JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT
AND
SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2019

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

TABLE OF CONTENTS

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT #530
CARTERVILLE, ILLINOIS

TABLE OF CONTENTS (CONTINUED)

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT #530
CARTERVILLE, ILLINOIS

TABLE OF CONTENTS (CONTINUED)

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of John A. Logan College, Community College District No. 530 (the College), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards.*

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of John A. Logan College, Community College District No. 530, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Uniform Financial Statements, as required by the Illinois Community College Board, and Other Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Other Supplemental Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of John A. Logan College, Community College District No. 530 (the College) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 17, 2019. The financial statements of the John A. Logan College Foundation (the Foundation), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT #530
CARTERVILLE, ILLINOIS

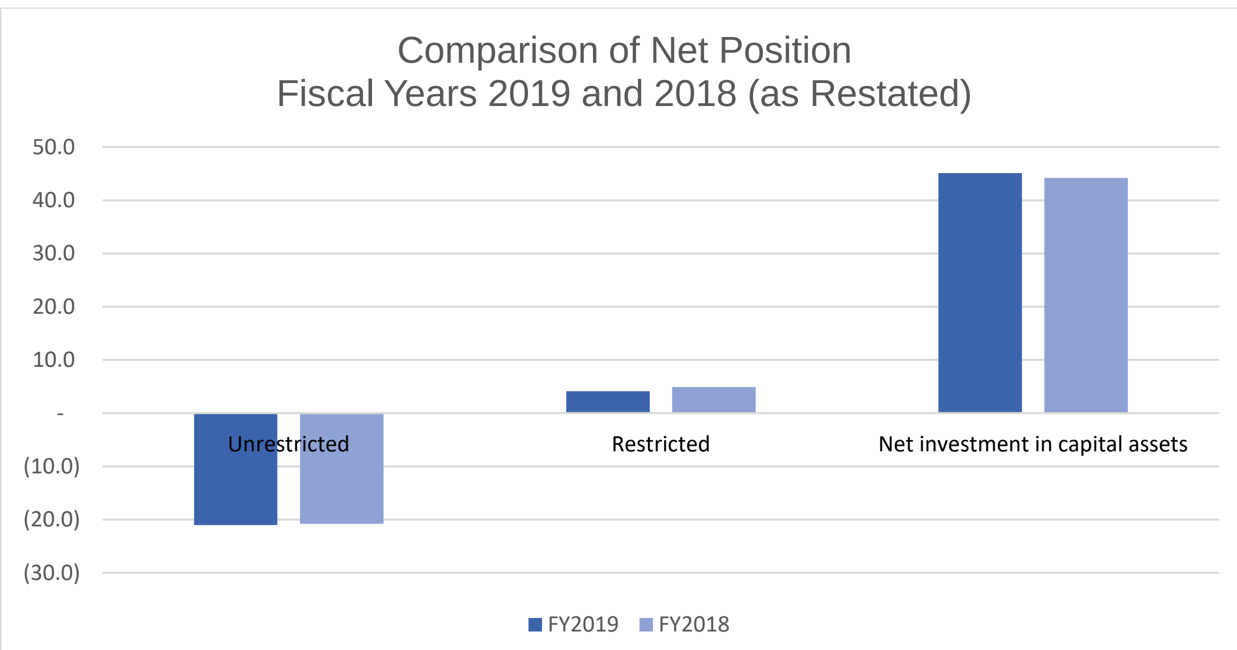
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019
(Unaudited)

This section of John A. Logan College's Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2019. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements (pages 7-9) and the notes to financial statements (pages 10-51). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The basic financial statements focus on the College as a whole. These basic statements (pages 7-9) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statement of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of costs of various College services to students and the public.

Financial Highlights



As of June 30, 2019, the College's net position decreased to $28.2 million from $28.3 million, as restated, at June 30, 2018. Total revenues, excluding SURS on-behalf revenue, decreased $7.3 million largely due to a decrease in state funding of $5.3 million and a decrease in operating revenue of $1.9 million. Total expenses, excluding SURS on-behalf expense, decreased by $1.9 million mainly due to a decrease in instructional salaries and benefits.

Financial Analysis of the College as a Whole

Net Position (in millions)

ASSETS	FY2019	FY2018 (As Restated)	Increase (Decrease)	Percent Change
Current				
Current assets	$ 26.0	$ 26.3	$ (0.3)	(1.1)%
Non-Current				
Restricted assets	10.3	9.0	1.3	14.4
Other long-term investments	3.0	3.0	-	-
Capital assets, net	61.8	62.8	(1.0)	(1.6)
Total assets	101.1	101.1	-	-
DEFERRED OUTFLOWS OF RESOURCES	1.7	1.5	0.2	13.3
LIABILITIES				
Current liabilities	6.9	6.3	.6	9.5
Non-current liabilities	49.6	51.3	(1.7)	(3.3)
Total liabilities	56.5	57.6	(1.1)	(1.9)
DEFERRED INFLOWS OF RESOURCES	18.1	16.7	1.4	8.4
NET ASSETS				
Net investment in capital assets	45.1	44.2	0.9	2.0
Restricted	4.1	4.9	(0.8)	(16.3)
Unrestricted	(21.0)	(20.8)	(0.2)	(1.0)
Total net assets	$ 28.2	$ 28.3	$ (0.1)	(0.4)

This schedule is prepared from the College's statement of net position (page 7) which is presented on the accrual basis of accounting whereby assets are capitalized and depreciated. Total deferred inflows and outflows are due to GASB 65, GASB 68, and GASB 75 reporting and property tax deferrals.

Current assets decreased $0.3 million due to decreases in short-term investments and prepaid expenses, offset partially by increases in cash and cash equivalents and receivables. Fiscal year 2018 short-term investments were converted to cash in fiscal year 2019, resulting in a $1.5 million decrease in short-term investments and an ending $0.7 million increase in cash and cash equivalents as of June 30, 2019. Prepaid expenses decreased due to timing of payments on certain contracts. Total receivables increased $1.0 million, driven primarily by a pouring rights agreement with Pepsi (See Note 10). Total non-current assets increased by $0.3 million primarily in restricted cash and cash equivalents.

Financial Analysis of the College as a Whole (Concluded)

Current liabilities increased $0.6 million due to increases in accounts payable, accrued expenses, and the current portion of bonds payable, offset partially by a decrease in lease-purchase payable. Non-current liabilities decreased $1.7 million due to decreases in the long-term portion of bonds payable and the ICCB reimbursement.

Capital Assets, Net
(in millions)

CAPITAL ASSETS	Capital Assets FY2019	Capital Assets FY2018	Increase (Decrease)	Percent Change
Site	$ 0.3	$ 0.3	$ -	0.0%
Site improvement	1.8	1.7	0.1	5.9
Buildings, additions and improvements	92.6	91.7	0.9	1.0
Equipment and other	10.7	10.3	0.4	3.9
Construction in progress	0.5	0.5	-	0.0
Total cost	105.9	104.5	1.4	1.3
Less accumulated depreciation	44.1	41.7	2.4	5.8
Capital assets, net	$ 61.8	$ 62.8	$ (1.0)	(1.6)

John A. Logan College completed $0.4 million for the SIH clinic at Logan Fitness, $0.3 million for miscellaneous plumbing and pipework, $0.2 million for an upgrade to the Historical Village and the Purdy School, $0.07 million on the softball pressbox and announcer stand, and $0.06 million on preschool renovations. The College also completed the $0.4 million BAS control replacement project. Several other pieces of instructional and service equipment were also placed into service during the year.

There are currently no other known facts, decisions or conditions which will have a significant effect on the net position or results of operation (revenues, expenses and changes in net position) of the College.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT #530
CARTERVILLE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019

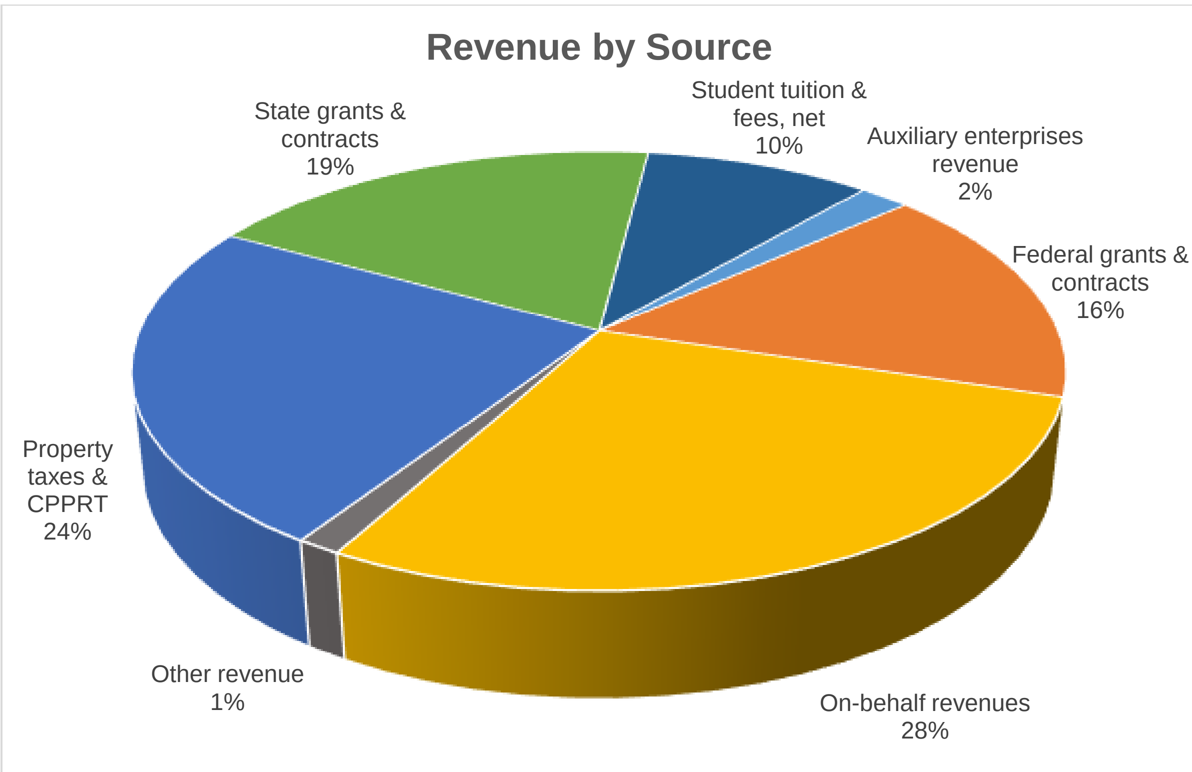
Operating Results
(in millions)

REVENUES	FY2019	FY2018	Increase (Decrease)	Percent Change
OPERATING REVENUES				
Student tuition and fees, net	$ 5.0	$ 5.8	$ (0.8)	(13.8)%
Auxiliary enterprises revenue	1.1	1.4	(0.3)	(21.4)
Other operating revenue	0.5	1.3	(0.8)	(61.5)
Total operating revenues	6.6	8.5	(1.9)	(22.4)
Less operating expenses	53.0	54.0	(1.0)	(1.9)
Net operating income (loss)	(46.4)	(45.5)	(0.9)	(2.0)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	12.1	11.9	0.2	1.7
Corporate personal property replacement taxes	0.6	0.6	-	-
State grants and contracts	10.1	15.4	(5.3)	(34.4)
Federal grants and contracts	8.7	8.2	0.5	6.1
Nongovernmental gifts, grants and bequests	0.2	0.1	0.1	100.0
On-behalf revenues – SURS & CIP	15.0	14.0	1.0	7.1
Investment income (expense), net	(0.4)	0.5	(0.9)	(180.0)
Non-operating revenues, net	46.3	50.7	(4.4)	(8.7)
Net income (loss)	$ (0.1)	$ 5.2	$ (5.3)	(101.9)

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT #530
CARTERVILLE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019

The following is a graphic illustration of revenues by source:

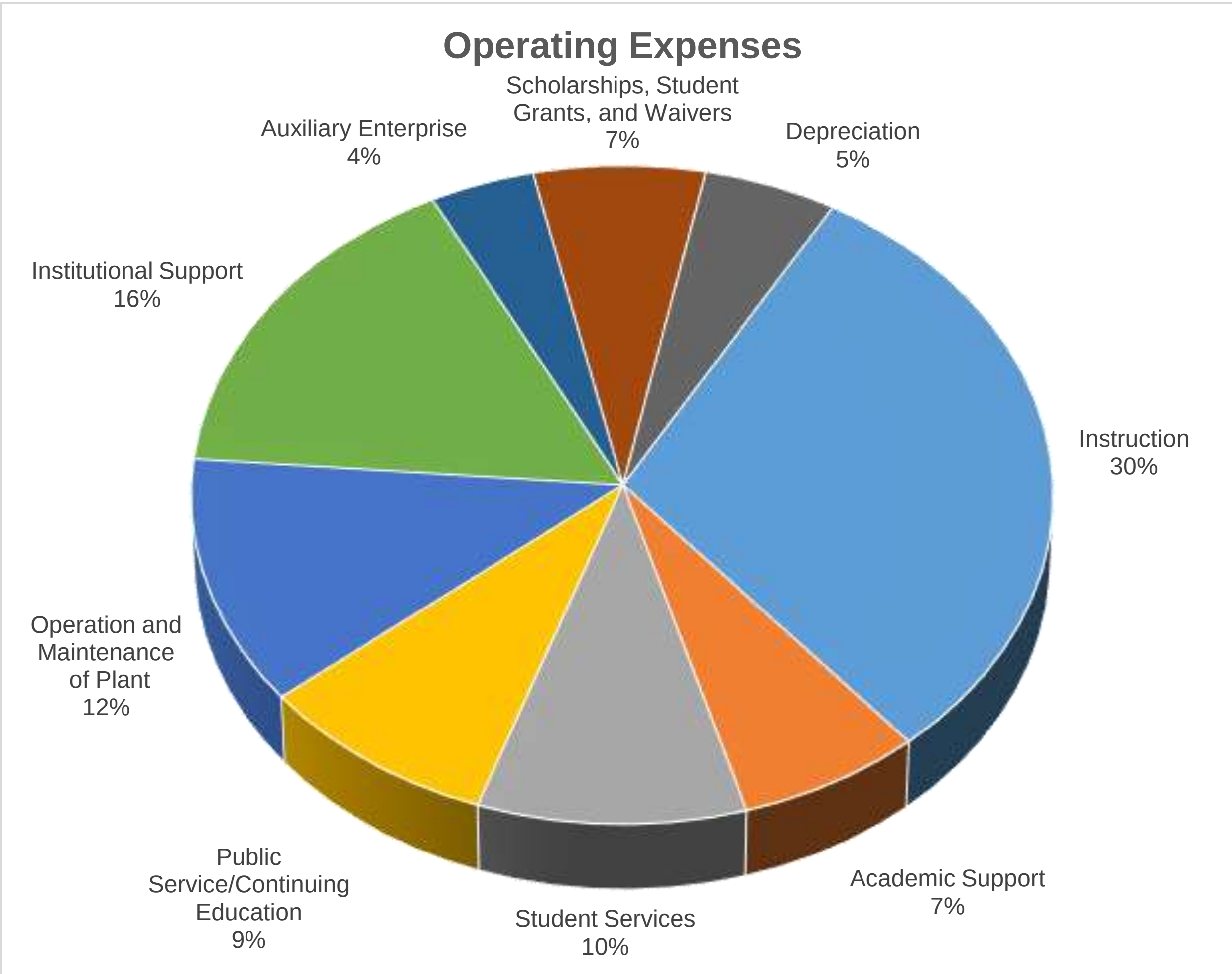


Operating Expenses
(in millions)

EXPENSES	FY2019	FY2018	Increase (Decrease)	Percent Change
Operating expenses:				
Instruction	$10.7	$12.6	$ (1.9)	(15.1)%
Academic support	2.3	2.3	-	0.0
Student services	3.4	3.1	0.3	9.7
Public service/continuing education	3.3	3.4	(0.1)	(2.9)
Operations and maintenance of plant	4.5	3.9	0.6	15.4
Institutional support	6.3	7.3	(1.0)	(13.7)
Auxiliary enterprise	1.3	1.3	-	0.0
Scholarship, student grants, and waivers	3.5	3.4	0.1	2.9
Depreciation	2.7	2.7	-	0.0
On-behalf SURS and CIP	15.0	14.0	1.0	7.1
Total operating expenses	$53.0	$54.0	$ (1.0)	(1.9)

(On-behalf shown separately from other operating expenses for year comparison purposes only.)

The following is a graphic illustration of operating expenses:



Operating expenses at June 30, 2019, decreased $1.0 million compared to the year ended June 30, 2018. There was a $1.0 million increase in payments made by the State of Illinois, on behalf of the College, for the State Universities Retirement System (SURS) and the Community College Health Insurance Security Fund (CIP). Offsetting the increase in on-behalf expenses were decreases in instructional expenses of $1.9 million and institutional support expenses of $1.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019

The College's debt activity for the year consisted of:

Debt payable, July 1, 2018	$ 27,309,712
Debt retired	(2,089,712)
Debt payable, June 30, 2019	$ 25,220,000

The College issued no new debt during the year ended June 30, 2019. The College made principal payments during the fiscal year of $2,089,712.

BASIC FINANCIAL STATEMENTS

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATEMENT OF NET POSITION
JUNE 30, 2019

	John A. Logan College	Component Unit John A. Logan College Foundation
Assets		
Current Assets		
Cash and Cash Equivalents	$ 10,037,418	$ 477,923
Receivables		
Property Taxes	12,316,928	-
Governmental Claims	732,727	-
Tuition and Fees, Net of Allowance for Doubtful Accounts of $1,050,861	1,315,419	-
Other	1,247,545	18,502
Inventories	4,737	-
Prepaid Expenses	316,125	12,740
Total Current Assets	25,970,899	509,165
Non-Current Assets		
Restricted Cash and Cash Equivalents	10,340,762	-
Long-Term Investments	3,000,000	8,941,193
Capital Assets, Net of Accumulated Depreciation	61,820,542	-
Total Non-Current Assets	75,161,304	8,941,193
Total Assets	101,132,203	9,450,358
Deferred Outflows of Resources		
College OPEB Plan Related Amounts	571,097	-
CIP OPEB Plan Related Amounts	460,565	-
Pension Related Amounts	148,117	-
Deferred Loss on Refunded Bonds Payable	492,065	-
Total Deferred Outflows of Resources	1,671,844	-
Liabilities		
Current Liabilities		
Accounts Payable	544,948	29,769
Accrued Expenses	3,764,609	-
Unearned Revenue	149,042	9,200
Deposits Held in Custody	60,966	-
Accrued Bond Interest	78,497	-
Bonds Payable, Current	2,015,000	-
ICCB Reimbursement, Current	259,931	-
Total Current Liabilities	6,872,993	38,969
Non-Current Liabilities		
Net OPEB Liability	24,310,433	-
Bonds Payable, Long-Term Portion, Net of Unamortized Premium of $1,719,129	24,924,129	-
ICCB Reimbursement, Long-Term Portion	413,742	-
Total Non-Current Liabilities	49,648,304	-
Total Liabilities	56,521,297	38,969
Deferred Inflows of Resources		
College OPEB Plan Related Amounts	12,759	-
CIP OPEB Plan Related Amounts	4,011,831	-
Deferred Property Tax Revenue	12,205,226	-
Deferred Tuition and Fees	475,730	-
Deferred SIH and Pepsi Agreement	1,408,194	-
Total Deferred Inflows of Resources	18,113,740	-
Net Position		
Net Investment in Capital Assets	45,108,478	-
Restricted for		
Debt Service	100,189	-
Capital Projects	1,506,128	-
Liability Protection	441,564	-
Working Cash	2,035,685	-
Other	41,118	-
Without Donor Restrictions	-	1,612,847
With Donor Restrictions	-	7,798,542
Unrestricted	(21,064,152)	-
Total Net Position	$ 28,169,010	$ 9,411,389

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

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

			Component Unit
	John A. Logan College		John A. Logan College Foundation
Revenues			
Operating Revenues:			
Student Tuition and Fees, Net of Scholarships and Allowances of $6,257,090	$ 5,009,308	$	-
Donations	-		872,685
Auxiliary Enterprise Revenue	1,095,846		-
Other	505,278		60,163
Total Operating Revenues	6,610,432		932,848
Expenses			
Operating Expenses:			
Instruction	16,160,661		-
Academic Support	3,568,703		-
Student Services	5,128,123		1,112,848
Public Service/Continuing Education	4,669,932		-
Operation and Maintenance of Plant	6,452,914		-
Institutional Support	8,665,603		-
Auxiliary Enterprise	2,149,943		-
Scholarships, Student Grants, and Waivers	3,518,145		-
Depreciation	2,735,240		
Total Operating Expenses	53,049,264		1,112,848
Operating Income (Loss)	(46,438,832)		(180,000)
Non-Operating Revenues (Expenses)			
Property Taxes	12,056,008		-
Corporate Personal Property Replacement Taxes	625,701		-
State Grants and Contracts	10,126,440		-
Federal Grants and Contracts	8,684,825		-
Nongovernmental Gifts, Grants, and Bequests	205,440		-
On-Behalf Revenues - SURS & CIP	15,033,138		-
Investment Income	529,979		201,393
Bond Premium Amortization (Interest Expense), Net	(914,605)		-
Realized Capital Gains (Losses)	-		(100,230)
Unrealized Capital Gains (Losses)	-		405,133
Total Non-Operating Revenues (Expenses)	46,346,926		506,296
Increase (Decrease) in Net Position	(91,906)		326,296
Net Position, Restated (See Note 12) July 1, 2018	28,260,916		9,085,093
Net Position, June 30, 2019	$ 28,169,010	$	9,411,389

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

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities	
Tuition and Fees	$ 5,273,719
Payments to Suppliers	(9,661,438)
Payments to and Benefits for Employees	(23,821,900)
Auxiliary Enterprise Charges	1,095,846
Other Receipts	567,451
Net Cash Provided (Used) by Operating Activities	(26,546,322)
Cash Flows from Noncapital Financing Activities	
Property Taxes	12,062,617
Corporate Personal Property Replacement Taxes	619,093
Receipt of Deposits Held in Custody	770,715
Disbursement of Deposits Held in Custody	(765,929)
Grants, Contracts, Gifts, and Bequests	18,476,857
Net Cash Provided (Used) by Noncapital Financing Activities	31,163,353
Cash Flows from Capital and Related Financing Activities	
Capital Grants, Contracts, Gifts, and Bequests	321,252
Principal Paid on Lease-Purchase Agreements	(199,712)
Principal Paid on Bonds	(1,890,000)
Interest Paid on Bonds	(1,024,677)
Purchases of Capital Assets	(1,782,257)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,575,394)
Cash Flows from Investing Activities	
Interest Income	529,979
Proceeds from Maturities of Investments	1,500,000
Net Cash Provided (Used) by Investing Activities	2,029,979
Net Increase (Decrease) in Cash and Cash Equivalents	2,071,616
Cash and Cash Equivalents, July 1, 2018	18,306,564
Cash and Cash Equivalents, June 30, 2019	$ 20,378,180
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (46,438,832)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
On-Behalf - SURS & CIP	15,033,138
Depreciation Expense	2,735,240
Change in Assets, Liabilities, and Deferred Outflows (Inflows):	
Tuition and Fees Receivables (net)	350,224
Other Receivables	164,617
Inventories	3,257
Prepaid Expenses	556,864
Net College OPEB-related deferred outflows/inflows	140,163
Net CIP OPEB-related deferred outflows/inflows	32,259
Pension related deferred outflows	11,039
Net OPEB liability	700,869
Accounts Payable	286,056
Accrued Expenses	67,041
Deferred Tuition and Fees	(250,430)
Refundable Advances	62,173
Net Cash Provided (Used) by Operating Activities	$ (26,546,322)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

John A. Logan College, Community College District No. 530 (the College) is organized under the Illinois Public Community College Act with partial funding by the Illinois Community College Board. The College encompasses parts of five counties in Southern Illinois.

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

The following is a summary of the more significant accounting policies followed by the College

A. Reporting Entity

The accompanying financial statements include all entities for which the elected, eight-member Board of Trustees of the College has financial accountability.

In accordance with GASB Statements 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments,* and 35, *Basic Financial Statements and Management's Discussion and Analysis – for Public Colleges and Universities,* the accompanying financial statements present the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows for the College (the primary government).

In addition, the accompanying financial statements include the accounts of the John A. Logan College Foundation (the Foundation), defined as a component unit of the College under GASB Statements No. 14 and 61, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations are Component Units.* The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources that are available to the College. The 32 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. The economic resources held by the Foundation are entirely for the benefit of the College, its students, and its programs.

The Foundation is a private nonprofit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is FASB Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-For-Profit Entities.* As such, certain revenue recognition criteria and presentation differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures (see Component Unit Note within Note 1) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Separate financial statements for the Foundation can be obtained from the Foundation office at 700 Logan College Drive, Carterville, IL 62918.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-entity transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and, expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Property tax revenues are reported in accordance with National Council on Governmental Accounting (NCGA) Interpretation No. 3, *Revenue Recognition – Property Taxes,* GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* and GASB Interpretation No. 5, *Property Tax Revenue Recognition in Governmental Funds.* Consequently, under the accrual basis of accounting, property tax revenue is recognized in the period for which the taxes are levied. Property tax receivables are reported when the College has an enforceable legal claim to the taxes, which is considered to be the lien date.

C. Budgets

Although the College adopts an expanded operational budget, the budget legally required by the Illinois Community College Board contains only a statement of cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

Cash includes deposits held at banks and small amounts of cash held for change funds. Cash equivalents include deposits held in the Illinois Funds Money Market Fund due to its liquidity and/or short-term nature.

The College's investment policy allows for cash deposits to be invested in accordance to those securities allowed for by statute. Chapter 122, Section 103.47 of the Illinois Public Community College Act and Chapter 85, Sections 901-907 of the Investment of the Public Funds Act allow current operating funds, special funds, interest and sinking funds, and other funds belonging to or in the custody of a community college, including restricted and non-restricted funds, to be invested in U.S. Treasury and U.S. Agencies, repurchase agreements, certificates of deposit, the Illinois School District Liquid Asset Fund Plus, and the Illinois Treasurers' Investment Pool (Illinois Funds).

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments in the State to pool their funds for investment purposes. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) as an investment company. Illinois Funds does meet all the criteria in GASB Statement No. 79, paragraph 4, which allows the reporting of its investments at amortized cost. Investments in Illinois Funds are valued at share price, which is the price the investment could be sold for.

The College's investment policy reduces the risk related to cash deposits through requiring deposits in excess of the federally insured amount to be appropriately collateralized to the extent of 110% and such collateralization shall be evidenced by an approved written agreement.

F. Restricted Cash and Cash Equivalents

Cash that is externally restricted to make debt service payments, or to purchase or construct capital or other noncurrent assets, is classified as noncurrent assets in the Statement of Net Position.

G. Certificates of Deposits

Certificates of deposit are considered investments and are valued at amortized cost in the Statement of Net Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

Receivables consist of tuition and fee charges to students, auxiliary enterprise fees for services provided to student, faculty, and staff, the majority of each residing in Illinois, and property tax receivables. These receivables are recorded net of estimated uncollectible amounts, which is based on management's assessment of collectability of specific students' accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts, or portions thereof, deemed to be uncollectible or to require an excessive collection cost are written-off to the allowance for doubtful accounts.

Receivables also include amounts due from various state and federal granting agencies. These amounts are considered to be 100% collectible.

I. Inventories

Inventories are stated at the lower of cost or market on the first in, first out (FIFO) basis. Inventories represent items held for resale by the College's auxiliary enterprises.

J. Capital Assets

Capital assets include property, improvements to property, vehicles, and equipment. Capital assets are defined by the College as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Certain assets have higher capitalization thresholds, including leasehold improvements of $20,000, site of $25,000, building improvements and site improvements of $50,000, and buildings of $100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Buildings and Improvements	50 Years
Leasehold Improvements	15 Years
Site Improvements	10 Years
Equipment	8 Years
Vehicles	5 Years
Computer Software	3 Years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Amortization of Debt Issuance Premiums

The College amortizes debt issuance premiums by the straight-line method over the period the related debt issue is outstanding. The debt premium is amortized by using the same interest rate as the related debt issue, and the current period amortization is shown as a decrease to current period interest expense. Bond issuance costs are expensed at the time debt is issued.

L. Deferred Outflows (Inflows) of Resources

Deferred outflows are a consumption of net assets by the College that is applicable to a future reporting period, and should be reported as having a similar impact on net position as assets. Deferred inflows of resources are acquisitions of net position that are applicable to a future reporting period, and should be reported as having a similar impact on net position as liabilities.

Pension payments related to employees with federally funded positions and made subsequent to the pension liability measurement date are considered to be deferred outflows. Changes in assumptions and differences between expected and actual experience of the College's other postemployment benefit (OPEB) plan are considered to be deferred outflows (inflows). Changes in proportion and differences between employer contributions and actual contributions and its proportionate share of contributions to the plan relative to all employers is also considered to be a deferred outflow (inflow). Deferred outflows also include losses on debt refundings, which are amortized over the remaining life of the new debt, or refunded debt, whichever is shorter. Deferred inflows also include property taxes levied for the subsequent fiscal year and unearned tuition and student fees and SIH and Pepsi agreement proceeds, which were either collected or recorded in the current fiscal year, but are applicable to periods occurring after year end.

M. Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position (Concluded)

Restricted – This represents assets/resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties, reduced by liabilities and deferred inflow resources related to those assets. Sources of restricted revenue include federal, state, and private grants and contracts. Externally restricted funds may be utilized only in accordance with the purpose established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use in achieving any of its institutional purposes. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This represents unrestricted assets/resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Board of Trustees to meet current expenses for any lawful purpose.

N. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions. Operating expenses are those expenses directly attributable to the operations of the College. Incidental expenses are classified as non-operating expenses.

O. Insurance Coverage

The College is exposed to various risks of loss including, but not limited to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To limit exposure to these risks, the College has obtained coverage from commercial insurance companies for all major programs: property, liability, and workmen's compensation. Expenditures and claims are recognized in the year in which they are notified of the loss. During the current fiscal year, there were no significant reductions in insurance coverage. Also, there have been no settlements which have exceeded insurance coverage during the past three fiscal years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Pensions

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

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

Q. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

R. Property Taxes

The 2018 property tax extension has been deferred to comply with GASB Statement No. 33 since it was levied to finance activities of the 2019/2020 academic year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

The College must file its tax levy ordinance by the last Tuesday in December of each year. The College's property tax is levied each year on all taxable real property located within the District. These taxes attach an enforceable lien on real property as of January 1 and are payable in two installments; due dates vary by county. The College receives significant property tax receipts from July through November.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Federal Financial Assistance Programs

The College participates in federally funded PELL Grants, FSEOG Grants, and Federal Work-Study. Federal programs are audited in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Federal Awarding Agency Regulatory Implementation of Office Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audit of States, Local Governments and Non-Profit Organizations,* and the *Compliance Supplement.*

T. Pending Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities,* will be effective for the College beginning with its year ending June 30, 2020. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases,* will be effective for reporting periods beginning after June 30, 2021. This statement increases the usefulness of governments' financial statements by requiring the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to us an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period,* will be effective for the College beginning with its year ending June 30, 2021. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

T. Pending Accounting Pronouncements (Concluded)

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, will be effective for the College beginning with its year ending June 30, 2020. This statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, it requires reporting of information about component units if the government acquires 100 percent equity interest in the component unit.

The College's management has not yet determined the effect, if any, these GASB statements will have on the College's financial statements and related disclosures.

U. Component Unit

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

V. Subsequent Events

The College has evaluated subsequent events through December 17, 2019, the date which the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

At June 30, 2019, the carrying amount and bank balance of the College's deposits, which does not include cash on hand and petty cash of $1,435 is as follows:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents:		
Cash Accounts	$ 12,366,742	$ 12,380,770
Illinois Funds Money Market Fund	8,010,003	8,007,394
Total Cash and Cash Equivalents	$ 20,376,745	$ 20,388,164

	Carrying Amount	Bank Balance
Current Assets:		
Cash and Cash Equivalents	$ 10,035,983	$ 10,047,402
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	10,340,762	10,340,762
	$ 20,376,745	$ 20,388,164

Custodial Credit Risk

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits to be secured by collateral and held at an independent, third-party institution, in the name of the College. As of June 30, 2019, the bank balances of the College's deposits with financial institutions were all fully insured or collateralized by securities pledged by the College's financial institution's agent in the College's name. There were no investments exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College's investment policy does not limit the maturities of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Illinois Funds are measured at net asset value (NAV) amortized cost. There are no limitations on redemption frequency or redemption notice. Redemption frequency is daily and redemption notice period is one day.

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

Credit Risk

Credit risk is the risk that the College will not recover its investments due to the ability of the counterparty to fulfill its obligation. Illinois statutes authorize the College to invest in obligations of the US Treasury and US Agencies, interest-bearing savings accounts, interest-bearing time deposits, money market mutual funds registered under the Investment Company Act of 1940 (limited to US Government obligations), shares issued savings and loan associations (provided the investments are insured by the FSLIC, short term discount obligations issued by the FNMA), share accounts of certain credit unions, investments in the Illinois School District Liquid Asset Fund, and certain repurchase agreements.

The College is also authorized to invest in short-term obligations of corporations organized in the United States with assets exceeding $500,000 if such obligations are rated at the time of purchase within the three highest classifications established by two or more standard rating services, the obligations mature within 180 days, no more than 1/3 of the total average balances from all funds available at the end of each month is invested in such obligations at any time, and such purchases do not exceed 10% of a corporation’s outstanding obligations. Investments may be made only in banks, which are insured by the FDIC.

The College’s investment policy does not further limit its investment choices. The College’s investments in the Illinois Funds Money Market Fund were rated AAAm by Standard and Poor’s at June 30, 2019.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College’s investment policy limits the amount the College may invest in any one issuer to 75% of the College’s total invested funds. The College is considered to have a concentration of credit risk of its investments if any one single issuer is greater than 5% of the total fixed income investments. At June 30, 2019, the College did not have a concentration of credit risk.

NOTE 3: CAPITAL ASSETS

The following is a schedule of changes in capital asset categories for the fiscal year ended June 30, 2019. The investment in capital assets is determined by reducing historical cost by accumulated depreciation.

	Primary Government/Business-Type Activity			
	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Historical Cost:				
Capital Assets Not Being Depreciated:				
Site	$ 346,427	$ -	$ -	$ 346,427
Construction in Progress	441,653	418,068	(412,973)	446,748
Other	16,500	-	-	16,500
	804,580	418,068	(412,973)	809,675
Other Capital Assets:				
Site Improvements	1,732,926	70,302	-	1,803,228
Buildings and Improvements	91,711,950	873,057	-	92,585,007
Equipment	10,286,054	833,802	(389,536)	10,730,320
	103,730,930	1,777,161	(389,536)	105,118,555
Total Capital Assets:	104,535,510	$ 2,195,229	$ (802,509)	105,928,230
Less Accumulated Depreciation:				
Other Capital Assets:				
Site Improvements	918,647	$ 153,878	$ -	1,072,525
Buildings and Improvements	33,366,690	1,840,928	-	35,207,618
Equipment	7,464,179	740,434	(377,068)	7,827,545
	41,749,516	$ 2,735,240	$ (377,068)	44,107,688
Capital Assets, Net	$ 62,785,994			$ 61,820,542

NOTE 4: ACCRUED EXPENSES

Accrued expenses consisted of the following at June 30, 2019:

Accrued Payroll	$ 1,807,840
Accrued Vacation	1,349,960
Accrued Benefits	176,852
Accrued Personal Leave	292,234
Accrued Expenses - Other	137,723
	$ 3,764,609

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 5: CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2019:

	2007 Bond Issue	2014 Bond Issue	2016A Debt Certificates	2016B Bond Issue
Debt Payable at July 1, 2018	$ 930,000	$ 1,945,000	$ 945,000	$ 4,525,000
Debt Issued	-	-	-	-
Debt Retired	(930,000)	(365,000)	(305,000)	(290,000)
Debt Refunded	-	-	-	-
Debt Payable at June 30, 2019	$ -	$ 1,580,000	$ 640,000	$ 4,235,000
Due Within One Year	$ -	$ 380,000	$ 315,000	$ 295,000

	2017A Refunding Bonds	2017B Bond Issue	Lease Purchase Agreement	Total Long-Term Debt
Debt Payable at July 1, 2018	$ 13,265,000	$ 5,500,000	$ 199,712	$ 27,309,712
Debt Issued	-	-	-	-
Debt Retired	-	-	(199,712)	(2,089,712)
Debt Refunded	-	-	-	-
Debt Payable at June 30, 2019	$ 13,265,000	$ 5,500,000	$ -	$ 25,220,000
Due Within One Year	$ -	$ 1,025,000	$ -	$ 2,015,000

The following are descriptions of the bond issues and the debt service requirements to maturity:

Taxable General Obligation Community College Bonds, Series 2014
Dated: November 20, 2014
Maturity Date: December 1, 2022
Total Issue: $3,000,000
Principal Paid Annually on December 1
Interest Paid Semi-Annually on December 1 and June 1, beginning on December 1, 2015
Interest Rate: 2.00% - 3.00%

Year Ending June 30,	Principal	Interest	Total
2020	$ 380,000	$ 41,700	$ 421,700
2021	390,000	30,150	420,150
2022	400,000	18,300	418,300
2023	410,000	6,150	416,150
	$ 1,580,000	$ 96,300	$ 1,676,300

NOTE 5: CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

Taxable Debt Certificates, Series 2016A
Dated: February 25, 2016
Maturity Date: June 1, 2021
Total Issue: $1,500,000
Principal Paid Annually on June 1
Interest Paid Semi-Annually on December 1 and June 1, beginning on December 1, 2016
Interest Rate: 2.10% - 4.00%

Year Ending June 30,	Principal	Interest	Total
2020	$ 315,000	$ 14,700	$ 329,700
2021	325,000	6,825	331,825
	$ 640,000	$ 21,525	$ 661,525

Taxable General Obligation Community College Bonds, Series 2016B
Dated: February 29, 2016
Maturity Date: December 1, 2030
Total Issue: $5,035,000
Principal Paid Annually on December 1
Interest Paid Semi-Annually on December 1 and June 1, beginning on December 1, 2016
Interest Rate: 3.00% - 3.75%

Year Ending June 30,	Principal	Interest	Total
2020	$ 295,000	$ 132,985	$ 427,985
2021	305,000	123,985	428,985
2022	315,000	114,685	429,685
2023	325,000	105,085	430,085
2024	335,000	95,185	430,185
2025 – 2029	1,835,000	310,991	2,145,991
2030 – 2031	825,000	31,016	856,016
	$ 4,235,000	$ 913,932	$ 5,148,932

On December 7, 2015, the College issued Taxable General Obligation Community College Bonds (Alternate Revenue Source), Series 2015, which created an obligation against the College in order to create a tax levy. $4,910,000 was the bond issue, of which $81,525 was bond issuance costs, and $4,897,500 was deposited in College funds. The bonds were then called and redeemed with proceeds of the Tax General Obligation Community College Bonds, Series 2016B above. The money is restricted for making future OPEB contributions.

NOTE 5: CHANGES IN GENERAL LONG TERM DEBT (CONTINUED)

General Obligation Community College Bonds, Series 2017A
Dated: April 25, 2017
Maturity Date: December 1, 2029
Total Issue: $13,265,000
Principal Paid Annually on December 1
Interest Paid Semi-Annually on December 1 and June 1, beginning on December 1, 2018
Interest Rate: 3.25% - 5.00%

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ 641,025	$ 641,025
2021	-	641,025	641,025
2022	-	641,025	641,025
2023	-	641,025	641,025
2024	1,190,000	611,275	1,801,275
2025 – 2029	10,805,000	1,611,250	12,416,250
2030	1,270,000	20,638	1,290,638
	$ 13,265,000	$ 4,807,263	$ 18,072,263

On April 25, 2017, the College issued General Obligation Bonds with an interest rate ranging from 3.25% to 5.00% to advance refund $14.6 million of outstanding 2007 Government Obligation Bonds with an interest rate ranging from 3.8% to 5.0%. The net proceeds of $13.3 million (after payment of $235,620 in issuance costs) plus an additional $255,648 of College funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 General Obligation Bonds. As a result, a portion of the 2007 General Obligation Bonds are considered to be defeased.

Taxable General Obligation Community College Bonds, Series 2017B
Dated: April 25, 2017
Maturity Date: December 1, 2023
Total Issue: $5,500,000
Principal Paid Annually on December 1
Interest Paid Semi-Annually on December 1 and June 1, beginning on December 1, 2018
Interest Rate: 2.05% - 3.04%

Year Ending June 30,	Principal	Interest	Total
2020	$ 1,025,000	$ 134,225	$ 1,159,225
2021	1,130,000	110,724	1,240,724
2022	1,245,000	80,236	1,325,236
2023	1,370,000	42,468	1,412,468
2024	730,000	11,096	741,096
	$ 5,500,000	$ 378,749	$ 5,878,749

NOTE 5: CHANGES IN GENERAL LONG TERM DEBT (CONCLUDED)

On April 25, 2017, the College issued Taxable General Obligation Community College Bonds, Series 2017B to increase the working cash fund of the College and debt issuance. $5,576,877 was the bond issue, of which $76,577 was bond issuance costs, with $5,500,000 deposited into the Working Cash Fund.

At June 30, 2019, the College's future cash flow requirements of long-term debt obligations by fiscal year were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 2,015,000	$ 964,635	$ 2,979,635
2021	2,150,000	912,709	3,062,709
2022	1,960,000	854,246	2,814,246
2023	2,105,000	794,728	2,899,728
2024	2,255,000	717,556	2,972,556
2025 - 2029	12,640,000	1,922,241	14,562,241
2030 - 2031	2,095,000	51,654	2,146,654
	$ 25,220,000	$ 6,217,769	$ 31,437,769

NOTE 6: ICCB REIMBURSEMENT

During the year ended June 30, 2014, the Illinois Community College Board (ICCB) conducted a recognition evaluation of the College. These evaluations are performed by the ICCB on a five-year cycle to ensure that colleges are in compliance with specific standards as established by the ICCB. All community colleges must be officially recognized to be eligible for State funding.

As part of this evaluation, the ICCB determined that the College did not have adequate controls in place for determining the "active and successful" pursuit of course completion for five of its courses. This resulted in an overstatement of 38,044 credit hours and an overpayment of $1,308,395 to the College by the ICCB through its Equalization and Base Operating Grants from July 1, 2011 through June 30, 2014. The College received an additional overpayment of $346,574 during fiscal year 2015 for a total overpayment of $1,654,969. During the year ended June 30, 2019, $356,066 was repaid to the ICCB.

The College is required to reimburse the ICCB for these overpayments through the reduction of funds to be received from its Equalization and Base Operating Grants for fiscal years 2016 through 2021 as follows:

Year Ending June 30,	Equalization	Base Operating	Total
2020	$ 112,706	$ 147,225	$ 259,931
2021	228,158	185,584	413,742
	$ 340,864	$ 332,809	$ 673,673

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

John A. Logan College, Community College District No. 530 contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

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

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2018 and 2019 respectively, was 12.46% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Concluded)

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

<u>Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2018. At June 30, 2018, SURS reported a net pension liability (NPL) of $27,494,556,682.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is $0. The proportionate share of the State's net pension liability associated with the College is $141,981,891 or 0.5164%. This amount should not be recognized in the financial statements. The net pension liability and total pension liability as of June 30, 2018 was determined based on the June 30, 2017 actuarial evaluation rolled forward. The basis of allocation used in the proportionate share of the net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2018.

Pension Expense

At June 30, 2018 SURS reported a collective net pension expense of $2,685,322,700.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018. As a result, the College recognized revenue and pension expense of $13,867,006 from this special funding situation during the year ended June 30, 2019.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 65,521,614	$ (181,032,053)
Changes in assumptions	1,286,257,095	(123,218,306)
Net difference between projected and actual earnings on pension plan investments	26,810,634	-
Total	$ 1,378,589,343	$ (304,250,359)

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

Years ending June 30,	Net Deferred Outflows of Resources
2018	$ 763,171,084
2019	540,443,042
2020	(192,612,398)
2021	(36,662,744)
2022	-
Thereafter	-
Total	$ 1,074,338,984

Employer Deferral of Fiscal Year 2019 Pension Expense

The College paid $148,117 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2019.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions and Other Inputs

Actuarial Assumptions

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

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

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

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

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

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Assumptions and Other Inputs (Concluded)

Discount Rate

A single discount rate of 6.65% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.62% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.65%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point-higher:

1% Decrease 5.65%	Current Single Discount Rate Assumption 6.65%	1% Increase 7.65%
$ 33,352,188,584	$ 27,494,556,682	$ 22,650,651,520

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

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The College participates in two postemployment benefit (OPEB) plans: the State of Illinois' College Insurance Program (CIP) and an OPEB plan provided by the College.

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program

Plan Description

The College participates in the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program "CIP"), a cost-sharing multiemployer defined benefit postemployment health care plan administered by the State of Illinois. The benefits, employer, employee, retiree, and state contributions are dictated by the Illinois Compiled Statutes (ILCS) through the State Group Insurance Act of 1971 (the Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

Benefits Provided

CIP provides health, vision, and dental benefits to retired staff and dependent beneficiaries of participating community colleges. Annuitants may be required to contribute toward health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute toward health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced 5% for each year of credited service with the State allowing those annuitants with 20 or more years of credited service to not have to contribute toward health, dental, and vision benefits.

Annuitants also receive life insurance coverage equal to the annual salary on the last day of employment until age 60, at which time the benefit become $5,000.

Contributions

The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay-as-you-go financing of the plan. The employer contributions to the plan for the years ended June 30, 2019 and 2018 were $86,591 and $85,396, respectively. The College contributions were equal to the required contributions for each year.

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program (Continued)

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

At June 30, 2019, the College reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided for the College. The State's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

College's proportionate share of the collective net OPEB liability	$ 18,435,712
State's proportionate share of the collective net OPEB liability associated with the employer	18,435,620
	$ 36,871,332

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2017, rolled forward to June 30, 2018. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State of Illinois. At June 30, 2018 and 2017, the College's proportions were 0.977891% and 0.971646%, respectively.

For the year ended June 30, 2019, the College recognized OPEB revenue and expense of $1,166,132 for support provided on-behalf by the State. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 270,960	$ (40,377)
Changes in assumptions	-	(2,307,608)
Net difference between projected and actual earnings on OPEB plan investments	-	(602)
Changes in proportion and differences between employer contributions and proportionate share of contributions	103,014	(1,663,244)
Total deferred amounts to be recognized in expense in future periods	373,974	(4,011,831)
Employer contributions subsequent to the measurement date	86,591	-
Total	$ 460,565	$ (4,011,831)

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program (Continued)

OPEB Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Concluded)

The College reported $86,591 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Years ending June 30,		Net Deferred Outflows of Resources
2019	$	(1,088,567)
2020		(1,088,567)
2021		(1,088,567)
2022		(446,951)
2023		74,795
2024		-
Total	$	(3,637,857)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.75%
Salary increases	3.75% to 10.00%, including inflation
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

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

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program (Continued)

Actuarial Assumptions (Concluded)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

The following OPEB-related assumption changes were made since the June 30, 2016 OPEB actuarial valuation date:

- The discount rate was changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.
- The healthcare trend assumptions were updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018.
- The excise tax trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2018.
- Per capita claim costs for plan year end June 30, 2018 were updated based on projected claims and enrollment experience through June 30, 2018 and updated premium rates through plan year 2019.
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset were not developed.

Discount Rate

Since CIP is financed on a pay-as-you-go basis, a long-term rate of return was not used, and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2018 was 3.62%, which was an increase from the June 30, 2017 rate of 3.56%. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily required rated. Based on those assumptions, CIP's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program (Continued)

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Single Discount Rate and Healthcare Cost Trend Rates

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rates.

The table below presents the OPEB liability of the College calculated using a discount rate of 3.62% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current rate:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Employer's proportionate share of the collective net OPEB liability	$ 21,366,506	$ 18,435,712	$ 15,996,411

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be it if were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2020 for Medicare coverage:

	1% Decrease *(a)*	Healthcare Cost Trend Rates Assumptions	1% Increase *(b)*
Employer's proportionate share of the collective net OPEB liability	$ 15,283,080	$ 18,435,712	$ 22,585,043

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

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

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. State of Illinois' College Insurance Program (Concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CIP financial report.

Payable to the OPEB Plan

The College had no outstanding contributions payable to the CIP plan for the year ended June 30, 2019.

B. John A. Logan College Single Employer Defined Benefit Postemployment Benefit Healthcare Plan

Retirees' Health Insurance Reimbursement

In addition to the pension benefits described in Note 7, the College provides a subsidy to eligible retirees to bring their cost of health insurance to current active employee levels. Eligibility is based on board policy or the applicable union contract, depending on the employee group. At the death of a retired employee, coverage will be extended to the spouse if previously covered. Retirees from the College will qualify for health insurance coverage under the College Insurance Program (Plan) offered through the State office of Central Management Services. Qualifying individuals receive reimbursement of varying amounts from the College in order to keep retirees' net contributions equal to the contribution of a current active employee with similar coverage. The College finances the Plan on a pay-as-you go basis.

Employees Covered by the Benefit Term

As of June 30, 2019, the following employees were covered by the benefit term:

Active employees	233
Inactive employees entitled to but not receiving benefits	-
Inactive employees currently receiving benefits	144
Total	377

Total OPEB Liability

The College's total OPEB liability of $5,874,721 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017, rolled forward to the year ended June 30, 2019.

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. John A. Logan College Single Employer Defined Benefit Postemployment Benefit Healthcare Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary rate increase	4.00%
Discount rate	2.79%
Healthcare cost trend rates	7.00%, managed care option, 6.00% CCHP option for 2019 decreasing to an ultimate rate of 5.00% for 2028 and later years
Retirees' share of benefit-related costs	Same as healthcare trend

Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used, and the discount rate used to measure the total OPEB liability was a 20-year general obligation bond index rate. The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019. The discount rate as of June 30, 2019 was 2.79%, which was a decrease from the June 30, 2018 rate of 2.98%.

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for males and females, as appropriate.

Changes in the Total OPEB Liability

Balance as of June 30, 2018	$	5,890,276
Changes for the year:		
Service cost		17,357
Interest		169,959
Difference between expected and actual experience		-
Changes in assumptions and other inputs		162,832
Benefit payments		(373,937)
Other changes		8,234
Net changes		(15,555)
Balance as of June 30, 2019	$	5,874,721

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. John A. Logan College Single Employer Defined Benefit Postemployment Benefit Healthcare Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rates.

The table below presents the OPEB liability of the College calculated using a discount rate of 2.79% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79%) or 1-percentage-point higher (3.79%) than the current rate:

	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Employer's proportionate share of the collective net OPEB liability	$ 5,330,928	$ 5,874,721	$ 6,527,865

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be it if were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.00%, managed care option, and 6.00%, CCHP option, decreasing to an ultimate trend rate of 5.00% in 2028:

	1% Decrease *(a)*	Healthcare Cost Trend Rates Assumptions	1% Increase *(b)*
Employer's proportionate share of the collective net OPEB liability	$ 6,513,473	$ 5,874,721	$ 5,333,814

(a) One percentage point decrease in healthcare trend rates are 6.00%, managed care option, and 5.00%, CCHP option, in 2019 decreasing to an ultimate trend rate of 4.00% in 2028.

(b) One percentage point increase in healthcare trend rates are 8.00%, managed care option, and 7.00%, CCHP option, in 2019 decreasing to an ultimate trend rate of 6.00% in 2028.

NOTE 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONCLUDED)

B. John A. Logan College Single Employer Defined Benefit Postemployment Benefit Healthcare Plan (Concluded)

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

For the year ended June 30, 2019, the College recognized OPEB revenue and expense of $498,546. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 223,796	$ -
Changes in assumptions	347,301	(12,759)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total deferred amounts to be recognized in expense in future periods	$ 571,097	$ (12,759)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	Net Deferred Outflows of Resources
2020	$ 311,230
2021	213,829
2022	33,279
Total	$ 558,338

NOTE 9: INTERGOVERNMENTAL AGREEMENT

In September 2017, the College entered into an educational partnership agreement (Community College Education Agreement) with 36 other Illinois community colleges to provide additional educational programs to the citizens of each district. The cooperating institutions in this agreement will be treated as in district in relation to admission policies for their programs. Colleges sending students to any receiving cooperating institution will no longer pay chargebacks to the receiving college.

NOTE 10: SIH EDUCATIONAL AGREEMENT AND PEPSI AGREEMENT

SIH

On November 30, 2011, the College entered into an educational partnership agreement with Southern Illinois Hospital Services (SIH) with the goal of improving the health outcome and health status of the region. As part of that agreement, SIH agreed to finish "Area 2" of the College's Communication Wing (approximately 6,000 square feet) to use for SIH's educational purposes at a cost of $716,665 to SIH for the rights to reside within the space for a period of at least 10 years. After the 10 year period, SIH would then have the ability to renew the agreement if it is within their best interest to do so. As a result, the $716,665 is being recognized as revenue over the ten-year period. During the year ended June 30, 2019, the College recognized $71,667 as revenue with the remaining $173,194 recorded as a deferred inflow of resources.

Pepsi

On October 23, 2018, the College entered into an agreement with Pepsi MidAmerica Co. (Pepsi) in which Pepsi will be the exclusive beverage and line snack provider for a period of 20 years. In accordance with the agreement, Pepsi made an upfront payment to the College for $130,000 for the first two years of the agreement. Pepsi will then make payments of $65,000 per year for years 3-20 of the agreement. The total monetary payments over the contract will be $1,300,000. During the year ended June 30, 2019, the College recognized $65,000 as revenue, accounts receivable of $1,170,000, and $1,235,000 as a deferred inflow of resources related to this contract.

NOTE 11: CONTINGENT LIABILITIES AND COMMITMENTS

Federal and State Grants

The College has received a number of Federal and State grants from specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, College management believes that such disallowances, if any, will not be material.

Vacation and Personal Leave

As of June 30, 2019, employees had earned but not taken annual vacation and personal leave, which at salary rates in effect at the end of the year, totaled approximately $1,350,000 and $292,000, respectively. The College has accrued this liability.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 11: CONTINGENT LIABILITIES AND COMMITMENTS (CONCLUDED)

Construction in Progress

At June 30, 2019, the College had construction project commitments totaling approximately $4,700,000. These commitments are detailed below:

Approved prior to June 30, 2019:		
Elevator renovations	$	112,000
Other various projects		192,000
		304,000
Approved after June 30, 2019, but prior to report date:		
Courtyard environment enhancement		108,000
Logan Fitness accessibility renovations		132,000
Miscellaneous work in the multi-purpose room and gym		148,000
Classroom technology upgrades		216,000
Pedestrian pathway and relocation of bell tower		275,000
G building roof replacement		391,000
Carterville and DuQuoin campus renovations		442,000
Asbestos abatement		532,000
Conference Center renovations, including courtyard		589,000
Bicycle pathway and bridge		594,000
Biology lab and prep room renovations		817,000
Other various projects		160,000
		4,404,000
Total construction commitments	$	4,708,000

Copier Leases

Effective April 2017, the College entered into a lease agreement with University Lease covering all copiers on campus. The lease is for five years at $6,870 per month for equipment rental and maintenance. The agreement allows for changes in equipment during this period should the College's needs change. Lease expense for the year ended June 30, 2019 was $82,439

The following is a summary of the College's copier lease future minimum rent payments through the end of the remaining period of the lease:

Fiscal Year		Principal
2020	$	82,439
2021		75,569
Total	$	158,008

NOTE 12: PRIOR-PERIOD RESTATEMENT

The College implement GASB Statement No. 33 (detailed in Note 1) and consequently recognized deferred inflows of resources for tax levies for future years. Because these deferred inflows were not previously adjusted, the beginning net position of the business-type activities on the Statement of Revenues, Expenses, and Changes in Net Position has been restated as detailed below.

In addition, it was determined by the College that certain amounts had been incorrectly reported as unearned revenue rather than reported as revenue in the year received. The beginning net position of the business-type activities on the Statement of Revenues, Expenses, and Changes in Net Position has been restated for this error as detailed below.

Net Position		
Net Position – July 1, 2018	$	34,066,696
Effect of recognizing deferred property tax revenue		(6,030,352)
Effect of correcting receipt of bond proceeds		224,572
Net Position, Restated – July 1, 2018	$	28,260,916

The changes discussed above, also impacted beginning fund balance in various funds detailed below in the All Funds Summary – Uniform Financial Statement #1 presented as supplemental information:

Fund Balance – Education Fund		
Fund Balance – July 1, 2018	$	8,931,207
Effect of recognizing deferred property tax revenue		(2,902,107)
Fund Balance, Restated – July 1, 2018	$	6,029,100
Fund Balance – Operations and Maintenance Fund		
Fund Balance – July 1, 2018	$	1,843,753
Effect of recognizing deferred property tax revenue		(483,683)
Fund Balance, Restated – July 1, 2018	$	1,360,070
Fund Balance – Operations and Maintenance Fund (Restricted)		
Fund Balance – July 1, 2018	$	1,519,309
Effect of recognizing deferred property tax revenue		(409,067)
Fund Balance, Restated – July 1, 2018	$	1,110,242
Fund Balance – Bond and Interest Fund		
Fund Balance – July 1, 2018	$	1,458,444
Effect of recognizing deferred property tax revenue		(1,304,042)
Fund Balance, Restated – July 1, 2018	$	154,402
Fund Balance – Restricted Purposes Fund		
Fund Balance – July 1, 2018	$	3,928,563
Effect of correcting prior year unearned revenue		224,572
Fund Balance, Restated – July 1, 2018	$	4,153,135

NOTE 12: PRIOR-PERIOD RESTATEMENT (CONCLUDED)

Fund Balance – Audit Fund		
Fund Balance – July 1, 2018	$	65,197
Effect of recognizing deferred property tax revenue		(25,122)
Fund Balance, Restated – July 1, 2018	$	40,075
Fund Balance – Liability, Protection, and Settlement Fund		
Fund Balance – July 1, 2018	$	1,355,925
Effect of recognizing deferred property tax revenue		(906,331)
Fund Balance, Restated – July 1, 2018	$	449,594

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT

The Foundation's notes to the financial statements are as follows:

A. Summary of Significant Accounting Policies

John A. Logan College Foundation (the Foundation) is organized exclusively for educational and charitable purposes. The Foundation assists in developing and augmenting the facilities and carrying out the educational functions of John A. Logan College (the College).

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities. The Foundation has presented its assets and liabilities on its Statement of Financial Position in an unclassified manner, but in order of liquidity.

Basis of Presentation – The Foundation classifies its net assets, revenues, gains, and losses on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

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

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – For the purpose of the Statement of Cash Flows, cash equivalents consist of cash and highly-liquid short-term investments including money market account deposits with original maturity of three months or less from the date of purchase.

Contributions – Contributions, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted and recorded at the present value using a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. There were no contributions to be received after one year at June 30, 2019. An allowance for uncollectible pledges is recognized based on historical experience, as necessary. No allowance for uncollectible pledges was recognized for the year ended June 30, 2019.

Contributions received in the same year in which the restriction is met are recorded as temporarily restricted contributions and released from restriction.

Contributed Services – The College provides office space, accounting and record-keeping services, and the necessary administrative services to the Foundation at no charge. The rental value of the office space is recorded at fair rental value equivalent to similar facility space. Other amounts have been recorded based on actual cost to the College for the services. See Note 13F below.

Investments – Investments are reported at fair value. Investment income, gains and losses, and any investment-related expenses are recorded as changes in net assets without donor restrictions in the Statement of Activities unless their use is temporarily or permanently restricted by explicit donor stipulations or laws. In the absence of donor stipulations or law to the contrary, losses on the investments of donor-restricted endowment funds are recognized as reductions of net assets with donor restrictions to the extent that donor-imposed restrictions on net appreciation of the funds have not been met before the loss occurs. Any remaining loss reduces net assets without donor restrictions.

Investment Expenses – Investment expenses, including custodial fees and investment advisory fees, relating to investment income amounted to $37,212 and have netted with investment income in the accompanying Statement of Activities.

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Continued)

Fair Value – The Foundation follows FASB ASC 820-10 "Fair Value Measurements," which provides a framework for measuring fair value under U.S. generally accepted accounting principles. FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

> Level 1: Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.
>
> Level 2: Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.
>
> Level 3: Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

Income Taxes – The Foundation is recognized as exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Foundation may be subject to federal and state income taxes on any net income from unrelated business activities. The Foundation files a form 990 (Return of Organization Exempt from Income Tax) annually, and unrelated business income (UBI) is reported on Form 990-T, as appropriate. Management has evaluated the Foundation's material tax positions, which include such matters as the tax-exempt status of each entity and various positions relative to potential sources of UBI. As of June 30, 2019, there were no uncertain tax benefits identified and recorded as a liability.

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Concluded)

Recently Issued Accounting Pronouncements – In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* These amendments clarify and improve the scope and accounting guidance related to contributions of cash and other assets received and made by not-for-profit organizations. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement or cancellation of liabilities, is a contribution or an exchange transaction. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The updated standard is effective for annual financial statements issued for the years beginning after December 15, 2018. The Foundation is currently evaluating the effect that the adoption of the standard will have on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customer. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-04, which defers the effective date of ASU No. 2014-09 on year, making it effective for annual reporting periods beginning after December 15, 2018. The Foundation has not yet selected a transition method and is currently evaluating the effect that the adoption of the standard will have on its financial statements.

Subsequent Events – Subsequent events were evaluated by the Organization through December 3, 2019, which is the date the financial statements were available to be issued.

B. Investments and Fair Value Measurements

The Foundation’s investments are held primarily by a national bank and managed by an investment advisor in accordance with the terms of an investment advisor agreement. Investments detailed below were measured at fair value as described in Note 13A.

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

B. Investments and Fair Value Measurements (Concluded)

		Fair Value		
	Cost	Quoted Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Mutual Funds	$ 999,509	$ 1,059,198	$ -	$ 1,059,198
Common Stock	2,252,339	2,538,773	-	2,538,773
Exchange-traded Funds	1,515,060	1,690,793	-	1,690,793
Corporate Bonds	2,893,998	-	2,896,348	2,896,348
U.S. Government and Agency Obligations	506,449	-	507,243	507,243
Real Estate Investments	201,499	-	248,838	248,838
Total Investments	$ 8,368,854	$ 5,288,764	$ 3,652,429	$ 8,941,193

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the year ended June 30, 2019.

C. Net Assets with Donor Restrictions

The Foundation reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

At June 30, 2019, the Foundation held $7,798,542 in net assets with donor restrictions. These assets will be used for scholarships for students of the College as well as grants benefiting the College in amounts as follows:

Non-endowed Scholarships	$ 712,457
Athletics	124,948
Endowments	6,865,320
Other	95,817
Total	$ 7,798,542

During the year ended June 30, 2019, $643,009 was released from restrictions and used for the following purposes:

Scholarships	$ 542,242
Other College Expenses	100,767
Total	$ 643,009

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

D. Endowment Funds

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The Board of Directors of the Organization, through obtaining a legal opinion and committee review, has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not considered to be held in perpetuity, is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The Foundation's investment policies.

Spending Policy. The Foundation has a policy in which any accumulated earnings in excess of a calculated reserve are available for distribution each year. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 4% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. The Board-approved spending was $296,541 for the fiscal year ended June 30, 2019.

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

D. Endowment Funds (Concluded)

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to preserve and increase the real principal value of the fund over the long-term. The investment objective is to earn an average annual rate of return over a 10-15 year period which exceeds the average annual change in the Consumer Price Index by 4%. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment net assets as June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Donor-restricted Endowment Funds	$ -	$ 6,865,320	$ 6,865,320
Board-designated Endowment Funds	1,544,175	-	1,544,175
	$ 1,544,175	$ 6,865,320	$ 8,409,495

Changes in endowment net assets as of June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment Net Assets, Beginning of Year	$ 1,605,188	$ 6,579,829	$ 8,185,017
Contributions	-	52,565	52,565
Investment Income, Net of Fees	36,990	149,406	186,396
Realized Gain (Loss)	(18,791)	(74,632)	(93,423)
Unrealized Gain (Loss)	73,742	301,739	375,481
Amounts Appropriated for Expenditures	(152,954)	(143,587)	(296,541)
Endowment Net Assets, End of Year	$ 1,544,175	$ 6,865,320	$ 8,409,495

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

E. Liquidity and Availability

The Foundation's financial assets available for general expenditures, that is, without donor restrictions or other limitations, such as Board designations, within one year of the Statement of Financial Position date, comprise the following:

Cash and Cash Equivalents	$ 273,034
Investments	216,823
Total	$ 489,857

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditures.

Board-designated endowments of $1,147,592 are subject to an annual spending limits as described in Note 13D. Although the Foundation does not intend to spend from the board-designated endowments (other than amounts appropriated for general expenditures as part of the Board's annual approved budget), these amounts could be made available if necessary.

As part of the Foundation's liquidity management plan, cash in excess of the Foundation's daily requirements are invested in short-term investments, certificates of deposit, and money market funds as determined by the Foundation's investment committee.

F. Relationship to John A. Logan College and Related Transactions

As part of the Foundation efforts, donations are accepted for the purchase of equipment to be used at the College. The College makes the initial purchase and submits invoices to the Foundation for reimbursement. The amounts reimbursed to the College are expensed as title to the assets remains with the College.

The College furnishes the Foundation with certain services and facilities at no charge. The total value of the services and facilities provided by the College during the year ended June 30, 2019 is recognized as contributions revenue in the Statement of Activities as detailed below:

Occupancy	$ 12,000
Contractual Services	8,914
Supplies and Materials	11,390
Personnel	230,415
Total	$ 262,719

NOTE 13: DISCRETELY PRESENTED COMPONENT UNIT (CONCLUDED)

F. Relationship to John A. Logan College and Related Transactions (Concluded)

The total value of the services and the facilities provided by the College during the year ended June 30, 2019 is also recognized as expenses as follows:

Scholarships	$ 73,444
Other Student Services	12,140
Management and General	70,553
Fundraising	106,582
Total	$ 262,719

G. Concentrations of Credit Risk

The Foundation maintains cash and cash equivalents at two different financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2019, the Foundation had cash and cash equivalents totaling $42,947 that were exposed to custodial credit risk but were collateralized by securities pledged by the Foundation's financial institution on-behalf of the Foundation.

H. Change of Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and available resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 has been implemented and presentation in the financial statements has been adjusted accordingly. Implementation had no effect on the Foundation's net assets and their classification.

REQUIRED SUPPLEMENTARY INFORMATION

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS (SURS) PENSION PLAN - GASB 68

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY†
State Universities Retirement System - *Unaudited*

	FY2019*	FY2018*	FY2017*	FY2016*	FY2015*
College's proportionate percentage of the collective net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
College's proportionate amount of the collective net pension liability	$ -	$ -	$ -	$ -	$ -
State's proportionate share of collective net pension liability associated with the College	141,981,891	132,756,562	150,631,522	142,796,497	134,423,009
Total	$ 141,981,891	$ 132,756,562	$ 150,631,522	$ 142,796,497	$ 134,423,009
College's DB covered payroll	$ 18,444,296	$ 18,370,903	$ 20,970,430	$ 21,977,912	$ 22,488,035
College's proportionate share of collective net pension liability as a percentage of its DB covered payroll	769.79%	722.65%	718.30%	649.73%	597.75%
SURS plan fiduciary net position as a percentage of the total pension liability	41.27%	42.04%	39.57%	42.37%	44.39%

**The amounts presented were determined as of the prior fiscal year end.*
†*The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.*

SCHEDULE OF COLLEGE CONTRIBUTIONS†
State Universities Retirement System - *Unaudited*

	FY2019	FY2018	FY2017	FY2016	FY2015
Federal, trust, grant and other contributions (required contributions)	$ 148,117	$ 159,156	$ 161,062	$ 167,235	$ 182,837
Contributions in relation to required contributions	148,117	159,156	161,062	167,235	182,837
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 1,205,183	$ 1,277,335	$ 1,285,411	$ 1,317,849	$ 1,561,375
Contributions as a percentage of covered payroll	12.29%	12.46%	12.53%	12.69%	11.71%

	FY2019	FY2018	FY2017	FY2016	FY2015
On-behalf payments for Community College Health Insurance Program	$ 86,591	$ 85,396	$ 84,297	$ 100,481	$ 106,881

†*The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.*

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
COLLEGE PLAN - GASB 75 - *UNAUDITED*

Fiscal Year Ended	2019	2018
Total OPEB Liability		
Service Cost	$ 17,357	$ 17,620
Interest on Total OPEB Liability	169,959	148,927
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	497,910
Changes of Assumptions or Other Inputs	162,832	116,522
Benefit Payments	(373,937)	(475,247)
Other Changes	8,234	349,370
Net Change in Total OPEB Liability	(15,555)	655,102
Total OPEB Liability - Beginning	5,890,276	5,235,174
Total OPEB Liability - Ending	$ 5,874,721	$ 5,890,276
Covered Payroll	$ 13,411,239	$ 13,411,239
Total OPEB Liability as a Percentage of Covered Payroll	43.80%	43.92%

Notes to Schedule

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY†
COLLEGE INSURANCE PROGRAM (CIP) - GASB 75 - *UNAUDITED*

	FY2019	FY2018	FY2017
College's proportion of the collective net OPEB liability	0.977891%	0.971646%	1.108664%
College's proportionate share of the collective net OPEB liability	$ 18,435,712	$ 18,011,609	$ 20,177,182
State's proportionate share of the collective net OPEB liability associated with the College	18,435,620	23,653,716	21,023,006
Total	$ 36,871,332	$ 41,665,325	$ 41,200,188
College's covered payroll	$ 17,318,296	$ 17,078,749	$ 16,859,262
College's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	106.5%	105.5%	119.7%
Plan fiduciary net position as a percentage of the total OPEB liability	-3.42%	-2.81%	N/A

†*The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.*

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - *UNAUDITED*
JUNE 30, 2019

NOTE 1: SURS PENSION PLAN

Changes of Benefit Terms.

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

Changes of Assumptions.

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

- Salary Increase: Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on the years of service, with underlying wage inflation of 2.25%.
- Investment Return: Decrease in investment return assumption to 6.75%. This reflects maintaining an assumed real rate of return of 4.50% and decreasing the underlying assumed price inflation of 2.25%.
- Effective Rate of Interest: Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (effective July 2, 2019).
- Normal Retirement Rates: A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of services and is younger than age 80.
- Early Retirement Rates: Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover Rates: Change rates to produce lower expected turnover for members with less than 10 years of services and higher turnover for members with more than 10 years of service.
- Mortality Rates: Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability Rates: Decrease rates and have separate rates for males and females to reflect observed experience.

Special Funding Situation

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

NOTE 2: COLLEGE INSURANCE PLAN

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Sponsor's Fiscal Year-End	June 30, 2019

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2018, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year cost plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expenses, including inflation, for all plan years.
Inflation	2.75%
Salary Increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of services. Salary increases include a 3.75% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2014 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018 based on premium increases. For fiscal years on and after 2019, trends start at 8.00% and 9.00% for non-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

OTHER SUPPLEMENTAL INFORMATION

Other

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND TAXES EXTENDED
UNAUDITED
LEVY YEARS 2016, 2017, AND 2018

	2018 Levy Payable in 2019*	2017 Levy Payable in 2018*	2016 Levy Payable in 2017*
Assessed Valuation (by County)			
Franklin County	$ 91,991,429	$ 86,523,070	$ 86,483,459
Jackson County	702,228,672	709,623,960	700,982,631
Perry County	95,552,899	94,038,523	91,232,451
Randolph County	12,380,954	11,208,485	11,547,935
Williamson County	1,046,667,240	1,028,897,830	1,014,817,466
	$ 1,948,821,194	$ 1,930,291,868	$ 1,905,063,942
Tax Rates			
(Per $100 of Assessed Valuation)			
Education	0.30000	0.30000	0.30000
Operations and Maintenance	0.05000	0.05000	0.05000
Bond and Interest	0.13604	0.13492	0.13314
Audit	0.00256	0.00260	0.00264
Liability, Protection, and Settlement	0.09496	0.09378	0.09256
Health, Life, and Safety	0.04296	0.04233	0.04001
Prior Year Adjustment	(0.00122)	0.00082	(0.00290)
	0.62530	0.62445	0.61545
Taxes Extended			
Education	$ 5,846,463	$ 5,790,876	$ 5,715,192
Operations and Maintenance	974,411	965,146	952,532
Bond and Interest	2,655,551	2,602,277	2,533,064
Audit	50,106	50,132	50,250
Liability, Protection, and Settlement	1,853,077	1,808,623	1,760,566
Health, Life, and Safety	838,386	816,310	761,118
Prior Year Adjustment	(12,769)	16,024	(31,183)
	$ 12,205,225	$ 12,049,388	$ 11,741,539

* Tax rates vary by county. Williamson County rates are reflected in the table. Tax extended represents actual extensions from all counties. Therefore, rate times assessed valuation does not compute to taxes extended.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN
UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2019

Assessed Valuation - 2017 Levy		
Franklin County	$	86,523,070
Jackson County		709,623,960
Perry County		94,038,523
Randolph County		11,208,485
Williamson County		1,028,897,830
	$	1,930,291,868
Debt Limit, 2.875% of Assessed Valuation (50 ILCS 405/1)	$	55,495,891
Less: Total Indebtedness		(25,220,000)
Legal Debt Margin	$	30,275,891

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE
UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2019

Policy Number	Coverage	Effective Date	Expiration Date	Coverage
14-0145-106-00001313	Title Insurance	Non-expiring		$188,000 College Property (Main Campus) $9,000 College Property (Main Campus Addition) $15,000 College Property (Main Campus Addition) $390,000 College Property (DuQuoin Extension Center)
3603-38-50 CIN	Blanket Building & Contents	8/15/2018	8/15/2019	$123,436,403 buildings, contents, betterments blanket limit "all risk" $25,000 deductible $100,000 fine arts and $798,186 construction work limits
4546-86-41 EUC	Inland Marine	8/15/2018	8/15/2019	$350,000 mine subsidence limit per structure hazardous substances, CFC refrigerants $5,000 deductible
8502WSI041042-1	General Liability	8/15/2018	8/15/2019	$1,000,000 limit per occurrence, $0 deductible $2,000,000 general aggregate limit
8502WSI041042-1	Employee Benefit Liability	8/15/2018	8/15/2019	$1,000,000 limit per occurrence $3,000,000 aggregate limit $1,000 deductible per claim
8502WSI041042-1	Law Enforcement Liability	8/15/2018	8/15/2019	$1,000,000 each wrongful occurrence, $2,500 deductible $1,000,000 aggregate
8502WSI041042-1	Crime	8/15/2018	8/15/2019	$100,000 limit for forgery, $250,000 limit for theft or burglary $500,000 limit for employee theft or computer/funds transfer fraud, $5,000 deductible
3602WSI041044-1	Educators Legal Liability	8/15/2018	8/15/2019	$1,000,000 limit of liability, $25,000 deductible per claim $100,000 each claims $100,000 aggregate
1002WSI041043-1	Commercial Auto	8/15/2018	8/15/2019	$1,000,000 bodily injury and property damage liability $1,000,000 uninsured/underinsured motorists $5,000 medical payments $500 deductible comp./$500 deductible coll.
0400169075	Workers' Compensation	8/15/2018	8/15/2019	Statutory coverage
4602WSI041045-0	Educators Excess Liability	8/15/2018	8/15/2019	$15,000,000 each occurrence $15,000,000 annual aggregate
ESE16522-00	Excess Earthquake	8/15/2018	8/15/2019	$10,000,000 per occurrence
01-614-15-14	Cyberliability	8/15/2018	8/15/2019	$1,000,000 liability limit
124-127-D47-L	Blanket Accident Insurance	8/1/2018	7/30/2019	$25,000 accident coverage
124-120-D47-S	Blanket Sports Policy	8/15/2018	8/15/2019	$25,000 accident coverage
SB20CC-050558-043	Catastrophic Sports Policy	8/15/2018	8/15/2019	$5,000,000 catastrophic accident insurance for intercollegiate athletics
285-024-936	Treasurers Bond	6/27/2018	6/27/2019	$7,500,000 bond amount
0022012	Post Employee Benefit Trust Bond	11/24/2018	11/24/2019	$1,100,000 bond amount
0022110	Working Cash Bond	4/22/2019	4/22/2020	$1,400,000 bond amount

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

FOR FISCAL YEAR 2020

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

1	Education Fund	$ 22,527,561	
2	Operations and Maintenance Fund	3,765,804	
3	Public Building Commission Operation and Maintenance Fund	-	
4	Bond and Interest Fund	2,923,416	
5	Public Building Commission Rental Fund	-	
6	Restricted Purposes Fund	9,874,243	
7	Audit Fund	51,194	
8	Liability, Protection, and Settlement Fund	1,793,649	
9	Auxiliary Enterprises Fund (subsidy only)	2,630,576	
10	**Total Non-Capital Expenditures (sum of lines 1-9)**		$ 43,566,443
11	Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) From Sources Other than State and Federal Funds	1,661,333	
12	**Total Costs Included (line 10 plus line 11)**		$ 45,227,776
13	Total Certified Semester Credit Hours for Fiscal Year 2019	81,795.00	
14	**Per Capita Cost (line 12 divided by line 13)**		$ 552.94
15	All Fiscal Year 2019 State and Federal Operating Grants For Non-Capital Expenditures, Except ICCB Grants	2,537,663	
16	Fiscal Year 2019 State and Federal Grants Per Semester Credit Hour (line 15 divided by line 13)		31.02
17	District's Average ICCB Grant Rate (excluding equalization grant) for Fiscal Year 2020		36.97
18	Districts's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2020		120.00
19	**Chargeback Reimbursement Per Semester Credit Hour (line 14 less lines 16, 17, and 18)**		$ 364.95

APPROVED: [signature] 12-5-19
Chief Fiscal Officer — Date

APPROVED: [signature] 12-5-19
Chief Executive Officer — Date

UNIFORM FINANCIAL STATEMENTS

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
Fund Balance, Restated (See Note 12) July 1, 2018	$ 6,029,100	$ 1,360,070	$ 1,110,242	$ 154,402	$ 217,621	$ 4,153,135	$ 7,535,685	$ 40,075	$ 449,594	$ 21,049,924
Revenues										
Local Tax Revenue	6,435,867	965,662	816,748	2,603,680	-	-	-	50,159	1,809,593	12,681,709
All Other Local Revenue	-	-	-	-	-	-	-	-	-	-
ICCB Grants	6,199,556	2,812,210	-	-	-	245,747	-	-	-	9,257,513
All Other State Revenue	-	-	17,699	-	-	495,162	-	-	-	512,861
Federal Revenue	-	-	-	-	17,919	8,666,906	-	-	-	8,684,825
Student Tuition and Fees	11,323,037	-	-	-	462,079	-	-	-	-	11,785,116
On-Behalf CIP	-					1,166,132				1,166,132
On-Behalf SURS	-					13,867,006				13,867,006
All Other Revenue	634,041	54,561	225,311	11,645	795,021	307,207	-	2,078	18,323	2,048,187
Total Revenues	24,592,501	3,832,433	1,059,758	2,615,325	1,275,019	24,748,160	-	52,237	1,827,916	60,003,349
Expenditures										
Instruction	9,017,402	-	-	-	-	6,119,690	-	-	-	15,137,092
Academic Support	2,232,561	-	-	-	469	1,449,767	-	-	-	3,682,797
Student Services	2,721,484	-	-	-	52,561	2,354,078	-	-	-	5,128,123
Public Service/Continuing Education	919,562	-	-	-	660,801	3,101,385	-	-	-	4,681,748
Auxiliary Services	-	-	75,204	-	1,453,460	857,737	-	-	-	2,386,401
Operations and Maintenance	-	3,624,926	209,402	-	1,740	1,931,604	-	-	741,197	6,508,869
Institutional Support	4,766,648	196,833	1,178,979	2,923,416	65,122	2,945,294	-	51,194	1,094,749	13,222,235
Scholarships, Grants, and Waivers	2,897,918	-	-	-	408,239	6,469,078	-	-	-	9,775,235
Total Expenditures	22,555,575	3,821,759	1,463,585	2,923,416	2,642,392	25,228,633	-	51,194	1,835,946	60,522,500
Net Transfers	(1,800,068)	(600,000)	799,713	332,375	1,250,805	17,175	-	-	-	-
Fund Balance, June 30, 2019	$ 6,265,958	$ 770,744	$ 1,506,128	$ 178,686	$ 101,053	$ 3,689,837	$ 7,535,685	$ 41,118	$ 441,564	$ 20,530,773

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO. 1
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balance - Uniform Financial Statement No. 1	$	20,530,773
Amounts reported in the basic financial statements for net position are different because:		
Capital assets used in College activities are not current financial resources and therefore are not reported in the Uniform Financial Statements.		61,820,542
Pension contributions made after the actuarial valuation date are considered expenditures in the Uniform Financial Statements but are deferred outflows of resources in the basic financial statements.		148,117
OPEB contributions made after the actuarial measurement date are considered expenditures in the Uniform Financial Statements but are deferred outflows of resources in the basic financial statements.		86,591
Premiums on fixed debt are other financial sources in the Uniform Financial Statements but are liabilities that are amortized over the life of the fixed debt in the basic financial statements.		(1,719,129)
Deferred losses on refunded fixed debt are other financing uses in the Uniform Financial Statements but are reported as deferred outflows of resources that are amortized over the life of the fixed debt in the basic financial statements.		492,065
Changes in assumptions, experiences, and other calculations are reported as deferred outflows/inflows in the basic financial statements; however, they are not recorded in the Uniform Financial Statements.		(3,079,519)
Unavailable summer 2019 revenue earned and related payroll expense in fiscal year 2019 is not recognized in the Uniform Financial Statements.		172,173
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in the Uniform Financial Statements. These liabilities consist of:		
Bonds payable		(25,220,000)
Postemployment benefits		(24,310,433)
ICCB reimbursement		(673,673)
Accrued interest		(78,497)
Net Position - Statement of Net Position	$	28,169,010

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO. 1 TO THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Uniform Financial Statement No. 1		$ (519,151)
Amounts reported in the general-purpose Statement of Revenues, Expenses, and Changes in Net Position are different because:		
The Uniform Financial Statements report capital outlays as expenditures paid while the basic financial statements report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 1,782,257	
Depreciation expense	(2,735,240)	
		(952,983)
Net book value of disposed capital assets is not reported in the Uniform Financial Statements.		(12,469)
Summer 2019 revenue earned and related payroll expenses in fiscal year 2019 is not recognized in the Uniform Financial Statements.		(284,687)
Contributions to pension funds are recognized as expenditures when paid to the pension fund on the Uniform Financial Statements. These expenses are recorded on the basic financial statements based on the pension expense, corresponding with the most recent measurement period. This is the difference between these amounts.		(11,039)
Contributions to the OPEB plans are recognized as expenditures when paid to the plans on the Uniform Financial Statements. These expenses are recorded on the basic financial statements based on the OPEB expense, corresponding with the most recent measurement period. This is the difference between these amounts.		86,591
Some expenses reported in the Uniform Financial Statements use current financial resources to reduce long-term liabilities reported on the basic financial statements. These activities consist of:		
Bonds payable, including amortization of bond premiums		2,199,406
Postemployment benefits		(959,882)
Reduction of ICCB reimbursement		356,066
Accrued interest		6,242
Increase in Net Position - Statement of Revenues, Expenses, and Changes in Net Position		$ (91,906)

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SUMMARY OF FIXED ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2019

	Fixed Asset/Debt Account Groups July 1, 2018	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2019
Fixed Assets				
Sites	$ 346,427	$ -	$ -	$ 346,427
Site Improvements	1,732,926	70,302	-	1,803,228
Buildings, Additions, and Improvements	91,711,950	873,057	-	92,585,007
Equipment	10,286,054	833,802	(389,536)	10,730,320
Other Fixed Assets	16,500	-	-	16,500
Construction in Progress	441,653	418,068	(412,973)	446,748
Total Fixed Assets	104,535,510	2,195,229	(802,509)	105,928,230
Less: Accumulated Depreciation	41,749,516	2,735,240	(377,068)	44,107,688
Net Fixed Assets	$ 62,785,994	$ (540,011)	$ (425,441)	$ 61,820,542
Fixed Debt				
Bonds Payable	$ 26,165,000	$ -	$ (1,585,000)	$ 24,580,000
Debt Certificates Payable	945,000	-	(305,000)	640,000
Lease-Purchase Payable	199,712	-	(199,712)	-
CIP Net OPEB Liability	17,719,288	716,424	-	18,435,712
Total Fixed Debt	$ 45,029,000	$ 716,424	$ (2,089,712)	$ 43,655,712

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Sources			
Local Government Revenues:			
Local Taxes	$ 5,810,166	$ 965,662	$ 6,775,828
Corporate Personal Property Replacement Tax	625,701	-	625,701
Total Local Government	6,435,867	965,662	7,401,529
State Government:			
ICCB Base Operating Grant	1,935,904	988,637	2,924,541
ICCB Equalization Grant	3,683,977	1,823,573	5,507,550
ICCB Career and Technical Education	474,920	-	474,920
Other ICCB Unrestricted Grants not listed above	104,755	-	104,755
Total State Government	6,199,556	2,812,210	9,011,766
Student Tuition and Fees:			
Tuition	10,173,767	-	10,173,767
Fees	1,149,270	-	1,149,270
Total Student Tuition and Fees	11,323,037	-	11,323,037
Other Sources:			
Sales and Service Fees	86,665	-	86,665
Facilities Revenue	-	12,985	12,985
Investment Revenue	393,560	14,960	408,520
Other	153,816	26,616	180,432
Total Other Sources	634,041	54,561	688,602
Total Revenue	24,592,501	3,832,433	28,424,934
Less Non-Operating Items:*			
Tuition Chargeback Revenue	-	-	-
Adjusted Revenue	$ 24,592,501	$ 3,832,433	$ 28,424,934

*Intercollege revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures			
By Program:			
Instruction	$ 9,017,402	$ -	$ 9,017,402
Academic Support	2,232,561	-	2,232,561
Student Services	2,721,484	-	2,721,484
Public Service/Continuing Education	919,562	-	919,562
Operations and Maintenance	-	3,624,926	3,624,926
Institutional Support	4,766,648	196,833	4,963,481
Scholarships, Grants, and Waivers	2,897,918	-	2,897,918
Total Expenditures	22,555,575	3,821,759	26,377,334
Less Non-Operating Items:*			
Transfers	(1,800,068)	(600,000)	(2,400,068)
Adjusted Expenditures	$ 20,755,507	$ 3,221,759	$ 23,977,266
By Object:			
Salaries	$ 14,809,423	$ 2,201,938	$ 17,011,361
Employee Benefits	1,627,441	293,739	1,921,180
Contractual Services	1,303,629	219,740	1,523,369
General Materials and Supplies	1,302,453	216,786	1,519,239
Library Materials**	12,749	-	12,749
Conference and Meeting Expenses	180,573	5,988	186,561
Fixed Charges	9,455	373	9,828
Utilities	-	827,007	827,007
Capital Outlay	28,014	55,955	83,969
Other	3,294,587	233	3,294,820
Student Grants and Scholarships**	2,897,918	-	2,897,918
Total Expenditures	22,555,575	3,821,759	26,377,334
Less Non-Operating Items:*			
Transfers	(1,800,068)	(600,000)	(2,400,068)
Adjusted Expenditures	$ 20,755,507	$ 3,221,759	$ 23,977,266

*Intercollege expenditures that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

**Non-add line

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2019

	Restricted Purposes Fund
Revenues by Source	
State Government:	
ICCB - Adult Education	$ 179,400
ICCB - Other	66,347
On-Behalf CIP	1,166,132
On-Behalf SURS	13,867,006
Other	495,162
Total State Government	15,774,047
Federal Government:	
Department of Education	6,870,468
Department of Health and Human Services	1,446,951
Other	349,487
Total Federal Government	8,666,906
Other Sources:	
Other	307,207
Transfers	17,175
Total Restricted Purposes Fund Revenues	$ 24,765,335
Expenditures By Program	
Instruction	6,119,690
Academic Support	1,449,767
Student Services	2,354,078
Public Service/Continuing Education	3,101,385
Auxiliary Services	857,737
Operations and Maintenance	1,931,604
Institutional Support	2,945,294
Scholarships, Grants, and Waivers	6,469,078
Total Restricted Purposes Fund Expenditures	$ 25,228,633
Expenditures By Object	
Salaries	1,842,928
Employee Benefits (Including SURS & CIP On-Behalf)	15,820,687
Contractual Services	262,453
General Materials and Supplies	248,237
Library Materials*	10,190
Travel & Conference/Meeting Expenses	98,815
Fixed Charges	30,756
Utilities	22,607
Capital Outlay	321,252
Other	6,580,898
Scholarships, Grants, and Waivers*	6,305,439
Total Restricted Purposes Fund Expenditures	$ 25,228,633

*Non-add line

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

CURRENT FUNDS * EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2019

Instruction	
Instructional Programs	$ 15,119,363
Other	17,729
Total Instruction	15,137,092
Academic Support	
Library Center	300,503
Instructional Materials Center	242,891
Academic Computing Support	499,680
Academic Administration and Planning	2,476,552
Other	163,171
Total Academic Support	3,682,797
Student Services	
Admissions and Records	864,087
Counseling and Career Guidance	2,955,200
Financial Aid Administration	599,942
Other	708,894
Total Student Services Support	5,128,123
Public Service/Continuing Education	
Community Education	945,880
Customized Training (Instructional)	542,129
Community Services	3,191,551
Other	2,188
Total Public Service/Continuing Education	4,681,748
Auxiliary Services	2,311,197
Operations and Maintenance of Plant	
Maintenance	1,468,795
Custodial	2,265,267
Grounds	544,084
Campus Security	1,192,192
Transportation	1,740
Plant Utilities	827,389
Total Operations and Maintenance of Plant	6,299,467
Institutional Support	
Executive Management	1,353,569
Fiscal Operations	1,183,333
Community Relations	823,829
Administrative Support Services	890,247
Board of Trustees	34,571
General Institution	2,250,822
Institutional Research	487,716
Administrative Data Processing	2,012,687
Other	83,066
Total Institutional Support	9,119,840
Scholarships, Student Grants, and Waivers	9,775,235
Total Current Funds Expenditures	$ 56,135,499

*Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement; and PBC Operations and Maintenance Funds.

STATE COMPLIANCE SECTION

Illinois Community College Board
State Grants Financial Compliance Section

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR ADULT EDUCATION AND FAMILY LITERACY GRANTS

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

Report on the Financial Statements

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants (State Basic and Performance) (grant program) of John A. Logan College, Community College District No. 530 (the College) as of June 30, 2019, and the related notes to the grant program financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB).

We believe that our audit provides a reasonable basis for our opinion and the College is in compliance, in all material respects, with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants (State Basic and Performance) of John A. Logan College, Community College District No. 530 as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The grant program financial statements present only the Grant Programs referred to above and do not purport to, and do not, present the financial position of the College as of June 30, 2019, or the changes in financial position of the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the grant program financial statements of the College. The ICCB Compliance Statement on page 75 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. Such information has been subjected to the auditing procedures applied in the audit of the grant program's financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant program financial statements or to the grant program financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement on page 75 is fairly stated, in all material respects, in relation to the grant program financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on pages 4-5 dated December 17, 2019, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATE ADULT EDUCATION RESTRICTED FUNDS

BALANCE SHEET
JUNE 30, 2019

	State Basic	Performance	Total (Memorandum Only)
Assets			
Current Assets			
Receivables - Governmental Claims	$ 11,264	$ 6,675	$ 17,939
Total Assets	$ 11,264	$ 6,675	$ 17,939
Liabilities and Fund Balances			
Current Liabilities			
Due To Other Funds	$ 11,264	$ 6,675	$ 17,868
Total Liabilities	11,264	6,675	17,939
Fund Balance			
Reserved	-	-	-
Total Liabilities and Fund Balances	$ 11,264	$ 6,675	$ 17,939

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

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

STATE ADULT EDUCATION RESTRICTED FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	State Basic	Performance	Total (Memorandum Only)
Revenues			
Grant	$ 112,645	$ 66,755	$ 179,400
Expenditures by Program			
Instruction	81,445	1,615	83,060
Social Work Services	4,027	9,053	13,080
Guidance Services	12,806	13,790	26,596
Assistive and Adaptive Equipment	80	-	80
Assessment and Testing	5,545	-	5,545
Student Transportation Services	2,390	-	2,390
Literacy Services	-	-	-
Subtotal Instructional & Student Services	106,293	24,458	130,751
Program Support			
Improvement of Instructional Services	-	9,263	9,263
General Administration	6,352	14,732	21,084
Operation & Maintenance of Plant Services	-	1,700	1,700
Workforce Coordination		1,430	1,430
Data & Information Services	-	15,172	15,172
Subtotal Program Support	6,352	42,297	48,649
Total Expenditures	112,645	66,755	179,400
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance, July 1, 2018	-	-	-
Fund Balance, June 30, 2019	$ -	$ -	$ -

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

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

NOTES TO GRANT PROGRAM FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: PROGRAM DESCRIPTIONS

The College is responsible for administering the programs listed below in accordance with "Policy Guidelines for Restricted Grant Expenditures and Reporting" set forth by ICCB in its *Fiscal Management Manual.* Program funds are accounted for the in the College's current restricted fund.

Adult Education and Family Literacy Grant Program

ICCB awards funding to eligible applicants to develop, implement, and improve adult education and literacy activities. The provider must use the grant to establish or operate programs that provide services or instruction in one or more of the following categories:

- Adult education and literacy services (including workplace),
- Family literacy services, and/or
- English literacy programs.

ICCB provides funding for adult education and family literacy from State and federal sources. State funds include three categories (1) State Basic, (2) State Public Assistance, and (3) State Performance. Federal funds include two categories: (1) Federal Basic and (2) Federal EL/Civics. Funding is allocated through a competitive process. The funding source determined the applicable statutory regulations, policies, and guidelines, including allowable costs. State Performance – Grants are awarded to adult education and family literacy providers based upon performance outcomes.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The statements have been prepared on the modified accrual basis.

Expenditures are reported when services are rendered or when goods are received. The grant funds shall be expended or obligated prior to June 30 each year, the last day of the fiscal year. Grant funds should be accounted for in the same period as in the credit hour claiming process. Unexpended funds shall be returned to ICCB by October 15 following the end of the fiscal year.

Grant revenues are reported in these grant program financial statements when allowable grant expenditures are made. Expenditures are allowable if they comply with "Policy Guidelines for Restricted Grant Expenditures and Reporting" set forth in ICCB's *Fiscal Management Manual.* Grant funds should be accounted for in the same period as in the credit hour claiming process.

These grant program financial statements cover only the State Adult Education Grant Programs. They are not intended to, and do not, present the financial position or results of operations of the College in its entirety.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

B. Cash Held by John A. Logan College

To facilitate sound management, substantially all grant program cash for the State Adult Education Grant Program is pooled with the College.

C. Receivables – Governmental Claims

A receivable is recorded for the funds to be received from ICCB at June 30, 2019, for reimbursement of allowable expenditures incurred during the fiscal year. These amounts are considered to be 100% collectible.

D. Due to Other Funds

This account presents the amount to be reimbursed to other funds for the use of the other funds' resources to pay for the expenses incurred by the grant program.

E. Capital Assets

Acquisitions of capital assets, if any, are reported as capital assets in the College's financial statements. They are recorded as capital outlay and are not capitalized in the grant program financial statements. There were no capital assets purchased with the grant funds during the fiscal year ended June 30, 2019.

F. Use of Estimates

The preparation of the grant program financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Actual results could differ from those estimates and assumptions.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

ICCB COMPLIANCE STATEMENT FOR THE
ADULT EDUCATION AND FAMILY LITERACY GRANT

EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 2019

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% Minimum Required)	$ 81,445	72.30%
General Administration (15% Maximum Allowed)	$ 6,352	5.64%

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

ILLINOIS DEPARTMENT OF HUMAN SERVICES SECTION

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT**

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

We have audited the basic financial statements of John A. Logan College, Community College District No. 530, as of and for the year ended June 30, 2019, and our report thereon dated December 17, 2019, which expresses an unmodified opinion on those financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Illinois Department of Human Services Grant Allowable Cost Summary and Unallowable Cost Report (Grant Reports) for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

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State of Illinois
Department of Human Services

Grant Allowable Cost Summary

GRANT REPORT for the period July 1 through June 30, 2019

AGENCY NAME: John A. Logan College No. 530

FEIN: 37-0905504

		DHS GRANT - FUNDED SERVICES					All other Programs	Mgmt. & General	Total
		Program 1	Program 2	Program 3	Program 4	Program 5			
	Program Name/Number/Contract Number/Other Identification	FCSXI04632							
A	Direct Program expenses	1,122,779					8,640,861	431,855	10,195,495
B	Allocate Management and General Costs (Note 1)	343,172					88,683	- 431,855	-0-
C	SUBTOTAL A & B	1,465,951					8,729,544	-0-	10,195,495
D	Subtract Unallowable costs per page 2								
E	Add other approved uses (attach documentation)								
F	TOTAL Allowable costs								
G	Special provisions (see instructions)								
H	Interest Earned (see instructions)	1,178							

NOTE 1: Management and General costs are allocated based on: ☐ direct salaries, ☒ total direct costs, ☐ other basis (attach explanation).

State of Illinois
Department of Human Services

UNALLOWABLE COST REPORT

Agency Name: John A. Logan College FEIN: 37-0905504

	IDHS GRANT-FUNDED SERVICES				
	PROGRAM 1	PROGRAM 2	PROGRAM 3	PROGRAM 4	PROGRAM 5
Program Name/Number/Contract Number	FCSXI04632				
Unallowable Costs (see instructions)					
Compensation of Governing Body					
Entertainment					
Associate Dues					
Meetings and Conventions					
Fundraising					
Bad Debt					
Charity and Grants					
Unallowable Interest					
Inventories					
Depreciation of IDHS - Funded Assets					
Cost of Production					
In-Kind Expenses					
Alcoholic Beverages					
Personal Automobile					
Fines and Penalties					
Personal Use Items					
Lobbying					
Unallowable Relocation					
Gratuities					
Political Contributions					
Related Party Transactions					
Costs Where a Conflict of Interest Exists					
Unallowable Cost if Program is Federally Funded or Cost Restricted by Contract (See Instructions)					
Explain:					
Explain:					
Total Unallowable Costs (to line D of Grant Report) - See below if None					

If no unallowable costs are listed, sign and date as follows:
I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the Grant Report.

Printed Name: Brad McCormick Title: VP for Business Services

Signature: Date: November 13, 2019

Please visit the following IDHS web page for the instructions mentioned in this form (these instructions are listed in each fiscal years financial reporting web link): http://www.dhs.state.il.us/page.aspx?item=59675

ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

KEMPER
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INDEPENDENT ACCOUNTANT'S REPORT ON THE SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of John A. Logan College, Community College District No. 530 for the year ended June 30, 2019 (the Schedule). The College's management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual.* Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule referred to above is in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule referred to above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule is presented in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* in all material respects.

The supplementary information on pages 82-84 discusses the College's residency verification steps and is the responsibility of the College's management. This information has not been subjected to the audit procedures applied in the audit of the Schedule, and accordingly, we do not express an opinion or provide any assurance on it.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

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JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2019

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)

	Summer		Fall		Spring		Total (Note 3)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories								
(Notes 1 & 2)								
Baccalaureate	5,495.0	-	20,424.0	176.0	19,701.0	157.0	45,620.0	333.0
Business Occupational	375.0	30.0	2,551.5	89.0	2,798.5	98.0	5,725.0	217.0
Technical Occupational	414.0	-	4,898.0	66.0	5,875.0	70.0	11,187.0	136.0
Health Occupational	1,450.0	-	5,231.0	6.5	5,003.5	96.0	11,684.5	102.5
Remedial Developmental	158.0	-	1,413.0	-	993.0	-	2,564.0	-
Adult Basic/Secondary Education	-	531.0	622.0	1,145.5	319.0	1,608.5	941.0	3,285.0
Total	7,892.0	561.0	35,139.5	1,483.0	34,690.0	2,029.5	77,721.5	4,073.5

Note 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

Note 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.

Note 3) Total of unrestricted and restricted should equal the SU and SR record totals.

	Attending In-District	Attending Out-of District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	73,793.5	-	73,793.5

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	6,598.0	3,411.0

District Prior Year Equalized Assessed Valuation $ 1,930,291,868

Correctional Semester Credit Hours by Term

	Summer	Fall	Spring	Total
Categories				-
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Development	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-
Total	-	-	-	-

Signatures

Chief Executive Officer (CEO)

Chief Fiscal Officer (CFO)

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	45,620.0	45,620.0	-	333.0	333.0	-
Business Occupational	5,725.0	5,725.0	-	217.0	217.0	-
Technical Occupational	11,187.0	11,187.0	-	136.0	136.0	-
Health Occupational	11,684.5	11,684.5	-	102.5	102.5	-
Remedial Developmental	2,564.0	2,564.0	-	-	-	-
Adult Basic/Secondary Education	941.0	941.0	-	3,285.0	3,285.0	-
Total	77,721.5	77,721.5	-	4,073.5	4,073.5	-

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019

	Total Attending (Unrestricted and Restricted)	Total Attending As Certified To The ICCB	Difference
Reimbursable In-District Residents	73,793.5	73,793.5	-
Reimbursable Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	73,793.5	73,793.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	6,598.0	6,598.0	-
Dual Enrollment	3,411.0	3,411.0	-
Total	10,009.0	10,009.0	-

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019

Categories	Total Reimbursable Correctional Credit Hours	Total Reimbursable Correctional Credit Hours Certified to The ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Development	-	-	-
Adult Basic/Secondary Education	-	-	-
Total	-	-	-

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2019

In-District Student

Description: A student who has lived in Franklin, Jackson, Perry, Randolph, or Williamson counties for at least 30 days prior to the beginning of the semester.

Residency Code: In-district

Acceptable Documentation: Includes driver's license, voter registration card, or a property tax statement, and the proof must show an in-district address.

If none of the above items are available, the student may establish proof of in-district residency by providing a notarized statement signed by the student and his/her parents stating that the student's residence is within the boundaries of the district. In the event that parents are not appropriate or available as co-signers on a notarized statement, such a statement can be co-signed by a city clerk or the county clerk in the city or county where the student has a permanent address.

Tuition Charge: Current in-district tuition charge

Student Employed Full-Time in the District

Description: An Illinois resident who lives outside the College's district but works at least 35 hours per week at a business or industry located in the district.

Residency Code: Out-of-district

Acceptable Documentation: A signed letter from employer verifying that the student works at least 35 hours in the district.

Tuition Charge: Current in-district tuition charge

Out-of-District Student

Description: A student who has lived outside the district boundaries but within the State of Illinois for at least 30 days prior to the beginning of the semester.

Residency Code: Out-of-district

Acceptable Documentation: Includes driver's license, voter registration card, or property tax statement.

Tuition Charge: Current out-of-district tuition charge

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS (CONTINUED)
JUNE 30, 2019

Chargeback Student

Description: A student who lives in Illinois outside the district boundaries but attends the College because his/her home Community College does not offer a specific degree/certificate program.

Residency Code: Out-of-district

Acceptable Documentation: A signed chargeback agreement from the home community college.

Tuition Charge: Current out-of-district tuition charge, but a waiver is processed for the difference between in-district and out-of-district

Reciprocal Agreement Student

Description: A student who lives in the Shawnee College, Rend Lake College, or Southeastern Illinois Community College district but attends John A. Logan College for the purpose of enrolling in a specific course not offered by the home community college. Since this is an agreement made among these four colleges, a chargeback request is not required.

Residency Code: Out-of-district

Acceptable Documentation: A letter of reciprocity from the home community college.

Tuition Charge: Current in-district tuition charge

Out-of-State Student

Description: A student who lives outside the State of Illinois.

Residency Code: Out-of-state

Acceptable documentation: None is required.

Tuition Charge: Current out-of-state tuition charge

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS (CONCLUDED)
JUNE 30, 2019

International Student

Description: A student who lives outside of the United States.

Residency Code: Foreign

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Director of Counseling.

Tuition Charge: Current out-of-state tuition charge

International Athlete

Description: A student who lives outside of the United States but who attends the College for the purpose of playing collegiate sports.

Residency Code: Foreign

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Director of Counseling.

Tuition Charge: Current in-district tuition charge

International Student with U.S. In-District Sponsor

Description: A student whose permanent residence is outside of the United States but who lives with and is financially sponsored by a resident within the college district.

Residency Code: Out-of-country

Acceptable Documentation: A signed letter from an in-district resident verifying financial sponsorship.

Tuition Charge: Current in-district tuition charge

FEDERAL COMPLIANCE SECTION

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

To the Board of Trustees
John A. Logan College
Community College District No. 530
Carterville, Illinois 62918

Report on Compliance for Each Major Federal Program

We have audited John A. Logan College, Community College District No. 530's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

The College's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grant/Program or Cluster Title	Federal CFDA Number	Contract or Pass-Through Identifying Number	Provided to Subrecipients	Federal Expenditures	
U.S. Department of Education					
Direct Grants:					
Trio Student Support Services	84.042A	P042A150266-18B	$ -	$ 237,683	
Trio Student Support Services	84.042A	P042A150266-17	-	69,050	
Total Student Support Services			-	306,733	
Federal Student Assistance Cluster					
Federal Pell Grant Program	84.063	P063P170542	-	524,446	**(M)**
Federal Pell Grant Program	84.063	P063P180542	-	5,497,523	**(M)**
Federal Supplemental Educational Opportunity Grants	84.007	P007A181184	-	125,080	**(M)**
Federal Supplemental Educational Opportunity Grants	84.007	P007A171184	-	416	**(M)**
Federal Work-Study Program	84.033	P033A181184	-	102,389	**(M)**
Total Federal Student Assistance Cluster			-	6,249,854	
Passed through the Illinois Community College Board:					
Adult Education - Basic Grants to States	84.002	5300119	-	79,355	
Career and Technical Education - Basic Grants to States	84.048	CTE53019	-	234,526	
Total U.S. Department of Education			-	6,870,468	
U.S. Department of Health and Human Services					
Passed through the Illinois Department of Human Services:					
Child Care and Development Fund Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	FCSXI04632	61,649	1,446,951	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund **(NC)**	93.596	FCSXI04632	-	1,074,646	
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			61,649	2,521,597	
Child Care Development Block Grant **(NC)**	93.575	FCSXI04632	-	1,588,548	
Total Child Care and Development Fund Cluster			61,649	4,110,145	
Passed through the Illinois Department of Human Services:					
Temporary Assistance for Needy Families **(NC)**	93.558	FCSXI04632	-	1,909,787	
Social Service Block Grant **(NC)**	93.667	FCSXI04632	-	19,190	
Total U.S. Department of Health and Human Services			61,649	6,039,122	
U.S. Department of Agriculture					
Passed through Illinois State Board of Education:					
Child and Adult Care Food Program	10.558	19-4226-00-21-100	-	13,663	
Child and Adult Care Food Program	10.558	18-4226-00-21-100	-	4,256	
Total Child and Adult Care Food Program			-	17,919	
Total U.S. Department of Agriculture			-	17,919	
National Archivers and Records Administration					
Passed through Illinois Secretary of State, Illinois State Archives and Illinois State Historical Records Advisory Board:					
National Historic Publications and Records Grants	89.003	19AV013802	-	3,793	
Total National Archivers and Records Administration			-	3,793	
U.S. Department of Defense					
Passed through the Illinois Department of Commerce and Economic Opportunity:					
Procurement Technical Assistance for Business Firms	12.002	19-601119	-	34,402	
Total U.S. Department of Defense			-	34,402	
Delta Regional Authority					
Passed through Greater Egypt Regional Planning & Development Center					
Delta Area Economic Development	90.201	IL 53958	-	144,500	
Total Delta Regional Authority			-	144,500	
U.S. Department of Veterans Affairs					
Post-9/11 Veterans Education Assistance - GI Bill Chapter 33	64.028	N/A	-	165,791	
Total U.S. Department of Veterans Affairs			-	165,791	
Total Federal Awards			$ 61,649	$ 13,275,995	

(NC) Non-cash awards
(M) Major Program

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: BASIS OF PRESENTATION

A. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of John A. Logan College, Community College District No. 530 (the College) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title I *U.S. Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

B. Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursements.

NOTE 2: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the College provided federal awards to subrecipients as follows:

Program Title: Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Federal CFDA #: 93.596
Amount provided to subrecipients: $61,649

NOTE 3: NONCASH AWARDS

The non-cash awards represent childcare subsidies paid by the Illinois Department of Health and Human Services in the amount of $4,592,171.

NOTE 4: LOANS OR LOAN GUARANTEES OUTSTANDING

There were no loan programs for the year ended June 30, 2019.

NOTE 5: INDIRECT COST RATE

The College has a plan for allocation of common and indirect costs related to grant programs in accordance with the Uniform Guidance. The indirect cost rate used to allocate amounts to grant programs during the fiscal year ended June 30, 2019, is primarily based on a federally negotiated higher education rate agreement. The College has elected not to use the 10% de Minimis indirect cost rate.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a.) Material weaknesses identified?	No
b.) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
c.) Noncompliance material to the financial statements noted?	No

Federal Awards

1. Internal control over major program:	
a.) Material weaknesses identified?	No
b.) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of the Uniform Guidance?	Yes
4. Identification of major programs:	

CFDA Number	Name of Federal Program
	Federal Student Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity
84.033	Federal College Work Study
84.063	Federal Pell Grant Program

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2019-001: Controls Over Student Financial Assistance Enrollment Reporting

Federal Program Name	Student Financial Assistance Program
Project No.	P063P180542, P063P170542, P033A181184, P007A171184, P007A181184
CFDA No.	84.063, 84.007, 84.033
Federal Agency	U.S. Department of Education

Criteria/Specific Requirement:

CFR section 685.309 (b)(2) requires the College to notify the lender within 30 days if it discovers that a student who has received a loan did not enroll or ceased to be enrolled on at least a half time basis. The College has 60 days to notify the lender if the next scheduled roster reporting date is within 60 days of the date of determination of status change.

Condition:

During the compliance testing of “Special Tests and Provisions – Enrollment Reporting” requirements, we noted the following exceptions:

- Sixteen (16) out of 71 students who had graduated were not reported as graduated, but were reported as withdrawn. NSLDS reporting guide states, “The implementation of the 150% subsidized loan limit makes the reporting of Withdrawn ‘W’ or Graduated ‘G’ status even more critical.”
- Eighteen (18) students were reported as graduated, but not within the 60 day time period.
- One student selected for testing was not reported to the Clearinghouse.

Questioned Costs:

None

Context:

Exceptions were noted in 35 of the 71 students tested.

Effect:

Inaccurate information may be included in the Submittal File or Enrollment Update to the NSLDS.

Cause:

Lack of oversight in the Enrollment Report to NSLDS.

Recommendation:

We recommend the College establish procedures to ensure that accurate and timely information is reported to NSLDS.

Management’s Response:

Management agrees with the finding.

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530
CARTERVILLE, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding No.	Condition	Current Status
2018-001 & 2018-002	The College did not report, within the required time frame, changes in student enrollment for 21 students tested.	Repeated as Finding 2019-001

John A. Logan College
700 Logan College Road Carterville, Illinois, 62918 618.985.2828

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2019

Finding No. 2019-001: Controls Over Student Financial Assistance Enrollment Reporting

Condition:

During the compliance testing of "Special Tests and Provisions – Enrollment Reporting" requirements, we noted the following exceptions:

- Seventeen (17) out of 68 students who had graduated, were not reported as graduated, but were reported as withdrawn. NSLDS reporting guide states, "The implementation of the 150% subsidized loan limit makes the reporting of Withdrawn 'W' or Graduated 'G' status even more critical."
- Eighteen (18) students were reported as graduated, but not within the 60 day time period.
- One student selected for testing was not reported to the Clearinghouse.

Plan:

In response to the audit finding, the College has taken steps to ensure accurate and timely reporting to the National Student Clearinghouse and NSLDS in relation to reporting a status of graduated. To facilitate timely reporting, the College will now submit the Degree Verify file at the same time as our end-of-term Enrollment file. We will closely monitor email communication to ensure the file is received and accepted.

To ensure accurate reporting, Admissions and Records will implement a two-step verification:

- Prior to submission, the Admissions and Records Office will select a sample and verify the accuracy of data with the file, as well as match the total number of records to the number of degrees awarded for that term.
- After the submission is posted, Admissions and Records will login to the Clearinghouse website and verify the graduated status has been updated for a representative sample.

In addition to these steps, the College staff involved in the reporting process will participate in online learning courses offered by the National Student Clearinghouse related to Enrollment Reporting and Degree Verification. Admissions and Records will also coordinate with the IT Department to ensure submission files are correctly formatted to avoid file submission errors and delays.

Additionally, the Associated Dean for Admissions and Records will ensure student errors related to graduation from fiscal year 2019 are corrected through an updated submission file to the Clearinghouse in December 2019.

Anticipated Date of Completion:

Immediately

Name of Contact Person:

Tim Williams, Dean for Student Services