000
1999	475,612	500,000
2000	477,050	500,000
2001	476,500	500,000
2002	473,750	500,000
2003	493,750	-
Total	<u>\$ 4,244,613</u>	<u>\$ 4,000,000</u>

The Building Commission's net investment in the direct financing leases is as follows:

	<u>High School Renovation</u>	<u>Courthouse Renovation Fund</u>	<u>Total</u>
Total lease payments	\$ 7,075,300	\$ 8,000,000	\$ 15,075,300
Estimated executory costs	(140,000)	(160,000)	(300,000)
Total lease payments net of executory cost	6,935,300	7,840,000	14,775,300
Earned interest to date	(1,746,474)	(2,150,506)	(3,896,980)
Unearned interest	(1,021,052)	(998,327)	(2,019,379)
Net investment in direct financing lease	4,167,774	4,691,167	8,858,941
Principal payments received to date	(1,084,214)	(1,349,494)	(2,433,708)
Total	<u>\$ 3,083,560</u>	<u>\$ 3,341,673</u>	<u>\$ 6,425,233</u>

Future minimum lease payments receivable under the lease agreements for the next five years and thereafter are:

1995	\$ 217,843	\$ 295,477	\$ 513,320
1996	273,502	307,575	581,077
1997	298,031	323,985	622,016
1998	320,637	343,110	663,747
1999	343,286	363,692	706,978
Thereafter	1,630,261	1,707,834	3,338,095
Total	<u>\$ 3,083,560</u>	<u>\$ 3,341,673</u>	<u>\$ 6,425,233</u>



**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994**

NOTE 3 - LEASE AGREEMENTS (CONTINUED)

Public Safety Building Lease

A lease agreement was entered into on September 13, 1988, with the City of Danville and County of Vermilion wherein the Commission agreed to lease the Public Safety Building to the City and County for their joint use. The agreement was amended November 1, 1993. This agreement includes the operations of a Joint Communications Center whose costs will be divided and apportioned equally between the County and City. The agreement provides also for the salaries and fringe benefits of "leased" employees whose costs shall be apportioned solely to the County.

Lease payments are due as follows:

	Public Safety Building		
	County	City	Total
November 1, 1994	\$ 2,371,981	\$ 770,869	\$ 3,142,850

If, in any year, the rental receipts are in excess of expenditures in the communication center, assigned personnel, or lease funds, the Commission shall either refund the excess to the City and County or the City and County may abate their respective tax levies by the excess. If, in any year, the net rental receipts are insufficient in these funds, the Commission shall consult with the City and County and provide essential services that can be had by use of such available funds. For the year ended October 31, 1994, net rental receipts were in excess of funds required. Accordingly, refunds of the excess will be made as follows:

City of Danville, Illinois	\$ 188,132
County of Vermilion, Illinois	416,690
Total	\$ 604,822

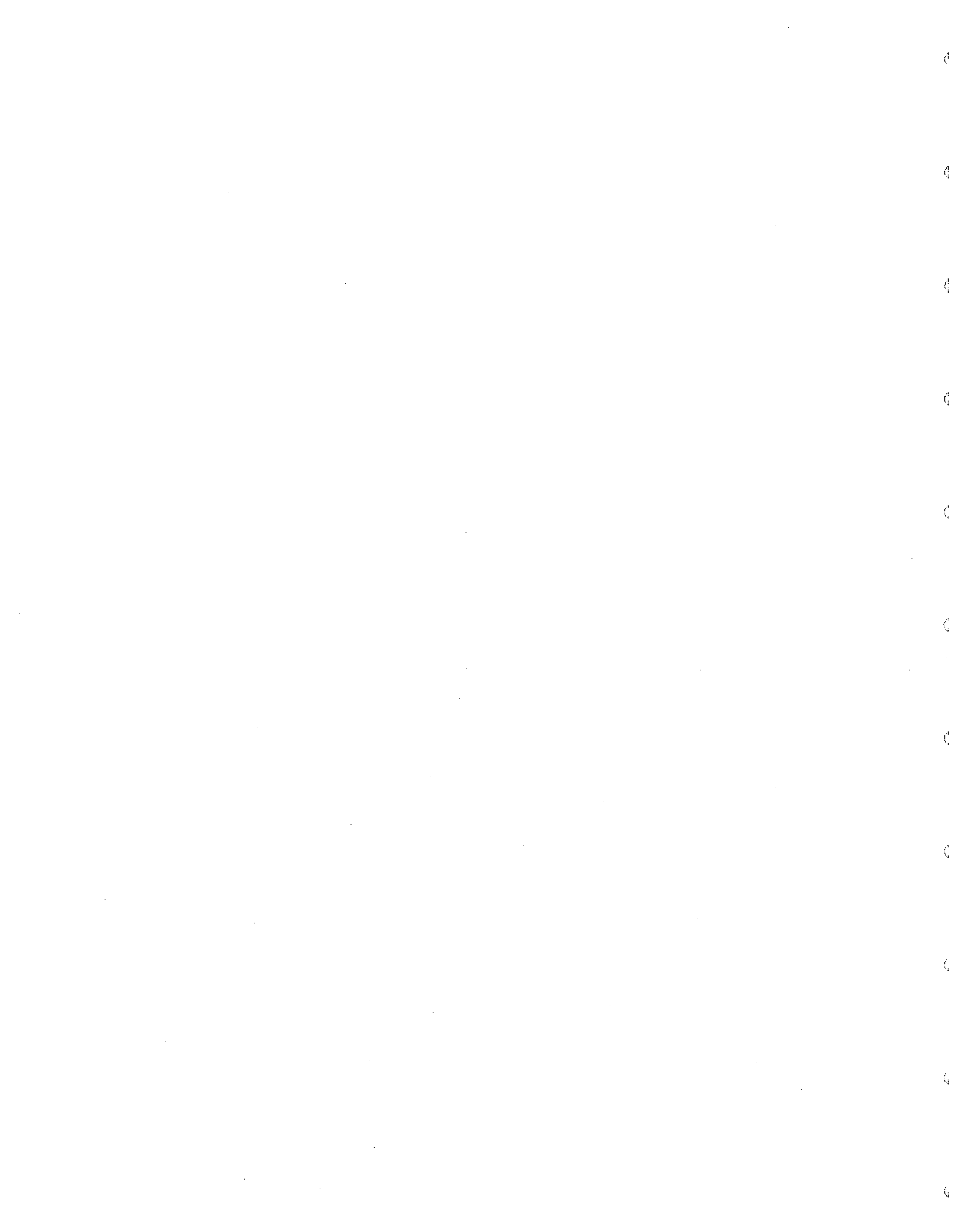
In regards to the capital improvements and maintenance funds, the following provisions are used to determine the amount of excess rental receipts to be refunded.

Maintenance Fund

Rental receipts are to be set aside up to a maximum of \$200,000. These funds are to provide for maintaining, repairing or replacing machinery, and other improvements upon the premises.

Capital Improvements Fund

Rental receipts are set aside for the purpose of making either capital improvements or repairs to the premises. Excess rental receipts may be refunded in accordance with the provisions for authorizing expenditures, however, the refund may not exceed \$100,000 a year. The County and City must approve joint and identical resolutions in order for the Commission to have authority to authorize expenditures from this fund.



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 4 - LONG-TERM DEBT

General obligation certificates of participation

The Commission issued general obligation certificates of participation in the related leases to provide funds for the advance refunding of revenue bonds. The revenue bonds were used for the acquisition and construction of major capital facilities for the participating governmental entities. The general obligation certificates of participation are specific obligations and pledge the full value of the related lease agreement. These certificates are issued as eleven year serial certificates, with various amounts of principal maturing each year. General obligation certificates of participation currently outstanding are as follows:

Vermilion County Building General Obligation certificates of participation outstanding, net of unamortized premium and issuance cost of \$78,505 and \$120,085, respectively, at October 31, 1994, are as follows:

Indebtedness:

Original Issue: \$3,415,000

Bonds: \$5,000 denomination, each dated November 1, 1991. Interest paid December and June 1.

<u>Due Date</u>	<u>Principal</u>	<u>Rate on Coupons</u>
1-1-95	\$ 225,000	6.30
1-1-96	225,000	6.40
1-1-97	250,000	6.50
1-1-98	325,000	6.60
1-1-99	325,000	6.70
1-1-00	350,000	6.80
1-1-01	375,000	6.80
1-1-02	425,000	6.80
1-1-03	<u>365,000</u>	6.80

Payable October 31, 1994

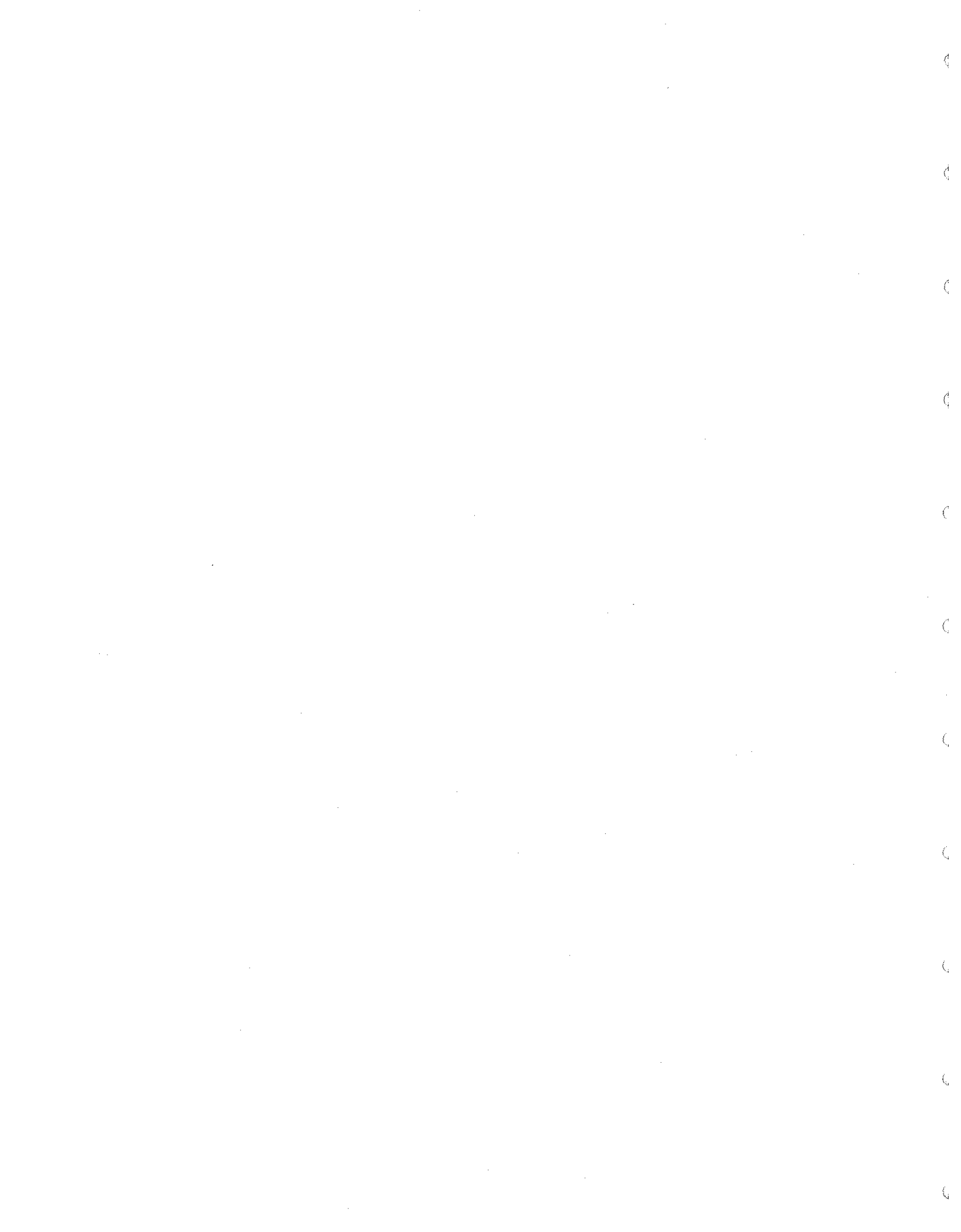
\$ 2,865,000

Danville School Building General Obligation certificates of participation outstanding, net of unamortized premium and issuance cost of \$74,882 and \$125,715, respectively, at October 31, 1994 are as follows:

Indebtedness:

Original Issue: \$3,475,000

Bonds: \$5,000 denomination, each dated November 1, 1991. Interest paid November 1 and May 1.



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 4 - LONG-TERM DEBT (CONTINUED)

<u>Due Date</u>	<u>Principal</u>	<u>Rate on Coupons</u>
6-1-95	\$ 225,000	6.5
6-1-96	250,000	6.5
6-1-97	275,000	6.6
6-1-98	300,000	6.7
6-1-99	325,000	6.8
6-1-00	350,000	6.9
6-1-01	375,000	7.0
6-1-02	400,000	7.1
6-1-03	<u>450,000</u>	6.5
Payable October 31, 1994	<u>\$ 2,950,000</u>	

	<u>Balance 10/31/93</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 10/31/94</u>
Vermilion County General Obligation Certificates of Participation	\$ 3,065,000	\$ -	\$ 200,000	\$ 2,865,000
Danville School Building General Obligation Certificates of Participation	<u>3,150,000</u>	<u>-</u>	<u>200,000</u>	<u>2,950,000</u>
Total	<u>\$ 6,215,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 5,815,000</u>

Summary of Certificates of Participation

	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Total</u>
Vermilion County Building General Obligation Certificates of Participation	\$ 225,000	\$ 2,640,000	\$ 2,865,000
Danville School Building General Obligation Certificates of Participation	<u>225,000</u>	<u>2,725,000</u>	<u>2,950,000</u>
Total	<u>\$ 450,000</u>	<u>\$ 5,365,000</u>	<u>\$ 5,815,000</u>



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 5 - ILLINOIS MUNICIPAL RETIREMENT FUND

DEFINED BENEFIT PENSION PLAN

Plan Description

Danville Public Building Commission (Employer) contributes to the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for 2,605 local governments and school districts in Illinois. The Employer's total payroll for the year ended December 31, 1993 was \$782,325. Of this amount, \$781,560 in payroll earnings were reported to and covered by the IMRF system.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Employer is required to contribute the remaining amounts necessary to fund the System, using the actuarial funding method specified by statute.

Related Party Transactions

There were no securities of the Employer or related parties included in the System's assets.

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of IMRF on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits prorated on service and is independent of the funding method used to determine contributions to IMRF.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1993. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 4.25% a year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.6% to 6.8% per year, depending on age and service attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually.



DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

NOTE 5 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Total unfunded pension benefit obligation applicable to the Employer's employees was \$-0- at December 31, 1993 (the latest date for which information is available), determined as follows:

Pension benefit obligation:	
Terminated employees not yet receiving benefits	\$ 43,662
Current employees:	
Accumulated employee contributions including allocated investment earnings	363,689
Employer-financed vested	564,591
Employer-financed nonvested	<u>56,052</u>
Total pension benefit obligation	1,027,994
Net assets available for benefits at cost (market value is \$1,402,505)	<u>1,254,780</u>
Unfunded pension benefit obligation	\$ <u>-</u>

The pension benefit obligation applicable to retirees and beneficiaries currently receiving benefits is not included in the above schedule due to the fact that this obligation was transferred from the Employer to IMRF as a whole when the annuity became payable.

Actuarially Determined Contribution Requirements and Contributions Made

The IMRF funding policy provides for actuarially determined monthly contributions at rates that will accumulate sufficient assets to pay benefits when due without having to be increased for future generations of taxpayers. The contribution rate for normal cost is determined using the entry age normal actuarial funding method. IMRF used the level percentage of payroll method to amortize the unfunded liability over a nine year period.

The contributions by the Employer to IMRF for 1993 of \$99,570 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1991. The contribution consisted of (a) \$90,192 normal cost (11.54% of 1993 covered payroll), (b) \$703 amortization of the unfunded actuarial accrued liability (.09% of 1993 covered payroll), (c) \$3,829 death and disability cost (.49% of 1993 covered payroll), and (d) \$4,845 cost of supplemental retirement benefit (.62% of 1993 covered payroll). The Employer contributed \$64,400 (8.24% of 1993 covered payroll); employees contributed \$35,170 (4.5% of 1993 covered payroll).

The new actuarial assumptions based on the 1990-1992 experience study were adopted in 1993. The changes will be incorporated into the 1995 contribution rates. The net effect of changes adopted in 1993 is estimated to decrease the obligation by \$9,451.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994**

NOTE 5 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Seven year trend information may be found on Page 17 of these financial statements. For the three years ended 1991, 1992, and 1993, respectively, available assets were sufficient to fund 111.08%, 117.57% and 122.06% of the pension benefit obligation. Unfunded pension benefit obligation represents 0.00%, 0.00%, and 0.00% of the annual payroll for the participating members covered by IMRF for 1991, 1992 and 1993, respectively. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended 1991, 1992 and 1993, the Employer's contribution to IMRF, all made in accordance with actuarially determined requirements, were 11.87%, 11.46% and 8.24%, respectively, of annual covered payroll.

Digest of Changes

Actuarial assumptions were modified based on the 1990-1992 experience study.

ANALYSIS OF FUNDING PROGRESS

<u>Year</u>	<u>(1) Pension Benefit Obligation</u>	<u>(2) Assets at Cost</u>	<u>Percent Funded (2)/(1)</u>	<u>(3) Unfunded Pensn. Oblig. (1) - (2)</u>	<u>(4) Annual Covered Payroll</u>	<u>Unfunded as Percentage of Payroll (3)/(4)</u>
1993	\$ 1,027,994	\$ 1,254,780	122.06%	\$ -	\$781,560	.00%
1992	911,613	1,071,765	117.57%	-	744,698	.00%
1991	797,739	886,166	111.08%	-	738,483	.00%
1990	735,114	710,842	96.70%	24,272	671,817	3.61%
1989	630,174	641,946	101.87%	-	576,512	.00%
1988	570,845	558,606	97.86%	12,239	558,688	2.19%
1987	510,203	473,232	92.75%	36,971	553,723	6.68%

Note: The trend information is provided starting in 1987 as specified by GASB 5.

NOTE 6 - DEFERRED COMPENSATION PLAN

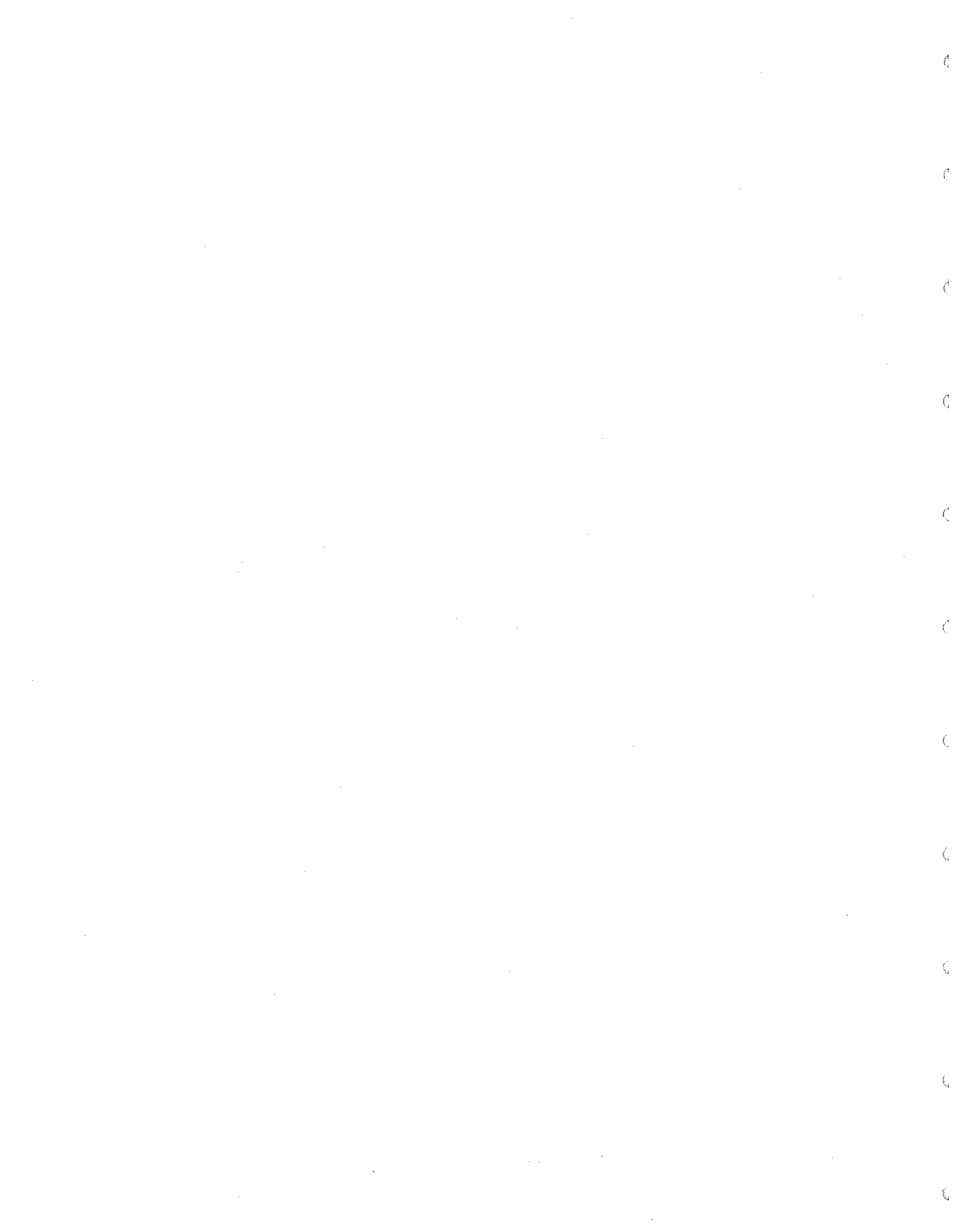
During fiscal 1993 the Commission adopted a deferred compensation plan under Section 457 of the Internal Revenue Code. This Plan allows employees to defer part of their compensation. The Commission is not required to make any contributions into the Plan. Contributions by participants are administered by a third-party agent and are considered available to the general creditors of the Commission. At September 30, 1994, Commission employees had \$24,506 invested.

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO FINANCIAL STATEMENTS
October 31, 1994

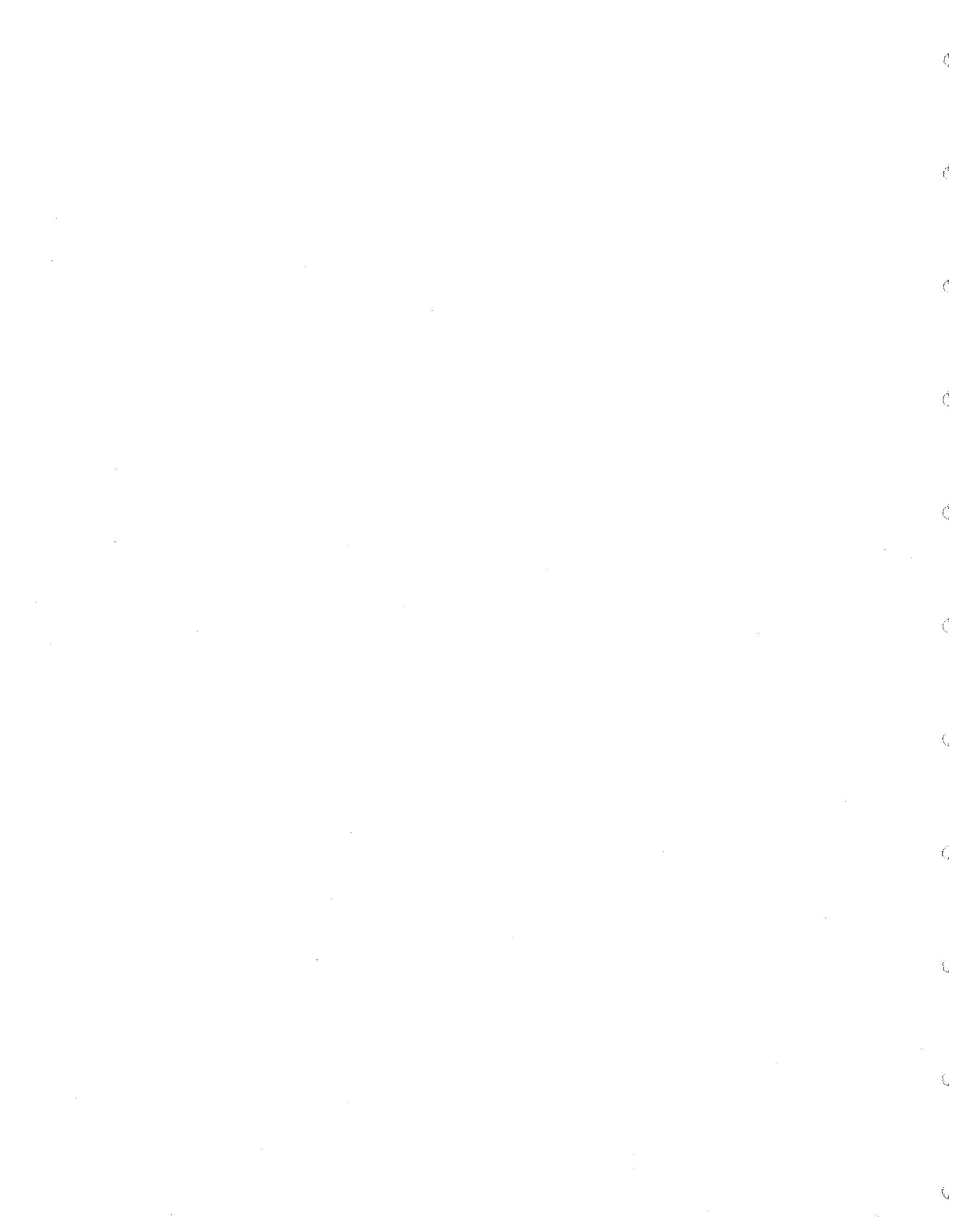
NOTE 7 - PRIOR PERIOD ADJUSTMENT

Due to other governmental units and retained earnings have been adjusted for the effects of errors in prior years' calculation of capitalized interest on facilities under construction covered under direct financing leases.

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



SUPPLEMENTAL INFORMATION



DANVILLE PUBLIC BUILDING COMMISSION
 COMBINING BALANCE SHEET
 October 31, 1994

ASSETS

	PROPRIETARY FUNDS					Total
	INTERNAL SERVICE					
	High School Construction Fund	Courthouse Renovation Fund	Safety Building Fund	Detention Center Fund		
CURRENT ASSETS						
Cash and cash equivalents	\$ 952,198	\$ 683,228	\$ 2,087,983	\$ 38,978	\$	\$ 3,762,387
Accrued interest receivable	12,036	6,263	10,940	-	-	29,239
Due from other funds	-	-	178	-	-	178
Due from other governments	-	-	38,334	14,669	-	53,003
Prepaid expenses	99,637	-	10,750	-	-	110,387
Miscellaneous receivables	-	325	4,448	-	-	4,773
Total current assets	<u>1,063,871</u>	<u>689,816</u>	<u>2,152,633</u>	<u>53,647</u>	<u>-</u>	<u>3,959,967</u>
PROPERTY AND EQUIPMENT						
Property and equipment, net of accumulated depreciation	-	-	4,410,967	-	-	4,410,967
OTHER ASSETS						
Lease receivable	3,083,560	3,341,673	-	-	-	6,425,233
Unamortized certificates of participation cost	125,715	120,085	-	-	-	245,800
Total other assets	<u>3,209,275</u>	<u>3,461,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,671,033</u>
TOTAL ASSETS	<u>\$ 4,273,146</u>	<u>\$ 4,151,574</u>	<u>\$ 6,563,600</u>	<u>\$ 53,647</u>	<u>\$</u>	<u>\$ 15,041,967</u>

LIABILITIES AND RETAINED EARNINGS

	PROPRIETARY FUNDS					Total
	INTERNAL SERVICE					
	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	Detention Center Fund		
CURRENT LIABILITIES						
Accounts payable	\$ 23,354	\$ -	\$ 98,480	\$ 14,669	\$	\$ 136,503
Interest payable	-	90,346	-	-	-	90,346
Certificates of participations payable	225,000	225,000	-	-	-	450,000
Due to other funds	178	-	-	-	-	178
Due to other governments:						
City	-	-	188,132	-	-	188,132
Vermilion County	-	-	416,690	-	-	416,690
State	-	-	-	38,978	-	38,978
Other	-	-	5,000	-	-	5,000
Deferred revenue	117,381	-	-	-	-	117,381
Total current liabilities	365,913	315,346	708,302	53,647	-	1,443,208
LONG-TERM LIABILITIES						
Due to other governmental units	1,138,440	1,421,057	-	-	-	2,559,497
Certificates of participation payable	2,725,000	2,640,000	-	-	-	5,365,000
Unamortized premium on certificates of participation	74,882	78,505	-	-	-	153,387
Total long-term liabilities	3,938,322	4,139,562	-	-	-	8,077,884
Total liabilities	4,304,235	4,454,908	708,302	53,647	-	9,521,092
RETAINED EARNINGS						
Reserved for High School Construction	(31,089)	-	-	-	-	(31,089)
Reserved for Courthouse Renovation	-	(303,334)	-	-	-	(303,334)
Reserved for Fire Dispatch	-	-	637	-	-	637
Reserved for Burglar Alarm	-	-	47,652	-	-	47,652
Reserved for 911	-	-	79,103	-	-	79,103
Reserved for Municipal Building	-	-	27,010	-	-	27,010
Reserved for Maintenance	-	-	88,074	-	-	88,074
Reserved for Capital Improvements	-	-	1,201,855	-	-	1,201,855
Investment in property and equipment	-	-	4,410,967	-	-	4,410,967
Total retained earnings (deficit)	(31,089)	(303,334)	5,855,298	-	-	5,520,875
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 4,273,146	\$ 4,151,574	\$ 6,563,600	\$ 53,647	\$	\$ 15,041,967

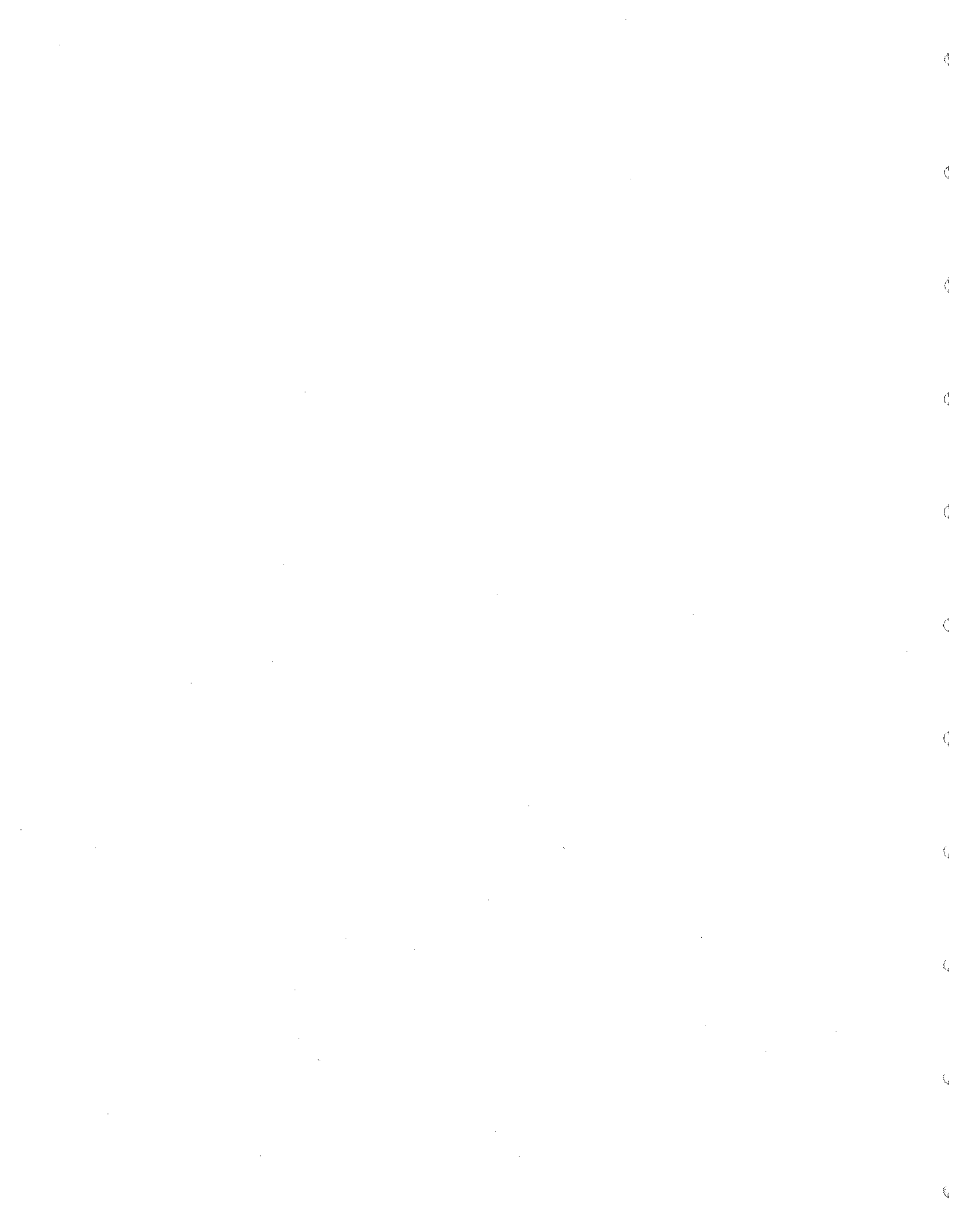
DANVILLE PUBLIC BUILDING COMMISSION
COMBINING STATEMENT OF REVENUES AND EXPENDITURES
 Year Ended October 31, 1994

REVENUES	PROPRIETARY FUNDS					Total
	INTERNAL SERVICE					
	High School Construction Fund	Courthouse Renovation Fund	Safety Building Fund	Detention Center Fund	Public	
Rent	\$ -	\$ -	\$ 3,086,987	\$ -	-	\$ 3,086,987
Salary reimbursement	-	-	61,689	-	-	61,689
Interest on capital lease	276,189	278,586	-	-	-	554,775
Interest on investment and deposits	32,280	25,012	114,155	-	-	171,447
Fees	-	-	6,688	-	-	6,688
Miscellaneous	-	-	659	-	-	659
Total revenues	308,469	303,598	3,270,178	-	-	3,882,245
OPERATING EXPENSES						
Administrative	-	-	79,368	-	-	79,368
Operations and maintenance	2,487	109,452	709,842	-	-	821,781
Communications	-	-	561,628	-	-	561,628
Assigned personnel cost and dietary	-	-	984,320	-	-	984,320
Municipal building	-	-	6,652	-	-	6,652
Depreciation	-	-	226,795	-	-	226,795
Total operating expenses	2,487	109,452	2,568,605	-	-	2,680,544
OPERATING INCOME	305,982	194,146	701,573	-	-	1,201,701
NON-OPERATING REVENUES (EXPENSES)						
Amortization of certificates of participation:						
Premium	13,556	11,594	-	-	-	25,150
Issuance cost	(8,523)	(8,383)	-	-	-	(16,906)
Interest expense	(215,775)	(197,170)	-	-	-	(412,945)
Total	(210,742)	(193,959)	-	-	-	(404,701)
Deficiency earnings due to governmental units	(95,240)	(187)	(604,822)	-	-	(700,249)
Total non-operating expenses	(305,982)	(194,146)	(604,822)	-	-	(1,104,950)
NET INCOME	\$ -	\$ -	\$ 96,751	\$ -	\$ -	\$ 96,751



DANVILLE PUBLIC BUILDING COMMISSION
 COMBINING STATEMENT OF RETAINED EARNINGS
 Year Ended October 31, 1994

	PROPRIETARY FUNDS					Total
	INTERNAL SERVICE					
	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	Detention Center Fund		
BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ -	\$ -	\$ 5,758,547	\$ -	\$ 5,758,547	
Prior period adjustment	(31,089)	(303,334)	-	-	(334,423)	
BALANCE, BEGINNING OF YEAR, AS RESTATE	(31,089)	(303,334)	5,758,547	-	5,424,124	
Net income	-	-	96,751	-	96,751	
BALANCE, END OF YEAR	\$ (31,089)	\$ (303,334)	\$ 5,855,298	\$ -	\$ 5,520,875	



DANVILLE PUBLIC BUILDING COMMISSION
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended October 31, 1994

	PROPRIETARY FUNDS					Total
	INTERNAL SERVICE					
	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	Detention Center Fund		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income	\$ -	\$ -	\$ 96,751	\$ -	\$ -	\$ 96,751
Adjustments to reconcile net income to cash provided by operating activities:						
Depreciation	(13,556)	(11,594)	226,795	-	-	226,795
Amortization of certificates of participation:						
Premiums	8,523	8,383	-	-	-	(25,150)
Issuance cost	-	-	-	-	-	16,906
Changes in operating assets and liabilities:						
Decrease (increase) in miscellaneous receivables	471	-	(4,448)	-	-	(3,977)
Increase (decrease) in accounts payable	(3,894)	(29,336)	84,756	-	-	51,526
Increase in due to other governments	(113,201)	(106,241)	64,154	(2,699)	-	(157,987)
Increase in due from other governments	-	-	(38,334)	-	-	(38,334)
Decrease in prepaid expenses	8,250	-	-	-	-	8,250
Decrease in deferred revenue	(82,800)	-	-	-	-	(82,800)
Decrease in due to other funds	(512)	-	-	-	-	(512)
Decrease in due from other funds	-	-	512	-	-	512
Net cash provided by (used in) operating activities	(196,719)	(138,788)	430,186	(2,699)	-	91,980
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	-	-	(238,067)	-	-	(238,067)
Principal paid on certificates of participation	(200,000)	(200,000)	-	-	-	(400,000)
Interest paid on certificates of participation	(215,775)	(197,170)	-	-	-	(412,945)
Net cash used for capital and related financing activities	(415,775)	(397,170)	(238,067)	-	-	(1,051,012)

PROPRIETARY FUNDS
INTERNAL SERVICE

	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	Detention Center Fund	Total
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from capital lease agreements	\$ 515,362	\$ 500,000	\$ -	\$ -	\$ 1,015,362
Interest on investments	<u>32,280</u>	<u>25,012</u>	-	-	<u>57,292</u>
Net cash provided by investing activities	<u>547,642</u>	<u>525,012</u>	-	-	<u>1,072,654</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64,852)	(10,946)	192,119	(2,699)	113,622
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,017,050</u>	<u>694,174</u>	<u>1,895,864</u>	<u>41,677</u>	<u>3,648,765</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 952,198</u>	<u>\$ 683,228</u>	<u>\$ 2,087,983</u>	<u>\$ 38,978</u>	<u>\$ 3,762,387</u>

SCHEDULE E

**DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF EXPENDITURES COMPARED TO BUDGET -
PUBLIC SAFETY BUILDING FUND - LEASE ACCOUNT
Year Ended October 31, 1994**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ADMINISTRATIVE			
Salaries	\$ 50,000	\$ 49,676	\$ 324
Payroll taxes	8,500	8,414	86
Employee insurance	5,000	3,761	1,239
Office supplies	3,500	2,924	576
Maintenance-office equipment	1,000	328	672
Audit	4,150	4,139	11
Legal	12,000	6,250	5,750
Travel	4,500	3,445	1,055
Miscellaneous	<u>1,500</u>	<u>431</u>	<u>1,069</u>
TOTAL ADMINISTRATIVE	<u>\$ 90,150</u>	<u>\$ 79,368</u>	<u>\$ 10,782</u>
OPERATIONS AND MAINTENANCE			
Salaries	\$ 258,800	\$ 255,406	\$ 3,394
Payroll taxes	44,100	28,903	15,197
Employee insurance	36,200	26,445	9,755
Insurance	52,000	49,150	2,850
Utilities	237,400	206,131	31,269
Physical exams	500	271	229
Janitorial supplies	17,500	13,081	4,419
Maintenance supplies	25,500	21,948	3,552
Maintenance service-equipment	17,000	14,914	2,086
Maintenance service-buildings and grounds	12,000	10,921	1,079
Equipment-contractual service	92,520	73,853	18,667
Snow removal	2,000	880	1,120
Miscellaneous	1,500	1,458	42
Uniforms	2,000	595	1,405
Professional services	40,000	5,186	34,814
Travel	1,000	193	807
Equipment rentals	<u>600</u>	<u>507</u>	<u>93</u>
TOTAL OPERATIONS AND MAINTENANCE	<u>\$ 840,620</u>	<u>\$ 709,842</u>	<u>\$ 130,778</u>

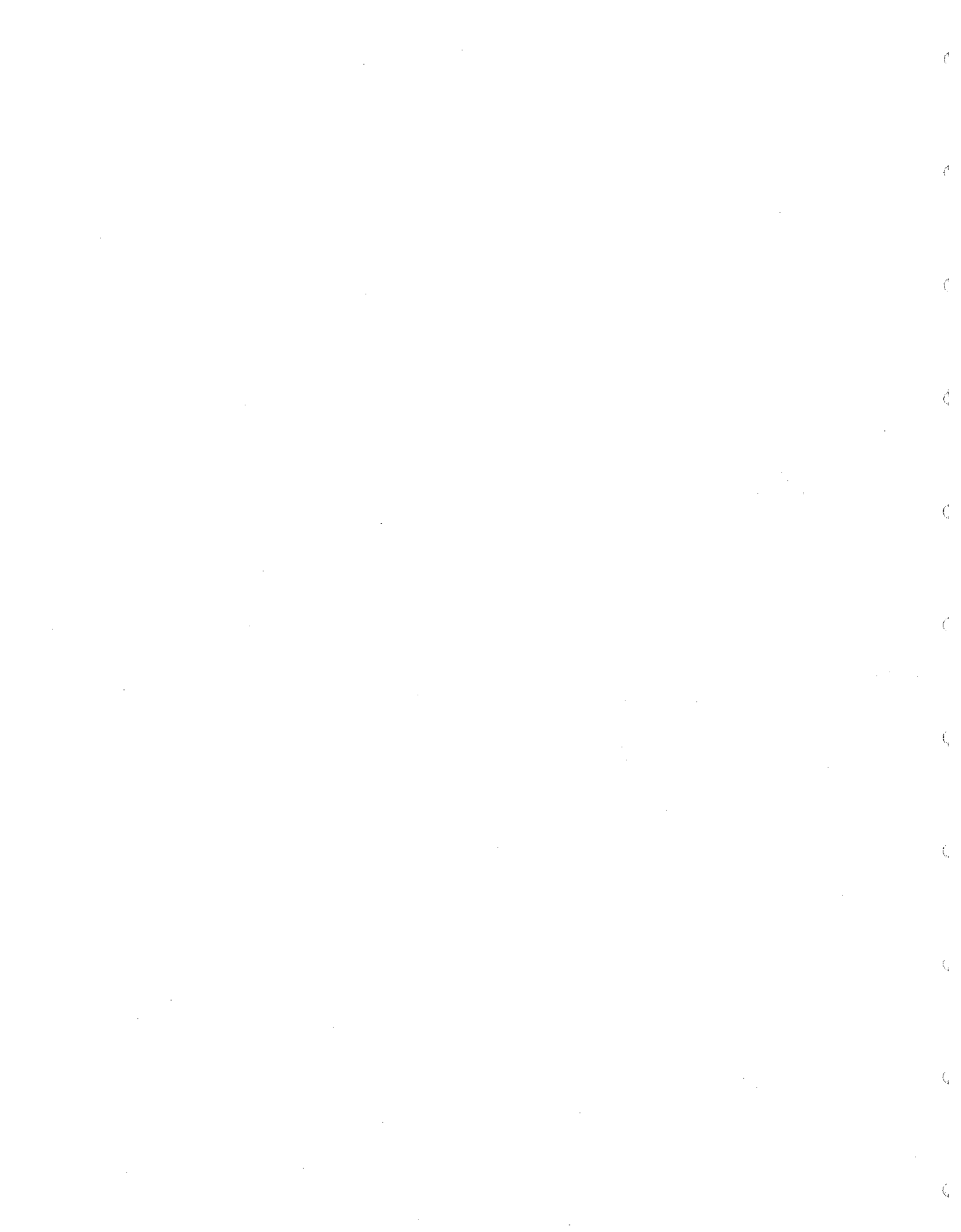
**DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF EXPENDITURES COMPARED TO BUDGET -
PUBLIC SAFETY BUILDING FUND - LEASE ACCOUNT
Year Ended October 31, 1994**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
COMMUNICATIONS			
Salaries	\$ 460,500	\$ 437,205	\$ 23,295
Payroll taxes	78,285	74,750	3,535
Insurance	52,300	40,235	12,065
Telephone	6,000	5,702	298
Maintenance supplies	3,000	1,327	1,673
Travel	1,000	261	739
Miscellaneous	2,000	1,292	708
Equipment maintenance	<u>1,500</u>	<u>856</u>	<u>644</u>
TOTAL COMMUNICATIONS	<u>\$ 604,585</u>	<u>\$ 561,628</u>	<u>\$ 42,957</u>
ASSIGNED PERSONNEL AND DIETARY			
Personnel cost - County	\$ 796,868	\$ 796,866	\$ 2
Fringe benefits	50,786	50,785	1
Dietary services - County	137,045	137,045	-
Training/correctional officers	<u>5,975</u>	<u>(376)</u>	<u>6,351</u>
TOTAL ASSIGNED PERSONNEL AND DIETARY	<u>\$ 990,674</u>	<u>\$ 984,320</u>	<u>\$ 6,354</u>



DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF CHANGES IN RESERVED ACCOUNTS -
PUBLIC SAFETY BUILDING FUND
Year Ended October 31, 1994

	Communication Center	Assigned Personnel	Lease	Fire Dispatch	Burglar Alarm	911
RETAINED EARNINGS, BEGINNING OF YEAR	\$ -	\$ -	\$ -	\$ 15,450	\$ 40,964	\$ -
REVENUES						
Rent	604,585	990,674	1,291,311	-	-	50,417
Fees	-	-	-	-	6,688	-
Interest	-	-	66,637	-	-	-
Salary reimbursement	-	-	-	-	-	28,027
Miscellaneous	-	-	-	-	-	659
Total revenue	<u>604,585</u>	<u>990,674</u>	<u>1,357,948</u>	<u>-</u>	<u>6,688</u>	<u>79,103</u>
EXPENDITURES						
Administration	-	-	79,368	-	-	-
Operations and maintenance	-	-	709,842	-	-	-
Communications	561,628	-	-	-	-	-
Assigned personnel	-	984,320	-	-	-	-
Municipal building	-	-	-	-	-	-
Equipment	-	-	13,227	14,813	-	-
Depreciation	-	-	-	-	-	-
Total expenditures	<u>561,628</u>	<u>984,320</u>	<u>802,437</u>	<u>14,813</u>	<u>-</u>	<u>-</u>
Operating income (loss)	42,957	6,354	555,511	(14,813)	6,688	79,103
OTHER SOURCES (USES)						
Excess rent	<u>(42,957)</u>	<u>(6,354)</u>	<u>(555,511)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,813)</u>	<u>6,688</u>	<u>79,103</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637</u>	<u>\$ 47,652</u>	<u>\$ 79,103</u>



DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF CHANGES IN RESERVED ACCOUNTS -
PUBLIC SAFETY BUILDING FUND
 Year Ended October 31, 1994

	Municipal Building	Capital Improvements	Maintenance	Total	Eliminating Entries	Total After Elimination Entries
RETAINED EARNINGS, BEGINNING						
OF YEAR	\$ -	\$ 1,235,885	\$ 66,553	\$ 1,358,854	\$ -	\$ 1,358,854
REVENUES						
Rent	-	100,000	50,000	3,086,987	-	3,086,987
Fees	-	-	-	6,688	-	6,688
Interest	-	44,267	3,251	114,155	-	114,155
Salary reimbursement	33,662	-	-	61,689	-	61,689
Miscellaneous	-	-	-	659	-	659
Total revenue	<u>33,662</u>	<u>144,267</u>	<u>53,251</u>	<u>3,270,178</u>	<u>-</u>	<u>3,270,178</u>
EXPENDITURES						
Administration	-	-	-	79,368	-	79,368
Operations and maintenance	-	-	-	709,842	-	709,842
Communications	-	-	-	561,628	-	561,628
Assigned personnel	-	-	-	984,320	-	984,320
Municipal building	6,652	-	-	6,652	-	6,652
Equipment	-	178,297	31,730	238,067	(238,067)	-
Depreciation	-	-	-	-	226,795	226,795
Total expenditures	<u>6,652</u>	<u>178,297</u>	<u>31,730</u>	<u>2,579,877</u>	<u>(11,272)</u>	<u>2,568,605</u>
Operating income (loss)	27,010	(34,030)	21,521	690,301	11,272	701,573
OTHER SOURCES (USES)						
Excess rent	-	-	-	(604,822)	-	(604,822)
NET INCOME (LOSS)	<u>27,010</u>	<u>(34,030)</u>	<u>21,521</u>	<u>85,479</u>	<u>11,272</u>	<u>96,751</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 27,010</u>	<u>\$ 1,201,855</u>	<u>\$ 88,074</u>	<u>\$ 1,444,333</u>	<u>\$ 11,272</u>	<u>\$ 1,455,605</u>

