

DANVILLE PUBLIC BUILDING COMMISSION

Danville, Illinois

GENERAL PURPOSE FINANCIAL STATEMENTS

October 31, 1996

**F**OX  
&  
**C**rowder Ltd.  
CERTIFIED PUBLIC  
ACCOUNTANTS  
& CONSULTANTS

DANVILLE PUBLIC BUILDING COMMISSION  
Danville, Illinois

GENERAL PURPOSE FINANCIAL STATEMENTS

October 31, 1996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT . . . . .	1
FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups . . . . .	2 - 3
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types . . . . .	4
Combined Statement of Cash Flows - All Proprietary Fund Types . . . . .	5
Notes to Financial Statements . . . . .	6 - 20
SUPPLEMENTAL INFORMATION	
Schedule 1 - Combining Balance Sheet . . . . .	21 - 22
Schedule 2 - Combining Statement of Revenues, Expenses, and Changes in Retained Earnings . . . . .	23
Schedule 3 - Combining Statement of Cash Flows . . . . .	24 - 25
Schedule 4 - Statement of Expenses Compared to Budget - Public Safety Building Fund - Lease Account . . . . .	26 - 27
Schedule 5 - Statement of Changes in Reserved Accounts - Public Safety Building Fund . . . . .	28 - 29



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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Danville Public Building Commission  
Danville, Illinois

We have audited the accompanying general purpose financial statements of the Danville Public Building Commission as of and for the year ended October 31, 1996, 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. The financial statements of the Danville Public Building Commission as of October 31, 1995, were audited by other auditors whose report dated November 16, 1995, expressed an unqualified opinion on those statements.

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, 1996, 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.

*Fox & Crowder Ltd.*

Danville, Illinois  
January 14, 1997  
(except for Note 9, as to which  
the date is November 25, 1997)

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 October 31, 1996

	<u>Proprietary Fund Type</u> Internal Service	<u>Fiduciary Fund Type</u> Agency	<u>Total Memorandum Only</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,601,144	3,505	4,604,649
Investments in deferred compensation	-	61,553	61,553
Accrued interest receivable	30,325	-	30,325
Due from other funds	178	-	178
Due from other governments	5,046	-	5,046
Prepaid expenses	109,596	-	109,596
Miscellaneous receivables	<u>381</u>	<u>-</u>	<u>381</u>
<b>Total current assets</b>	<u>4,746,670</u>	<u>65,058</u>	<u>4,811,728</u>
<b>PROPERTY AND EQUIPMENT</b>			
Property and equipment, net of accumulated depreciation	<u>4,168,802</u>	<u>-</u>	<u>4,168,802</u>
<b>OTHER ASSETS</b>			
Lease receivable	5,330,836	-	5,330,836
Unamortized certificates of participation cost	<u>205,647</u>	<u>-</u>	<u>205,647</u>
<b>Total other assets</b>	<u>5,536,483</u>	<u>-</u>	<u>5,536,483</u>
<b>TOTAL ASSETS</b>	<u>14,451,955</u>	<u>65,058</u>	<u>14,517,013</u>

See accompanying notes.

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 October 31, 1996

	<u>Proprietary Fund Type</u> Internal Service	<u>Fiduciary Fund Type</u> Agency	<u>Total Memorandum Only</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	165,136	-	165,136
Interest payable	67,706	-	67,706
Accrued expenses	29,198	-	29,198
Certificates of participation payable	525,000	-	525,000
Due to other funds	178	-	178
Due to other governments:			
City	302,167	-	302,167
Vermilion County	368,712	-	368,712
Other	81,551	-	81,551
Deferred revenue	<u>516,753</u>	<u>-</u>	<u>516,753</u>
Total current liabilities	<u>2,056,401</u>	<u>-</u>	<u>2,056,401</u>
<b>LONG-TERM LIABILITIES</b>			
Due to other government units	1,973,952	-	1,973,952
Certificates of participation payable	4,365,000	-	4,365,000
Unamortized premium on certificates of participation	105,315	-	105,315
Due to others	<u>-</u>	<u>65,058</u>	<u>65,058</u>
Total long-term liabilities	<u>6,444,267</u>	<u>65,058</u>	<u>6,509,325</u>
Total liabilities	<u>8,500,668</u>	<u>65,058</u>	<u>8,565,726</u>
<b>RETAINED EARNINGS (DEFICIT)</b>			
Reserved for H.S. Construction	-	-	-
Reserved for Courthouse Renovation	-	-	-
Reserved for Fire Dispatch	(646)	-	(646)
Reserved for Burglar Alarm	58,526	-	58,526
Reserved for 911	218,893	-	218,893
Reserved for Municipal Building	1,185	-	1,185
Reserved for Capital Improvements	1,476,870	-	1,476,870
Reserved for Maintenance	27,657	-	27,657
Investment in property and equipment	<u>4,168,802</u>	<u>-</u>	<u>4,168,802</u>
Total retained earnings	<u>5,951,287</u>	<u>-</u>	<u>5,951,287</u>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<u>14,451,955</u>	<u>65,058</u>	<u>14,517,013</u>

See accompanying notes.

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ALL PROPRIETARY FUND TYPES  
 Year Ended October 31, 1996

	<u>Proprietary Fund Type Internal Service</u>	<u>Totals Memorandum Only</u>
<b>OPERATING REVENUES</b>		
Rent	3,318,644	3,318,644
Salary reimbursement	16,823	16,823
Interest on capital lease	378,161	378,161
Interest on investments and deposits	303,769	303,769
Fees	4,476	4,476
Miscellaneous	<u>190</u>	<u>190</u>
Total operating revenues	<u>4,022,063</u>	<u>4,022,063</u>
<b>OPERATING EXPENSES</b>		
Administrative	80,343	80,343
Operations and maintenance	804,988	804,988
Communications	607,441	607,441
Assigned personnel and dietary	1,058,281	1,058,281
Construction management agreements	24,223	24,223
Depreciation	<u>253,444</u>	<u>253,444</u>
Total operating expenses	<u>2,828,720</u>	<u>2,828,720</u>
<b>INCOME FROM OPERATIONS</b>	<u>1,193,343</u>	<u>1,193,343</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Amortization of certificates of participation:		
Premium	24,099	24,099
Issuance cost	(21,132)	(21,132)
Interest expense	(331,705)	(331,705)
Excess earnings due to government units	(822,124)	(822,124)
Correction of prior years excess earnings	<u>74,476</u>	<u>74,476</u>
Total non-operating expenses	<u>(1,076,386)</u>	<u>(1,076,386)</u>
<b>NET INCOME</b>	116,957	116,957
<b>RETAINED EARNINGS - BEGINNING OF YEAR</b>	<u>5,834,330</u>	<u>5,834,330</u>
<b>RETAINED EARNINGS - END OF YEAR</b>	<u>5,951,287</u>	<u>5,951,287</u>

See accompanying notes.

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES  
 Year Ended October 31, 1996

	<u>Proprietary Fund Type Internal Service</u>	<u>Totals Memorandum Only</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	116,957	116,957
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	253,444	253,444
Amortization of certificates of participation:		
Premiums	(24,100)	(24,100)
Issuance cost	21,133	21,133
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(10,681)	(10,681)
(Increase) decrease in due from other governments	20,621	20,621
(Increase) decrease in prepaid expenses	(6,521)	(6,521)
Increase (decrease) in accounts payable	147,402	147,402
Increase (decrease) in accrued expenses	29,198	29,198
Increase (decrease) in due to other governments	(180,365)	(180,365)
Increase (decrease) in interest payable	(24,528)	(24,528)
Increase (decrease) in deferred revenue	<u>407,136</u>	<u>407,136</u>
Net cash provided by operating activities	<u>749,696</u>	<u>749,696</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(94,851)	(94,851)
Principal paid on certificates of participation	(475,000)	(475,000)
Interest paid on certificates of participation	<u>(331,705)</u>	<u>(331,705)</u>
Net cash used in capital and related financing activities	<u>(901,556)</u>	<u>(901,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from capital lease agreements	959,236	959,236
Interest on investments and deposits	<u>82,008</u>	<u>82,008</u>
Net cash provided by investing activities	<u>1,041,244</u>	<u>1,041,244</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	889,384	889,384
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,711,760</u>	<u>3,711,760</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>4,601,144</u>	<u>4,601,144</u>

See accompanying notes.



DANVILLE PUBLIC BUILDING COMMISSION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
October 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 various branches, departments, and agencies of government in the County Seat of Vermilion County, Illinois.

Reporting Entity - The Commission's reporting entity includes the Commission's governing board and all related organizations for which the Commission is financially accountable.

The Commission is not aware of any entity which would be financially accountable for the Commission to the extent that the Commission would be 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 - Governmental agencies use fund and account groups to report on their financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Presently, the Commission has two categories of funds, the proprietary (internal service fund) and the fiduciary (agency fund).

DANVILLE PUBLIC BUILDING COMMISSION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
October 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fund Accounting (cont.) - Proprietary Funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. Proprietary Fund equity is segregated into contributed capital and retained earnings.

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.

Fiduciary Fund types are used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Budget - In accordance with their intergovernmental agreement, the Board shall approve an annual operating budget.

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

DANVILLE PUBLIC BUILDING COMMISSION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
October 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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.

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

Total Columns - Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted principles. Neither is such data comparable to a consolidation.

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 2 - 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.

Category #1	Category #2	Bank Balance	Carrying Amount
19,717	-	19,717	14,644

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

	Category #1	Category #2	Category #3	Carrying Amount	Market Value
Certificates of deposit	400,000	4,186,500	-	4,586,500	3,635,200

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 deposits and cash equivalents for which securities are held by the pledging financial institution or its trust department but not in the Commission's name.

Category #3 includes uninsured and uncollateralized deposits and cash equivalents.

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, 1996, restricted cash and cash equivalent balances are:

	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	Total
Capital improvement	-	-	1,495,488	1,495,488
Maintenance	-	-	154,720	154,720
Bond reserve	502,690	522,270	-	1,024,960
Surplus revenue	12,867	199,392	-	212,259
Total restricted	<u>515,557</u>	<u>721,662</u>	<u>1,650,208</u>	<u>2,887,427</u>

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 3 - CHANGES IN PROPERTY AND EQUIPMENT

<u>Public Safety Building</u>	<u>Balance 10/31/95</u>	<u>Additions</u>	<u>Balance 10/31/96</u>	<u>Accumulated Depreciation</u>	<u>Net 10/31/96</u>
Land	558,575	-	558,575	-	558,575
Building	6,219,226	-	6,219,226	3,120,349	3,098,877
Equipment	1,587,357	92,388	1,679,745	1,170,747	508,998
Furniture and fixtures	<u>137,597</u>	<u>2,463</u>	<u>140,060</u>	<u>137,708</u>	<u>2,352</u>
TOTAL	<u>8,502,755</u>	<u>94,851</u>	<u>8,597,606</u>	<u>4,428,804</u>	<u>4,168,802</u>

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 4 - LEASE AGREEMENT

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, 1996, the liability to the County for excess revenues from this lease totaled \$1,499,309.

High School Renovation Lease - The Commission has entered into a lease agreement with Danville Community Consolidated School District 118 beginning on September 28, 1988 and ending on May 1, 2003. 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, 1996, the liability to the School District for excess revenues from this lease totaled \$809,066.

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

	<u>High School Renovation</u>	<u>Courthouse Renovation</u>
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	-
	<u>3,335,612</u>	<u>3,000,000</u>

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 4 - LEASE AGREEMENT (cont.)

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	<u>(140,000)</u>	<u>(160,000)</u>	<u>(300,000)</u>
Total lease payments net of executory cost	6,935,300	7,840,000	14,775,300
Earned interest to date	(2,164,129)	(2,547,483)	(4,711,612)
Unearned interest	<u>(603,397)</u>	<u>(601,350)</u>	<u>(1,204,747)</u>
Net investment in direct financing lease	4,167,774	4,691,167	8,858,941
Principal payments received to date	<u>(1,575,559)</u>	<u>(1,952,546)</u>	<u>(3,528,105)</u>
<b>TOTAL</b>	<u><u>2,592,215</u></u>	<u><u>2,738,621</u></u>	<u><u>5,330,836</u></u>

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

1997	298,031	323,985	622,016
1998	320,637	343,110	663,747
1999	343,286	363,692	706,978
2000	365,855	386,387	752,242
2001	389,306	416,378	805,684
Thereafter	<u>875,100</u>	<u>905,069</u>	<u>1,780,169</u>
<b>TOTAL</b>	<u><u>2,592,215</u></u>	<u><u>2,738,621</u></u>	<u><u>5,330,836</u></u>

Public Safety Building Lease - A lease agreement was entered into on September 13, 1988, with the City of Danville and County of Vermilion where 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 the 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:

	<u>Public Safety Building County</u>	<u>City</u>	<u>Total</u>
November 1, 1996	2,559,367	831,768	3,391,135

DANVILLE PUBLIC BUILDING COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
October 31, 1996

NOTE 4 - LEASE AGREEMENT (cont.)

If, in any year, the accrual 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, 1996, net rental receipts were in excess of funds required. Accordingly, refunds of the excess will be made as follows:

City of Danville, Illinois	302,167
County of Vermilion, Illinois	<u>368,712</u>
TOTAL	<u>670,879</u>

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 minimum 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, 1996

NOTE 5 - LONG-TERM DEBT

General Obligation Certificates of Participation - The Commission issued general obligation certificates of participation in the related leases to provide funds for 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 (amortized on the straight-line basis over the life of the obligation) of \$54,294 and \$100,175, respectively, at October 31, 1996, are as follows:

Indebtedness:  
 Original Issue: \$3,415,000  
 Certificates: \$5,000 denomination, each dated November 1, 1991.  
 Interest paid December and June 1.

	<u>Principal</u>	<u>Rate on Coupons</u>
01/01/97	250,000	6.50
01/01/98	325,000	6.60
01/01/99	325,000	6.70
01/01/00	350,000	6.80
01/01/01	375,000	6.80
01/01/02	425,000	6.80
01/01/03	<u>365,000</u>	6.80
Payable October 31, 1996	<u>2,415,000</u>	

Danville School Building General Obligation certificates of participation outstanding net of unamortized premium and issuance cost of \$51,021 and \$105,472, respectively, at October 31, 1996 are as follows:

Indebtedness:  
 Original Issue: \$3,475,000  
 Certificates: \$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, 1996

NOTE 5 - LONG-TERM DEBT (cont.)

	<u>Principal</u>	<u>Rate on Coupons</u>
06/01/97	275,000	6.60
06/01/98	300,000	6.70
06/01/99	325,000	6.80
06/01/00	350,000	6.90
06/01/01	375,000	7.00
06/01/02	400,000	7.10
06/01/03	<u>450,000</u>	6.50
Payable October 31, 1996	<u>2,475,000</u>	

	<u>Balance 10/31/95</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 10/31/96</u>
Vermilion County General Obligation Certificates of Participation	2,640,000	-	225,000	2,415,000
Danville School Building General Obligation Certifi- cates of Particip- ation	<u>2,725,000</u>	<u>-</u>	<u>250,000</u>	<u>2,475,000</u>
TOTAL	<u>5,365,000</u>	<u>-</u>	<u>475,000</u>	<u>4,890,000</u>

SUMMARY OF CERTIFICATES OF PARTICIPATION

	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Total</u>
Vermilion County Building General Obligation Certi- ficates of Participation	250,000	2,165,000	2,415,000
Danville School Building General Obligation Certi- ficates of Participation	<u>275,000</u>	<u>2,200,000</u>	<u>2,475,000</u>
	<u>525,000</u>	<u>4,365,000</u>	<u>4,890,000</u>

NOTE 6 - 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 2,844 local governments and school districts in Illinois. The Employer's total payroll for the year ended December 31, 1995 was \$844,711. Of this amount, \$843,425 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, 1995. 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, 1996

NOTE 6 - ILLINOIS MUNICIPAL RETIREMENT FUND (cont.)

DEFINED BENEFIT PENSION PLAN (cont.)

Total unfunded pension benefit obligation applicable to the Employer's employees was \$0 at December 31, 1995 (the latest date for which information is available), determined as follows:

Pension benefit obligation:

Terminated employees not yet receiving benefits	119,819
Current employees:	
Accumulated employee contributions including allocated investment earnings	469,301
Employer-financed vested	784,745
Employer-financed nonvested	<u>96,429</u>
Total pension benefit obligation	1,470,294
Net assets available for benefits at cost (market value is \$1,853,259)	<u>1,834,420</u>
Unfunded pension benefit obligation	<u><u>-</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 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 seven year period.

The contributions by the Employer to IMRF for 1995 of \$73,125 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1993. The contribution consisted of (a) \$98,849 normal cost (11.72% of 1995 covered payroll), (b) \$34,327 amortization of the unfunded actuarial accrued liability (4.07% of 1995 covered payroll), (c) \$3,374 death and disability cost (.40% of 1995 covered payroll), and (d) \$5,229 cost of supplemental retirement benefit (.62% of 1995 covered payroll). The Employer contributed \$35,171 (4.17% of 1995 covered payroll); employees contributed \$37,954 (4.5% of 1995 covered payroll).

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 6 - ILLINOIS MUNICIPAL RETIREMENT FUND (cont.)

DEFINED BENEFIT PENSION PLAN (cont.)

Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information may be found on Page 18 of these financial statements. For the three years ended 1993, 1994, and 1995, respectively, available assets were sufficient to fund 122.06%, 119.26%, and 124.77% 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 1993, 1994, and 1995, 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 1993, 1994, and 1995, the Employer's contribution to IMRF, all made in accordance with actuarially determined requirements, were 8.24%, 7.01%, and 4.17%, respectively, of annual covered payroll.

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

ANALYSIS OF FUNDING PROGRESS

Year	(1) Pension Benefit Obligation	(2) Assets at Cost	Percent Funded (2)/(1)	(3) Unfunded Pension Oblig. (1)-(2)	(4) Annual Covered Payroll	Unfunded as Percentage of Payroll (3)/(4)
1995	1,740,294	1,834,420	124.77%	0	843,425	0.00%
1994	1,198,751	1,429,617	119.26%	0	804,360	0.00%
1993	1,027,994	1,254,780	122.06%	0	781,560	0.00%
1992	911,613	1,071,765	117.57%	0	744,698	0.00%
1991	797,739	886,166	111.08%	0	738,483	0.00%
1990	735,739	710,842	96.70%	24,272	671,817	3.61%
1989	630,174	541,946	101.87%	0	576,512	0.00%
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 7 - 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, 1996, Commission employees had \$61,553 invested.

NOTE 8 - OTHER RELATED PARTY ACTIVITY

Construction Management Agreements - The Commission has entered into several construction management agreements with related government entities. As part of these agreements, the Commission furnishes two of its employees to act as Construction Manager and Project Director for certain construction projects. In consideration of this, the related entities reimburse the Commission for the cost of those employees' compensation. During fiscal year ended October 31, 1996, the Commission was involved in the following construction management agreement:

Public Library - The Commission received \$20,641 in reimbursement form the Danville Public Library for salaries. The Danville Public Building Commission paid for work performed at the Library.

911 Contract - The Commission entered into an intergovernmental agreement with Vermilion County Emergency Telephone System Board (ETSB), a governmental agency, for the operation of 911 Emergency Telephone System. The Commission operates and maintains a Joint Communication Center and ETSB planned, established, and maintains the 911 Emergency Telephone System. The intergovernmental agreement was set up to coordinate the efforts of the two entities, allocate resources and personnel, and provide for the proper function of both systems as required by state statutes. The Commission appointed one of its employees to act as the Communication Director. ETSB also appointed that individual as the 911 Director, therefore, ETSB reimburses the Commission for a portion of his employment costs. In fiscal year 1996, \$13,735 of employment costs was reimbursed to the Commission.

The agreement also calls for the cost of capital expenditures that are necessary for both operations to be split by the Commission and ETSB. Title to the equipment or facilities rests with the Commission. During fiscal year 1996, ETSB entered into a contract with Interact Systems for new 911 equipment. Of this contract, \$163,102, including change orders through October 31, relates to a Computer Aided Dispatch System that the Commission is required to pay 50% of, for a total of \$81,551. ETSB is paying Interact and then will bill the Commission when complete. At October 31, the total liability to ETSB is \$81,551, but the ETSB has not yet billed the Commission.

ETSB also pays the Commission rent of \$57,937 annually for their usage of space in the Public Safety Building.

DANVILLE PUBLIC BUILDING COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 October 31, 1996

NOTE 9 - RESTATEMENT OF THE BEGINNING OF THE YEAR RETAINED EARNINGS

	<u>Lease</u>	<u>Assigned Personnel</u>	<u>Investment in Fixed Assets</u>
Retained earnings per prior audit report	-	-	4,398,857
Accounts payable for October 95 reimbursements not recorded	-	(82,057)	-
Overaccrual of taxes payable	7,581	-	-
Overstatement of equipment purchased	-	-	<u>(71,460)</u>
Retained earnings, as restated, beginning of year	<u>7,581</u>	<u>(82,057)</u>	<u>4,327,397</u>

The corrections in the Lease and Assigned Personnel funds effect the refunds due to the City of Danville and Vermilion County and will be adjusted through the payable due to the governments.

	<u>High School Construction Fund</u>	<u>Courthouse Renovation Fund</u>
Retained earnings per prior audit report	(31,089)	(303,334)
Correction of prior period adjustment occurring on October 31, 1994 financial statements	<u>31,089</u>	<u>303,334</u>
Retained earnings, as restated, beginning of year	<u>-</u>	<u>-</u>

The corrections in the High School Construction and Courthouse Renovation Funds effect the refunds due to Danville School District #118 and the Vermilion County Courthouse and will be adjusted through the payable due to other government units.

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINING BALANCE SHEET  
 October 31, 1996

SCHEDULE 1

	PROPRIETARY FUNDS			Total
	High School Construction Fund	Courthouse Renovation Fund	INTERNAL SERVICE Public Safety Building Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	620,999	889,780	3,090,365	4,601,144
Accrued interest receivable	2,159	4,735	23,431	30,325
Due from other funds	-	-	178	178
Due from other governments	-	-	5,046	5,046
Prepaid expenses	84,200	-	25,396	109,596
Miscellaneous receivables	-	-	381	381
Total current assets	707,358	894,515	3,144,797	4,746,670
PROPERTY AND EQUIPMENT				
Property and equipment, net of accumulated depreciation	-	-	4,168,802	4,168,802
OTHER ASSETS				
Lease receivable	2,592,215	2,738,621	-	5,330,836
Unamortized certificates of participation cost	105,472	100,175	-	205,647
Total other assets	2,697,687	2,838,796	-	5,536,483
TOTAL ASSETS	3,405,045	3,733,311	7,313,599	14,451,955



DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINING BALANCE SHEET  
 October 31, 1996

SCHEDULE 1

	PROPRIETARY FUNDS				Total
	High School Construction Fund	Courthouse Renovation Fund	INTERNAL SERVICE	Public Safety Building Fund	
<b>LIABILITIES AND RETAINED EARNINGS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	-	336	164,800	-	165,136
Interest payable	-	67,706	-	-	67,706
Accrued expenses	-	-	29,198	-	29,198
Certificates of participation payable	275,000	250,000	-	-	525,000
Due to other funds	178	-	-	-	178
Due to other governments:					
City	-	-	302,167	-	302,167
Vermillion County	-	-	368,712	-	368,712
Other	-	-	81,551	-	81,551
Deferred revenue	100,869	-	415,884	-	516,753
Total current liabilities	376,047	318,042	1,362,312	-	2,056,401
<b>LONG-TERM LIABILITIES</b>					
Due to other government units	777,977	1,195,975	-	-	1,973,952
Certificates of participation payable	2,200,000	2,165,000	-	-	4,365,000
Unamortized premium on certificates of participation	51,021	54,294	-	-	105,315
Total long-term liabilities	3,028,998	3,415,269	-	-	6,444,267
Total liabilities	3,405,045	3,733,311	1,362,312	-	8,500,668
<b>RETAINED EARNINGS</b>					
Reserved for High School Construction	-	-	-	-	-
Reserved for Courthouse Renovation	-	-	-	-	-
Reserved for Fire Dispatch	-	-	58,526	(646)	58,526
Reserved for Burglar Alarm	-	-	218,893	-	218,893
Reserved for 911	-	-	1,185	-	1,185
Reserved for Municipal Building	-	-	1,476,870	-	1,476,870
Reserved for Capital Improvements	-	-	27,657	-	27,657
Reserved for Maintenance	-	-	4,168,802	-	4,168,802
Investment in property and equipment	-	-	-	-	-
Total retained earnings (deficit)	-	-	5,951,287	-	5,951,287
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>3,405,045</b>	<b>3,733,311</b>	<b>7,313,599</b>	<b>-</b>	<b>14,451,955</b>

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 October 31, 1996

SCHEDULE 2

	PROPRIETARY FUNDS			Total
	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	
<b>OPERATING REVENUES</b>				
Rent	-	-	3,318,644	3,318,644
Salary reimbursement	-	-	16,823	16,823
Interest on capital lease	185,736	192,425	-	378,161
Interest on investments and deposits	33,946	48,062	221,761	303,769
Fees	-	-	4,476	4,476
Miscellaneous	-	-	190	190
<b>Total operating revenues</b>	<b>219,682</b>	<b>240,487</b>	<b>3,561,894</b>	<b>4,022,063</b>
<b>OPERATING EXPENSES</b>				
Administrative	-	-	80,343	80,343
Operating and maintenance	3,006	51,658	750,324	804,988
Communications	-	-	607,441	607,441
Assigned personnel and dietary	-	-	1,058,281	1,058,281
Construction management agreements	-	-	24,223	24,223
Depreciation	-	-	253,444	253,444
<b>Total operating expenses</b>	<b>3,006</b>	<b>51,658</b>	<b>2,774,056</b>	<b>2,828,720</b>
<b>INCOME FROM OPERATIONS</b>	<b>216,676</b>	<b>188,829</b>	<b>787,838</b>	<b>1,193,343</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Amortization of certificates of participation:				
Premium	11,930	12,170	-	24,099
Issuance cost	(10,812)	(10,321)	-	(21,132)
Interest expense	(184,650)	(147,055)	-	(331,705)
Excess earnings due to government units	(33,144)	(43,623)	(745,357)	(822,124)
Correction of prior years excess earnings	-	-	74,476	74,476
<b>Total non-operating expenses</b>	<b>(216,676)</b>	<b>(188,829)</b>	<b>(670,881)</b>	<b>(1,076,386)</b>
<b>NET INCOME</b>	<b>-</b>	<b>-</b>	<b>116,957</b>	<b>116,957</b>
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	<b>-</b>	<b>-</b>	<b>5,834,330</b>	<b>5,834,330</b>
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>5,951,287</b>	<b>5,951,287</b>

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINING STATEMENT OF CASH FLOWS  
 Year Ended October 31, 1996

SCHEDULE 3

CASH FLOWS FROM OPERATIONS

Net income	-	-	-	116,957	116,957
Adjustments to reconcile net income to cash provided by operating activities:					
Amortization of certificates of participation:					
Premiums	(11,930)				(11,930)
Issuance cost	10,812				10,812
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	199	1,992	(12,872)		(10,681)
(Increase) decrease in due from other governments	-	-	20,621		20,621
(Increase) decrease in prepaid expenses	8,125	-	(14,646)		(6,521)
Increase (decrease) in accounts payable	-	336	147,066		147,402
Increase (decrease) in due to other governments	-	-	29,198		29,198
Decrease in interest payable	(1,889)	(49,808)	(130,557)		(180,365)
Increase (decrease) in deferred revenue	(8,748)	-	415,884		407,136
Net cash provided by (used in) operating activities	(3,431)	(71,968)	825,095		749,696

	PROPRIETARY FUNDS				Total
	High School Construction Fund	Courthouse Renovation Fund	INTERNAL SERVICE	Public Safety Building Fund	
	-	-	-	116,957	116,957
	-	-	-	253,444	253,444
	(11,930)	(12,170)	-	-	(24,100)
	10,812	10,321	-	-	21,133
	199	1,992	(12,872)		(10,681)
	-	-	20,621		20,621
	8,125	-	(14,646)		(6,521)
	-	336	147,066		147,402
	-	-	29,198		29,198
	(1,889)	(49,808)	(130,557)		(180,365)
	(8,748)	-	415,884		407,136
	(3,431)	(71,968)	825,095		749,696

DANVILLE PUBLIC BUILDING COMMISSION  
 COMBINING STATEMENT OF CASH FLOWS (cont.)  
 Year Ended October 31, 1996

SCHEDULE 3

	PROPRIETARY FUNDS			Total
	High School Construction Fund	Courthouse Renovation Fund	Public Safety Building Fund	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(94,851)	(94,851)
Principal paid on certificates of participation	(250,000)	(225,000)	-	(475,000)
Interest paid on certificates of participation	(184,650)	(147,055)	-	(331,705)
Net cash used in capital and related financing activities	(434,650)	(372,055)	(94,851)	(901,556)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from capital lease agreements	459,236	500,000	-	959,236
Interest on investments and deposits	33,946	48,062	-	82,008
Net cash provided by investing activities	493,182	548,062	-	1,041,244
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,101	104,039	730,244	889,384
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	565,898	785,741	2,360,121	3,711,760
CASH AND CASH EQUIVALENTS, END OF YEAR	620,999	889,780	3,090,365	4,601,144

DANVILLE PUBLIC BUILDING COMMISSION  
STATEMENT OF EXPENSES COMPARED TO BUDGET -  
PUBLIC SAFETY BUILDING FUND - LEASE ACCOUNT  
Year Ended October 31, 1996

SCHEDULE 4

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>ADMINISTRATIVE</b>			
Salaries	53,000	53,907	(907)
Payroll taxes	8,480	6,131	2,349
Employee insurance	4,350	4,151	199
Office supplies	3,500	3,485	15
Maintenance-office equipment	1,000	884	116
Audit	4,000	2,533	1,467
Legal	12,000	4,893	7,107
Travel	4,500	3,151	1,349
Miscellaneous	<u>1,500</u>	<u>1,208</u>	<u>292</u>
<b>TOTAL ADMINISTRATIVE</b>	<u>92,330</u>	<u>80,343</u>	<u>11,987</u>
<b>OPERATIONS AND MAINTENANCE</b>			
Salaries	276,220	279,629	(3,409)
Payroll taxes	44,455	29,374	15,081
Employee insurance	33,600	32,136	1,464
Insurance	57,500	44,794	12,706
Utilities	241,200	222,817	18,383
Janitorial supplies	17,500	13,233	4,267
Maintenance supplies	28,000	30,748	(2,748)
Maintenance service - equipment	25,000	19,377	5,623
Maintenance service - building and grounds	12,000	7,425	4,575
Equipment - rentals	500	212	288
Equipment - contractual service	76,000	61,761	14,239
Physical exams	500	41	459
Snow removal	2,000	1,260	740
Miscellaneous	1,900	1,787	113
Uniforms	2,000	644	1,356
Professional services	20,000	1,300	18,700
Travel	<u>1,000</u>	<u>548</u>	<u>452</u>
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<u>839,375</u>	<u>747,086</u>	<u>92,289</u>

DANVILLE PUBLIC BUILDING COMMISSION  
 STATEMENT OF EXPENSES COMPARED TO BUDGET -  
 PUBLIC SAFETY BUILDING FUND - LEASE ACCOUNT  
 Year Ended October 31, 1996

SCHEDULE 4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>COMMUNICATIONS</b>			
Salaries	512,400	486,883	25,517
Payroll taxes	79,484	56,930	22,554
Employee insurance	50,500	50,092	408
Telephone	7,100	7,128	(28)
Maintenance service - equipment	1,500	1,207	293
Office supplies	3,000	2,990	10
Travel	1,000	578	422
Miscellaneous	<u>1,900</u>	<u>1,633</u>	<u>267</u>
<b>TOTAL COMMUNICATIONS</b>	<u>656,884</u>	<u>607,441</u>	<u>49,443</u>
<b>ASSIGNED PERSONNEL AND DIETARY</b>			
Personnel cost - County	914,073	927,081	(13,008)
Dietary services - County	143,309	131,260	12,049
Training/correctional officers	<u>6,416</u>	<u>(60)</u>	<u>6,476</u>
<b>TOTAL ASSIGNED PERSONNEL AND DIETARY</b>	<u>1,063,798</u>	<u>1,058,281</u>	<u>5,517</u>

DANVILLE PUBLIC BUILDING COMMISSION  
 STATEMENT OF CHANGES IN RESERVED ACCOUNTS - PUBLIC SAFETY BUILDING FUND  
 Year Ended October 31, 1996

SCHEDULE 5

	Communication Center	Assigned Personnel	Lease	Fire Dispatch	Burglar Alarm	911
<b>OPERATING REVENUES</b>						
Rent	656,884	1,063,798	1,390,025	-	-	57,937
Salary reimbursement	-	-	-	-	-	13,735
Interest	-	-	136,083	-	-	-
Fees	-	-	-	-	-	-
Miscellaneous	-	-	123	-	-	-
Total operating revenues	656,884	1,063,798	1,526,231	-	4,476	71,672
<b>OPERATING EXPENSES</b>						
Administrative	-	-	80,343	-	-	-
Operations and maintenance	-	-	747,086	1,283	-	-
Communications	607,441	-	-	-	-	-
Assigned personnel and dietary	-	1,058,281	-	-	-	-
Public library	-	-	-	-	-	-
Equipment	-	-	8,405	-	-	-
Depreciation	-	-	-	-	-	-
Total operating expenses	607,441	1,058,281	835,834	1,283	-	-
<b>INCOME (LOSS) FROM OPERATIONS</b>	49,443	5,517	690,397	(1,283)	4,476	71,672
<b>NON-OPERATING INCOME (EXPENSES)</b>						
Excess earnings due to governmental units	(49,443)	(5,517)	(690,397)	-	-	-
Correction of prior year excess earnings	-	82,057	(7,581)	-	-	-
NET INCOME (LOSS)	-	82,057	(7,581)	(1,283)	4,476	71,672
RETAINED EARNINGS, BEGINNING OF YEAR, AS RESTATED	-	(82,057)	7,581	637	54,050	147,221
RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR	-	-	-	(646)	58,526	218,893

DANVILLE PUBLIC BUILDING COMMISSION  
 STATEMENT OF CHANGES IN RESERVED ACCOUNTS - PUBLIC SAFETY BUILDING FUND  
 Year Ended October 31, 1996

SCHEDULE 5

	Management Agreements	Capital Improvements	Maint.	Total	Eliminating Entries	Total
<b>OPERATING REVENUES</b>						
Rent	-	100,000	50,000	3,318,644	-	3,318,644
Salary reimbursement	3,088	-	-	16,823	-	16,823
Interest	-	78,582	7,096	221,761	-	221,761
Fees	-	-	-	4,476	-	4,476
Miscellaneous	67	-	-	190	-	190
Total operating revenues	3,155	178,582	57,096	3,561,894	-	3,561,894
<b>OPERATING EXPENSES</b>						
Administrative	-	-	-	80,343	-	80,343
Operations and maintenance	-	659	1,296	750,324	-	750,324
Communications	-	-	-	607,441	-	607,441
Assigned personnel and dietary	-	-	-	1,058,281	-	1,058,281
Public library	24,223	-	-	24,223	-	24,223
Equipment	-	38,405	48,041	94,851	(94,851)	-
Depreciation	-	-	-	-	253,444	253,444
Total operating expenses	24,223	39,064	49,337	2,615,463	158,593	2,774,056
<b>INCOME (LOSS) FROM OPERATIONS</b>	(21,068)	139,518	7,759	946,431	(158,593)	787,838
<b>NON-OPERATING EXPENSES</b>						
Excess earnings due to governmental units	-	-	-	(745,357)	-	(745,357)
Correction of prior year excess earnings	-	-	-	74,476	-	74,476
<b>NET INCOME (LOSS)</b>	(21,068)	139,518	7,759	275,550	(158,593)	116,957
<b>RETAINED EARNINGS, BEGINNING OF YEAR, AS RESTATED</b>	22,253	1,337,352	19,898	1,506,935	-	1,506,935
<b>RETAINED EARNINGS, (ACCUMULATED DEFICIT), END OF YEAR</b>	1,185	1,476,870	27,657	1,782,485	(158,593)	1,623,892