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
**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor's Report</td>
<td>1 - 3</td>
</tr>
<tr>
<td>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 <em>Government Auditing Standards</em></td>
<td>4 - 5</td>
</tr>
<tr>
<td><strong>MANAGEMENT’S DISCUSSION AND ANALYSIS</strong></td>
<td></td>
</tr>
<tr>
<td>Management’s Discussion and Analysis</td>
<td>6a – 6g</td>
</tr>
<tr>
<td><strong>BASIC FINANCIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>7</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses, and Changes in Net Position</td>
<td>8</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>9</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>10 - 51</td>
</tr>
<tr>
<td><strong>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)</strong></td>
<td></td>
</tr>
<tr>
<td>State Universities Retirement System of Illinois (SURS) Pension Plan – GASB 68:</td>
<td></td>
</tr>
<tr>
<td>Schedule of the College’s Proportionate Share of the Net Pension Liability</td>
<td>52</td>
</tr>
<tr>
<td>Schedule of College Contributions</td>
<td>52</td>
</tr>
<tr>
<td>Schedule of Changes in the College’s Total OPEB Liability and Related Ratios, College Plan – GASB 75</td>
<td>53</td>
</tr>
<tr>
<td>Schedule of the Employer’s Proportionate Share of the Collective Net OPEB Liability, College Insurance Program (CIP) – GASB 75</td>
<td>54</td>
</tr>
<tr>
<td>Notes to Required Supplementary Information</td>
<td>55 - 56</td>
</tr>
<tr>
<td><strong>OTHER SUPPLEMENTAL INFORMATION (UNAUDITED)</strong></td>
<td></td>
</tr>
<tr>
<td>Schedule of Assessed Valuations, Tax Rates, and Taxes Extended</td>
<td>57</td>
</tr>
<tr>
<td>Schedule of Legal Debt Margin</td>
<td>58</td>
</tr>
<tr>
<td>Schedule of Insurance in Force</td>
<td>59</td>
</tr>
<tr>
<td>Certification of Chargeback Reimbursement</td>
<td>60</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS (CONTINUED)

## UNIFORM FINANCIAL STATEMENTS (UFS)

- All Funds Summary (UFS#1)  
  61
- Reconciliation of the Uniform Financial Statement No. 1 to the Statement of Net Position  
  62
- Reconciliation of the Uniform Financial Statement No. 1 to the Statement of Revenues, Expenses, and Changes in Net Position  
  63
- Summary of Fixed Assets and Debt (UFS#2)  
  64
- Operating Funds Revenues and Expenditures (UFS#3)  
  65 - 66
- Restricted Purposes Fund Revenues and Expenditures (UFS#4)  
  67
- Current Funds * Expenditures by Activity (UFS#5)  
  68

## STATE COMPLIANCE SECTION

- Independent Auditor's Report on Compliance with State Requirements for Adult Education and Family Literacy Grants  
  69 - 70

  *State Adult Education Restricted Funds*

  - Balance Sheet  
    71
  - Statement of Revenues, Expenditures, and Changes in Fund Balance  
    72
  - Notes to Grant Program Financial Statements  
    73 - 74

  *ICCB Compliance Statement for the Adult Education and Family Literacy Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only*  
    75

## ILLINOIS DEPARTMENT OF HUMAN SERVICES SECTION

- Independent Auditor’s Report on Illinois Department of Human Services Grant Report  
  76
- Grant Allowable Cost Summary  
  77
- Unallowable Cost Report  
  78
ENROLLMENT DATA AND OTHER BASIS UPON WHICH CLAIM ARE FILED SECTION

Independent Accountant’s Report on the Schedule of Enrollment Data and Other Bases upon Which Claims are Filed 79

Schedule of Enrollment Data and Other Bases upon Which Claims are Filed 80

Reconciliation of Total Reimbursable Semester Credit Hours 81

Documentation of Residency Verification Steps 82 - 84

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 85 - 87

Schedule of Expenditures of Federal Awards 88

Notes to the Schedule of Expenditures of Federal Awards 89

Schedule of Findings and Questioned Costs:

   Section I – Summary of Auditor’s Results 90

   Section II – Financial Statement Findings 91

   Section III – Federal Award Findings and Questioned Costs 92

Summary Schedule of Prior Audit Findings 93

Corrective Action Plan for Current-Year Audit Findings 94
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.
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
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019
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.
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
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019
MANAGEMENT’S DISCUSSION AND ANALYSIS
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

![Comparison of Net Position Fiscal Years 2019 and 2018 (as Restated)]
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

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>FY2019</th>
<th>FY2018 (As Restated)</th>
<th>Increase (Decrease)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$26.0</td>
<td>$26.3</td>
<td>$(0.3)</td>
<td>(1.1)%</td>
</tr>
<tr>
<td>Non-Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted assets</td>
<td>10.3</td>
<td>9.0</td>
<td>1.3</td>
<td>14.4%</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>3.0</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>61.8</td>
<td>62.8</td>
<td>(1.0)</td>
<td>(1.6)%</td>
</tr>
<tr>
<td>Total assets</td>
<td>101.1</td>
<td>101.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DEFERRED OUTFLOWS OF RESOURCES</td>
<td>1.7</td>
<td>1.5</td>
<td>0.2</td>
<td>13.3%</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>6.9</td>
<td>6.3</td>
<td>0.6</td>
<td>9.5%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>49.6</td>
<td>51.3</td>
<td>(1.7)</td>
<td>(3.3)%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>56.5</td>
<td>57.6</td>
<td>(1.1)</td>
<td>(1.9)%</td>
</tr>
<tr>
<td>DEFERRED INFLOWS OF RESOURCES</td>
<td>18.1</td>
<td>16.7</td>
<td>1.4</td>
<td>8.4%</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>45.1</td>
<td>44.2</td>
<td>0.9</td>
<td>2.0%</td>
</tr>
<tr>
<td>Restricted</td>
<td>4.1</td>
<td>4.9</td>
<td>(0.8)</td>
<td>(16.3)%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(21.0)</td>
<td>(20.8)</td>
<td>(0.2)</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$28.2</td>
<td>$28.3</td>
<td>$(0.1)</td>
<td>(0.4)%</td>
</tr>
</tbody>
</table>

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)

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

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.
## Operating Results (in millions)

### REVENUES

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

### Operating Expenses (in millions)

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

(On-behalf shown separately from other operating expenses for year comparison purposes only.)
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.
The College’s debt activity for the year consisted of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt payable, July 1, 2018</td>
<td>$27,309,712</td>
</tr>
<tr>
<td>Debt retired</td>
<td>(2,089,712)</td>
</tr>
<tr>
<td>Debt payable, June 30, 2019</td>
<td>$25,220,000</td>
</tr>
</tbody>
</table>

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
### Assets

#### Current Assets
- **Cash and Cash Equivalents**: $10,037,418
- **Receivables**: $477,923
  - **Property Taxes**: $12,316,928
  - **Governmental Claims**: $732,727
  - **Tuition and Fees, Net of Allowance for Doubtful Accounts**: $1,315,419
  - **Other**: $1,247,545
  - **Prepaid Expenses**: $316,125
- **Total Current Assets**: $25,970,899

#### Non-Current Assets
- **Restricted Cash and Cash Equivalents**: $10,340,762
- **Long-Term Investments**: $3,000,000
- **Capital Assets, Net of Accumulated Depreciation**: $61,820,542
- **Total Non-Current Assets**: $75,161,304

#### Total Assets
- **Total Assets**: $101,132,203

### Liabilities

#### Current Liabilities
- **Accounts Payable**: $544,948
- **Accrued Expenses**: $3,764,609
- **Unearned Revenue**: $149,042
- **Accrued Bond Interest**: $78,497
- **Bonds Payable, Current**: $2,015,000
- **ICCB Reimbursement, Current**: $259,931
- **Total Current Liabilities**: $6,872,993

#### Non-Current Liabilities
- **Net OPEB Liability**: $24,310,433
- **Bonds Payable, Long-Term Portion, Net of Unamortized Premium**: $24,924,129
- **ICCB Reimbursement, Long-Term Portion**: $413,742
- **Total Non-Current Liabilities**: $49,648,304

#### Total Liabilities
- **Total Liabilities**: $56,521,297

### 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

### 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**: $78,497
- **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
- **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

The accompanying notes are an integral part of these financial statements.
### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

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

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

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and Improvements</td>
<td>50 Years</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>15 Years</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>10 Years</td>
</tr>
<tr>
<td>Equipment</td>
<td>8 Years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 Years</td>
</tr>
<tr>
<td>Computer Software</td>
<td>3 Years</td>
</tr>
</tbody>
</table>
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


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 use 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:

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>Bank Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents:</td>
<td></td>
</tr>
<tr>
<td>Cash Accounts</td>
<td>$ 12,366,742</td>
</tr>
<tr>
<td>Illinois Funds Money Market Fund</td>
<td>8,010,003</td>
</tr>
<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$ 20,376,745</td>
</tr>
</tbody>
</table>

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

Total Cash and Cash Equivalents: $ 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.

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

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

Total: $3,764,609
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:

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

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

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%

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$380,000</td>
<td>$41,700</td>
<td>$421,700</td>
</tr>
<tr>
<td>2021</td>
<td>390,000</td>
<td>30,150</td>
<td>420,150</td>
</tr>
<tr>
<td>2022</td>
<td>400,000</td>
<td>18,300</td>
<td>418,300</td>
</tr>
<tr>
<td>2023</td>
<td>410,000</td>
<td>6,150</td>
<td>416,150</td>
</tr>
<tr>
<td></td>
<td>$1,580,000</td>
<td>$96,300</td>
<td>$1,676,300</td>
</tr>
</tbody>
</table>
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%

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 315,000</td>
<td>$ 14,700</td>
<td>$ 329,700</td>
</tr>
<tr>
<td>2021</td>
<td>$ 325,000</td>
<td>6,825</td>
<td>331,825</td>
</tr>
<tr>
<td></td>
<td>$ 640,000</td>
<td>$ 21,525</td>
<td>$ 661,525</td>
</tr>
</tbody>
</table>

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%

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

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%

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$</td>
<td>$641,025</td>
<td>$641,025</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>641,025</td>
<td>641,025</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
<td>641,025</td>
<td>641,025</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>641,025</td>
<td>641,025</td>
</tr>
<tr>
<td>2024</td>
<td>1,190,000</td>
<td>611,275</td>
<td>1,801,275</td>
</tr>
<tr>
<td>2025 – 2029</td>
<td>10,805,000</td>
<td>1,611,250</td>
<td>12,416,250</td>
</tr>
<tr>
<td>2030</td>
<td>1,270,000</td>
<td>20,638</td>
<td>1,290,638</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$13,265,000</td>
</tr>
</tbody>
</table>

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%

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

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

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:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Equalization</th>
<th>Operating</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 112,706</td>
<td>$ 147,225</td>
<td>$ 259,931</td>
</tr>
<tr>
<td>2021</td>
<td>228,158</td>
<td>185,584</td>
<td>413,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 340,864</strong></td>
<td><strong>$ 332,809</strong></td>
<td><strong>$ 673,673</strong></td>
</tr>
</tbody>
</table>
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).

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 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:

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

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

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

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:

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

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Current Single Discount Rate Assumption</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>5.65%</td>
<td>6.65%</td>
<td>7.65%</td>
</tr>
<tr>
<td>Plan Net Position</td>
<td>$33,352,188,584</td>
<td>$27,494,556,682</td>
<td>$22,650,651,520</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>College’s proportionate share of the collective net OPEB liability</td>
<td>$18,435,712</td>
</tr>
<tr>
<td>State’s proportionate share of the collective net OPEB liability associated with the employer</td>
<td>$18,435,620</td>
</tr>
<tr>
<td></td>
<td>$36,871,332</td>
</tr>
</tbody>
</table>

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:

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

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Net Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$</td>
</tr>
<tr>
<td>2020</td>
<td>(1,088,567)</td>
</tr>
<tr>
<td>2021</td>
<td>(1,088,567)</td>
</tr>
<tr>
<td>2022</td>
<td>(446,951)</td>
</tr>
<tr>
<td>2023</td>
<td>74,795</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ (3,637,857)</td>
</tr>
</tbody>
</table>

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 rates. 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:

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Employer’s proportionate share of the collective net OPEB liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.62%</td>
<td>$21,366,506</td>
</tr>
<tr>
<td>3.62%</td>
<td>$18,435,712</td>
</tr>
<tr>
<td>4.62%</td>
<td>$15,996,411</td>
</tr>
</tbody>
</table>

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 if it 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:

<table>
<thead>
<tr>
<th>Healthcare Cost Trend Rates Assumptions</th>
<th>Employer’s proportionate share of the collective net OPEB liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease (a)</td>
<td>$15,283,080</td>
</tr>
<tr>
<td></td>
<td>$18,435,712</td>
</tr>
<tr>
<td></td>
<td>$22,585,043</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active employees</td>
<td>233</td>
</tr>
<tr>
<td>Inactive employees entitled to but not receiving benefits</td>
<td>-</td>
</tr>
<tr>
<td>Inactive employees currently receiving benefits</td>
<td>144</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>377</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>3.00%</td>
</tr>
<tr>
<td>Salary rate increase</td>
<td>4.00%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.79%</td>
</tr>
<tr>
<td>Healthcare cost trend rates</td>
<td>7.00%</td>
</tr>
<tr>
<td></td>
<td>managed care option, 6.00% CCHP option for 2019 decreasing to an ultimate rate of 5.00% for 2028 and later years</td>
</tr>
</tbody>
</table>

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**

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

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease 1.79%</th>
<th>Current 2.79%</th>
<th>1% Increase 3.79%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer’s proportionate share of the collective net OPEB liability</td>
<td>$5,330,928</td>
<td>$5,874,721</td>
<td>$6,527,865</td>
</tr>
</tbody>
</table>

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 if it 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:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (a)</th>
<th>Healthcare Cost Trend Rates Assumptions</th>
<th>1% Increase (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer’s proportionate share of the collective net OPEB liability</td>
<td>$6,513,473</td>
<td>$5,874,721</td>
<td>$5,333,814</td>
</tr>
</tbody>
</table>

(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:

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

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

<table>
<thead>
<tr>
<th>Years ending June 30</th>
<th>Net Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$311,230</td>
</tr>
<tr>
<td>2021</td>
<td>$213,829</td>
</tr>
<tr>
<td>2022</td>
<td>$33,279</td>
</tr>
<tr>
<td>Total</td>
<td>$558,338</td>
</tr>
</tbody>
</table>

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.
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

Total $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

Total $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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$82,439</td>
</tr>
<tr>
<td>2021</td>
<td>75,569</td>
</tr>
<tr>
<td>Total</td>
<td>$158,008</td>
</tr>
</tbody>
</table>
NOTE 12: PRIOR-PERIODRESTATEMENT

The College implemented 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.

<table>
<thead>
<tr>
<th>Net Position</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position – July 1, 2018</td>
<td>34,066,696</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td>(6,030,352)</td>
</tr>
<tr>
<td>Effect of correcting receipt of bond proceeds</td>
<td>224,572</td>
</tr>
<tr>
<td>Net Position, Restated – July 1, 2018</td>
<td>28,260,916</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Fund Balance – Education Fund</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>8,931,207</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td>(2,902,107)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td>6,029,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance – Operations and Maintenance Fund</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>1,843,753</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td>(483,683)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td>1,360,070</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance – Operations and Maintenance Fund (Restricted)</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>1,519,309</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td>(409,067)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td>1,110,242</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance – Bond and Interest Fund</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>1,458,444</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td>(1,304,042)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td>154,402</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance – Restricted Purposes Fund</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>3,928,563</td>
</tr>
<tr>
<td>Effect of correcting prior year unearned revenue</td>
<td>224,572</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td>4,153,135</td>
</tr>
</tbody>
</table>
NOTE 12: PRIOR-PERIOD RESTATEMENT (CONCLUDED)

<table>
<thead>
<tr>
<th>Fund Balance – Audit Fund</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>$</td>
<td>65,197</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td></td>
<td>(25,122)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td></td>
<td>40,075</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance – Liability, Protection, and Settlement Fund</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance – July 1, 2018</td>
<td>$</td>
<td>1,355,925</td>
</tr>
<tr>
<td>Effect of recognizing deferred property tax revenue</td>
<td></td>
<td>(906,331)</td>
</tr>
<tr>
<td>Fund Balance, Restated – July 1, 2018</td>
<td></td>
<td>449,594</td>
</tr>
</tbody>
</table>

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)

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

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:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total Endowment Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor-restricted Endowment Funds</td>
<td>$</td>
<td>$ 6,865,320</td>
<td>$ 6,865,320</td>
</tr>
<tr>
<td>Board-designated Endowment Funds</td>
<td>1,544,175</td>
<td></td>
<td>1,544,175</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,544,175</td>
<td>$ 6,865,320</td>
<td>$ 8,409,495</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$73,444</td>
</tr>
<tr>
<td>Other Student Services</td>
<td>12,140</td>
</tr>
<tr>
<td>Management and General</td>
<td>70,553</td>
</tr>
<tr>
<td>Fundraising</td>
<td>106,582</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$262,719</strong></td>
</tr>
</tbody>
</table>

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
## Schedule of the College’s Proportionate Share of the Net Pension Liability

**State Universities Retirement System - Unaudited**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>College’s proportionate percentage of the collective net pension liability</td>
<td>0.0000%</td>
<td>0.0000%</td>
<td>0.0000%</td>
<td>0.0000%</td>
<td>0.0000%</td>
</tr>
<tr>
<td>College’s proportionate amount of the collective net pension liability</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>State’s proportionate share of collective net pension liability associated with the College</td>
<td>141,981,891</td>
<td>132,756,562</td>
<td>150,631,522</td>
<td>142,796,497</td>
<td>134,423,009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 141,981,891</strong></td>
<td><strong>$ 132,756,562</strong></td>
<td><strong>$ 150,631,522</strong></td>
<td><strong>$ 142,796,497</strong></td>
<td><strong>$ 134,423,009</strong></td>
</tr>
<tr>
<td>College’s DB covered payroll</td>
<td>$ 18,444,296</td>
<td>$ 18,370,903</td>
<td>$ 20,970,430</td>
<td>$ 21,977,912</td>
<td>$ 22,488,035</td>
</tr>
<tr>
<td>College’s proportionate share of collective net pension liability as a percentage of its DB covered payroll</td>
<td>769.79%</td>
<td>722.65%</td>
<td>718.30%</td>
<td>649.73%</td>
<td>597.75%</td>
</tr>
<tr>
<td>SURS plan fiduciary net position as a percentage of the total pension liability</td>
<td>41.27%</td>
<td>42.04%</td>
<td>39.57%</td>
<td>42.37%</td>
<td>44.39%</td>
</tr>
</tbody>
</table>

*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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal, trust, grant and other contributions (required contributions)</td>
<td>$ 148,117</td>
<td>$ 159,156</td>
<td>$ 161,062</td>
<td>$ 167,235</td>
<td>$ 182,837</td>
</tr>
<tr>
<td>Contributions in relation to required contributions</td>
<td>$ 148,117</td>
<td>$ 159,156</td>
<td>$ 161,062</td>
<td>$ 167,235</td>
<td>$ 182,837</td>
</tr>
<tr>
<td>Contributions deficiency (excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>College’s covered payroll</td>
<td>$ 1,205,183</td>
<td>$ 1,277,335</td>
<td>$ 1,285,411</td>
<td>$ 1,317,849</td>
<td>$ 1,561,375</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>12.29%</td>
<td>12.46%</td>
<td>12.53%</td>
<td>12.69%</td>
<td>11.71%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On-behalf payments for Community College Health Insurance Program</td>
<td>$ 86,591</td>
<td>$ 85,396</td>
<td>$ 84,297</td>
<td>$ 100,481</td>
<td>$ 106,881</td>
</tr>
</tbody>
</table>

*The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.
### Schedule of Changes in the College's Total OPEB Liability and Related Ratios

**College Plan - GASB 75 - Unaudited**

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total OPEB Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$17,357</td>
<td>$17,620</td>
</tr>
<tr>
<td>Interest on Total OPEB Liability</td>
<td>$169,959</td>
<td>$148,927</td>
</tr>
<tr>
<td>Changes of Benefit Terms</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Differences Between Expected and Actual Experience</td>
<td>-</td>
<td>$497,910</td>
</tr>
<tr>
<td>Changes of Assumptions or Other Inputs</td>
<td>$162,832</td>
<td>$116,522</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>$(373,937)</td>
<td>$(475,247)</td>
</tr>
<tr>
<td>Other Changes</td>
<td>$8,234</td>
<td>$349,370</td>
</tr>
<tr>
<td><strong>Net Change in Total OPEB Liability</strong></td>
<td>$(15,555)</td>
<td>$655,102</td>
</tr>
<tr>
<td><strong>Total OPEB Liability - Beginning</strong></td>
<td>$5,890,276</td>
<td>$5,235,174</td>
</tr>
<tr>
<td><strong>Total OPEB Liability - Ending</strong></td>
<td>$5,874,721</td>
<td>$5,890,276</td>
</tr>
</tbody>
</table>

**Covered Payroll**

- **2019**: $13,411,239
- **2018**: $13,411,239

**Total OPEB Liability as a Percentage of Covered Payroll**

- **2019**: 43.80%
- **2018**: 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.
<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>College's proportion of the collective net OPEB liability</td>
<td>0.977891%</td>
<td>0.971646%</td>
<td>1.108664%</td>
</tr>
<tr>
<td>College's proportionate share of the collective net OPEB liability</td>
<td>$18,435,712</td>
<td>$18,011,609</td>
<td>$20,177,182</td>
</tr>
<tr>
<td>State's proportionate share of the collective net OPEB liability associated with the College</td>
<td>$18,435,620</td>
<td>$23,653,716</td>
<td>$21,023,006</td>
</tr>
<tr>
<td>Total</td>
<td>$36,871,332</td>
<td>$41,665,325</td>
<td>$41,200,188</td>
</tr>
<tr>
<td>College's covered payroll</td>
<td>$17,318,296</td>
<td>$17,078,749</td>
<td>$16,859,262</td>
</tr>
<tr>
<td>College's proportionate share of the collective net OPEB liability as a percentage of its covered payroll</td>
<td>106.5%</td>
<td>105.5%</td>
<td>119.7%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total OPEB liability</td>
<td>-3.42%</td>
<td>-2.81%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

†The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.
NOTE 1: SARS 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 SARS. 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 service 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.
- **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
## Assessed Valuation (by County)

<table>
<thead>
<tr>
<th>County</th>
<th>2018 Levy</th>
<th>2017 Levy</th>
<th>2016 Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franklin County</td>
<td>$91,991,429</td>
<td>$86,523,070</td>
<td>$86,483,459</td>
</tr>
<tr>
<td>Jackson County</td>
<td>702,228,672</td>
<td>709,623,960</td>
<td>700,982,631</td>
</tr>
<tr>
<td>Perry County</td>
<td>95,552,899</td>
<td>94,038,523</td>
<td>91,232,451</td>
</tr>
<tr>
<td>Randolph County</td>
<td>12,380,954</td>
<td>11,208,485</td>
<td>11,547,935</td>
</tr>
<tr>
<td>Williamson County</td>
<td>1,046,667,240</td>
<td>1,028,897,830</td>
<td>1,014,817,466</td>
</tr>
</tbody>
</table>

Total: $1,948,821,194  $1,930,291,868  $1,905,063,942

## Tax Rates

(Per $100 of Assessed Valuation)

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Levy</th>
<th>2017 Levy</th>
<th>2016 Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>0.30000</td>
<td>0.30000</td>
<td>0.30000</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>0.05000</td>
<td>0.05000</td>
<td>0.05000</td>
</tr>
<tr>
<td>Bond and Interest</td>
<td>0.13604</td>
<td>0.13492</td>
<td>0.13314</td>
</tr>
<tr>
<td>Audit</td>
<td>0.00256</td>
<td>0.00260</td>
<td>0.00264</td>
</tr>
<tr>
<td>Liability, Protection, and Settlement</td>
<td>0.09496</td>
<td>0.09378</td>
<td>0.09256</td>
</tr>
<tr>
<td>Health, Life, and Safety</td>
<td>0.04296</td>
<td>0.04233</td>
<td>0.04001</td>
</tr>
<tr>
<td>Prior Year Adjustment</td>
<td>(0.00122)</td>
<td>0.00082</td>
<td>(0.00290)</td>
</tr>
</tbody>
</table>

Total: 0.62530  0.62445  0.61545

## Taxes Extended

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Levy</th>
<th>2017 Levy</th>
<th>2016 Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$5,846,463</td>
<td>$5,790,876</td>
<td>$5,715,192</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>974,411</td>
<td>965,146</td>
<td>952,532</td>
</tr>
<tr>
<td>Bond and Interest</td>
<td>2,655,551</td>
<td>2,602,277</td>
<td>2,533,064</td>
</tr>
<tr>
<td>Audit</td>
<td>50,106</td>
<td>50,132</td>
<td>50,250</td>
</tr>
<tr>
<td>Liability, Protection, and Settlement</td>
<td>1,853,077</td>
<td>1,808,623</td>
<td>1,760,566</td>
</tr>
<tr>
<td>Health, Life, and Safety</td>
<td>838,386</td>
<td>816,310</td>
<td>761,118</td>
</tr>
<tr>
<td>Prior Year Adjustment</td>
<td>(12,769)</td>
<td>16,024</td>
<td>(31,183)</td>
</tr>
</tbody>
</table>

Total: $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.
### SCHEDULE OF LEGAL DEBT MARGIN
**UNAUDITED**
FOR THE YEAR ENDED JUNE 30, 2019

**Assessed Valuation - 2017 Levy**

<table>
<thead>
<tr>
<th>County</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franklin County</td>
<td>$86,523,070</td>
</tr>
<tr>
<td>Jackson County</td>
<td>709,623,960</td>
</tr>
<tr>
<td>Perry County</td>
<td>94,038,523</td>
</tr>
<tr>
<td>Randolph County</td>
<td>11,208,485</td>
</tr>
<tr>
<td>Williamson County</td>
<td>1,028,897,830</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,930,291,868</td>
</tr>
</tbody>
</table>

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
<table>
<thead>
<tr>
<th>Policy Number</th>
<th>Coverage</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-0145-106-00001313</td>
<td>Title Insurance</td>
<td>Non-expiring</td>
<td></td>
<td>$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)</td>
</tr>
<tr>
<td>3603-38-50 CIN</td>
<td>Blanket Building &amp; Contents</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$123,436,403 buildings, contents, betterments blanket limit &quot;all risk&quot; $25,000 deductible $100,000 fine arts and $798,186 construction work limits</td>
</tr>
<tr>
<td>4546-86-41 EUC</td>
<td>Inland Marine</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$350,000 mine subsidence limit per structure hazardous substances, CFC refrigerants $5,000 deductible</td>
</tr>
<tr>
<td>8502WSI041042-1</td>
<td>General Liability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$1,000,000 limit per occurrence, $0 deductible $2,000,000 general aggregate limit</td>
</tr>
<tr>
<td>8502WSI041042-1</td>
<td>Employee Benefit Liability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$1,000,000 limit per occurrence $3,000,000 aggregate limit $1,000 deductible per claim</td>
</tr>
<tr>
<td>8502WSI041042-1</td>
<td>Law Enforcement Liability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$1,000,000 each wrongful occurrence, $2,500 deductible $1,000,000 aggregate</td>
</tr>
<tr>
<td>8502WSI041042-1</td>
<td>Crime</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$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</td>
</tr>
<tr>
<td>3602WSI041044-1</td>
<td>Educators Legal Liability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$1,000,000 limit of liability, $25,000 deductible per claim $100,000 each claims $100,000 aggregate</td>
</tr>
<tr>
<td>1002WSI041043-1</td>
<td>Commercial Auto</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$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.</td>
</tr>
<tr>
<td>0400169075</td>
<td>Workers’ Compensation</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>Statutory coverage</td>
</tr>
<tr>
<td>4602WSI041045-0</td>
<td>Educators Excess Liability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$15,000,000 each occurrence $15,000,000 annual aggregate</td>
</tr>
<tr>
<td>ESE16522-00</td>
<td>Excess Earthquake</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$10,000,000 per occurrence</td>
</tr>
<tr>
<td>01-614-15-14</td>
<td>Cyberliability</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$1,000,000 liability limit</td>
</tr>
<tr>
<td>124-127-D47-L</td>
<td>Blanket Accident Insurance</td>
<td>8/1/2018</td>
<td>7/30/2019</td>
<td>$25,000 accident coverage</td>
</tr>
<tr>
<td>124-120-D47-S</td>
<td>Blanket Sports Policy</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$25,000 accident coverage</td>
</tr>
<tr>
<td>SB20CC-050558-043</td>
<td>Catastrophic Sports Policy</td>
<td>8/15/2018</td>
<td>8/15/2019</td>
<td>$5,000,000 catastrophic accident insurance for intercollegiate athletics</td>
</tr>
<tr>
<td>0022012</td>
<td>Post Employee Benefit Trust Bond</td>
<td>11/24/2018</td>
<td>11/24/2019</td>
<td>$1,100,000 bond amount</td>
</tr>
<tr>
<td>0022110</td>
<td>Working Cash Bond</td>
<td>4/22/2019</td>
<td>4/22/2020</td>
<td>$1,400,000 bond amount</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Education Fund</td>
<td>$22,527,561</td>
</tr>
<tr>
<td>2 Operations and Maintenance Fund</td>
<td>$3,765,804</td>
</tr>
<tr>
<td>3 Public Building Commission Operation and Maintenance Fund</td>
<td>-</td>
</tr>
<tr>
<td>4 Bond and Interest Fund</td>
<td>$2,923,416</td>
</tr>
<tr>
<td>5 Public Building Commission Rental Fund</td>
<td>-</td>
</tr>
<tr>
<td>6 Restricted Purposes Fund</td>
<td>$9,874,243</td>
</tr>
<tr>
<td>7 Audit Fund</td>
<td>$51,194</td>
</tr>
<tr>
<td>8 Liability, Protection, and Settlement Fund</td>
<td>$1,793,649</td>
</tr>
<tr>
<td>9 Auxiliary Enterprises Fund (subsidy only)</td>
<td>$2,630,576</td>
</tr>
</tbody>
</table>

Total Non-Capital Expenditures (sum of lines 1-9) $43,566,443

Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) From Sources Other than State and Federal Funds $1,661,333

Total Costs Included (line 10 plus line 11) $45,227,776

Total Certified Semester Credit Hours for Fiscal Year 2019 81,795.00

Per Capita Cost (line 12 divided by line 13) $552.94

All Fiscal Year 2019 State and Federal Operating Grants For Non-Capital Expenditures, Except ICCB Grants $2,537,663

Fiscal Year 2019 State and Federal Grants Per Semester Credit Hour (line 15 divided by line 13) 31.02

District's Average ICCB Grant Rate (excluding equalization grant) for Fiscal Year 2020 36.97

District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2020 120.00

Chargeback Reimbursement Per Semester Credit Hour (line 14 less lines 16, 17, and 18) $364.95

APPROVED: 
Chief Fiscal Officer Date

APPROVED: 
Chief Executive Officer Date
### All Funds Summary

#### Uniform Financial Statement #1

**Fiscal Year Ended June 30, 2019**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Bond and Interest Fund</th>
<th>Auxiliary Enterprises Fund</th>
<th>Restricted Purposes Fund</th>
<th>Working Cash Fund</th>
<th>Audit Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance, Restated (See Note 12) July 1, 2018</td>
<td>$ 6,029,100</td>
<td>$ 1,360,070</td>
<td>$ 1,110,242</td>
<td>$ 154,402</td>
<td>$ 217,621</td>
<td>$ 4,153,135</td>
</tr>
</tbody>
</table>

#### Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Operations Fund</th>
<th>Maintenance Fund</th>
<th>Bond and Interest Fund</th>
<th>Auxiliary Enterprises Fund</th>
<th>Restricted Purposes Fund</th>
<th>Working Cash Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Tax Revenue</td>
<td>6,435,867</td>
<td>965,662</td>
<td>816,748</td>
<td>2,603,680</td>
<td>-</td>
<td>-</td>
<td>4,153,135</td>
</tr>
<tr>
<td>All Other Local Revenue</td>
<td>6,199,556</td>
<td>2,812,210</td>
<td>17,699</td>
<td>-</td>
<td>-</td>
<td>17,919</td>
<td>8,666,906</td>
</tr>
<tr>
<td>ICCB Grants</td>
<td>11,323,037</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>462,079</td>
<td>-</td>
</tr>
<tr>
<td>All Other State Revenue</td>
<td>1,166,132</td>
<td>1,166,132</td>
<td>13,867,006</td>
<td>13,867,006</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>9,257,513</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>11,785,116</td>
<td>12,681,709</td>
<td>307,207</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student Support</td>
<td>634,041</td>
<td>54,561</td>
<td>225,311</td>
<td>11,645</td>
<td>75,204</td>
<td>1,453,460</td>
<td>857,737</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>24,992,301</td>
<td>3,382,433</td>
<td>1,059,758</td>
<td>2,615,325</td>
<td>1,175,019</td>
<td>24,748,160</td>
<td>52,237</td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Operations Fund</th>
<th>Maintenance Fund</th>
<th>Bond and Interest Fund</th>
<th>Auxiliary Enterprises Fund</th>
<th>Restricted Purposes Fund</th>
<th>Working Cash Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>9,017,402</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,119,690</td>
<td>-</td>
</tr>
<tr>
<td>Academic Support</td>
<td>2,232,561</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>469</td>
<td>1,449,767</td>
<td>-</td>
</tr>
<tr>
<td>Student Services</td>
<td>2,721,484</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,561</td>
<td>2,354,078</td>
<td>-</td>
</tr>
<tr>
<td>Public Service/Continuing Education</td>
<td>919,562</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>660,801</td>
<td>3,101,385</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary Services</td>
<td>1,931,604</td>
<td>-</td>
<td>-</td>
<td>1,740</td>
<td>1,931,604</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>3,619,926</td>
<td>3,624,926</td>
<td>209,402</td>
<td>-</td>
<td>1,740</td>
<td>1,740</td>
<td>-</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>4,766,648</td>
<td>196,833</td>
<td>1,178,979</td>
<td>2,923,416</td>
<td>5,194</td>
<td>1,094,749</td>
<td>13,222,335</td>
</tr>
<tr>
<td>Scholarships, Grants, and Waivers</td>
<td>2,897,918</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>408,239</td>
<td>6,469,076</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>23,555,575</td>
<td>3,821,759</td>
<td>1,463,585</td>
<td>2,923,416</td>
<td>2,642,392</td>
<td>25,228,633</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Net Transfers

<table>
<thead>
<tr>
<th>Category</th>
<th>Operations Fund</th>
<th>Maintenance Fund</th>
<th>Bond and Interest Fund</th>
<th>Auxiliary Enterprises Fund</th>
<th>Restricted Purposes Fund</th>
<th>Working Cash Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance, June 30, 2019</td>
<td>$ 6,265,958</td>
<td>$ 770,744</td>
<td>$ 1,506,128</td>
<td>$ 178,686</td>
<td>$ 101,053</td>
<td>$ 3,689,837</td>
<td>$ 7,535,685</td>
</tr>
</tbody>
</table>
### RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO. 1 TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund Balance - Uniform Financial Statement No. 1</td>
<td>$ 20,530,773</td>
</tr>
<tr>
<td>Amounts reported in the basic financial statements for net position are different because:</td>
<td></td>
</tr>
<tr>
<td>Capital assets used in College activities are not current financial resources and therefore are not reported in the Uniform Financial Statements.</td>
<td>$ 61,820,542</td>
</tr>
<tr>
<td>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.</td>
<td>$ 148,117</td>
</tr>
<tr>
<td>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.</td>
<td>$ 86,591</td>
</tr>
<tr>
<td>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.</td>
<td>$(1,719,129)</td>
</tr>
<tr>
<td>Deferred losses on refunded fixed debt are other financing uses in the Uniform Financial Statements but are reported as deferred outflows of resources that are amortized over the life of the fixed debt in the basic financial statements.</td>
<td>$ 492,065</td>
</tr>
<tr>
<td>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.</td>
<td>$(3,079,519)</td>
</tr>
<tr>
<td>Unavailable summer 2019 revenue earned and related payroll expense in fiscal year 2019 is not recognized in the Uniform Financial Statements.</td>
<td>$ 172,173</td>
</tr>
<tr>
<td>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:</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$(25,220,000)</td>
</tr>
<tr>
<td>Postemployment benefits</td>
<td>$(24,310,433)</td>
</tr>
<tr>
<td>ICCB reimbursement</td>
<td>$(673,673)</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>$(78,497)</td>
</tr>
<tr>
<td>Net Position - Statement of Net Position</td>
<td>$ 28,169,010</td>
</tr>
</tbody>
</table>
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)
  
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)
### SUMMARY OF FIXED ASSETS AND DEBT

**UNIFORM FINANCIAL STATEMENT #2**

**FISCAL YEAR ENDED JUNE 30, 2019**

<table>
<thead>
<tr>
<th>Fixed Asset/Debt Account Groups</th>
<th>Fixed Asset/Debt Account Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>July 1, 2018</strong></td>
<td><strong>Additions</strong></td>
</tr>
<tr>
<td>Sites</td>
<td>$ 346,427</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>1,732,926</td>
</tr>
<tr>
<td>Buildings, Additions, and Improvements</td>
<td>91,711,950</td>
</tr>
<tr>
<td>Equipment</td>
<td>10,286,054</td>
</tr>
<tr>
<td>Other Fixed Assets</td>
<td>16,500</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>441,653</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>104,535,510</td>
</tr>
<tr>
<td><strong>Less: Accumulated Depreciation</strong></td>
<td>41,749,516</td>
</tr>
<tr>
<td><strong>Net Fixed Assets</strong></td>
<td>$ 62,785,994</td>
</tr>
</tbody>
</table>

#### Fixed Debt

<table>
<thead>
<tr>
<th>Fixed Debt Account Groups</th>
<th>Fixed Debt Account Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable</td>
<td>$ 26,165,000</td>
</tr>
<tr>
<td>Debt Certificates Payable</td>
<td>945,000</td>
</tr>
<tr>
<td>Lease-Purchase Payable</td>
<td>199,712</td>
</tr>
<tr>
<td>CIP Net OPEB Liability</td>
<td>17,719,288</td>
</tr>
<tr>
<td><strong>Total Fixed Debt</strong></td>
<td>$ 45,029,000</td>
</tr>
</tbody>
</table>

---

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

---

64
### Operating Revenues by Sources

#### Local Government Revenues:

- **Local Taxes:** $5,810,166
- **Corporate Personal Property Replacement Tax:** 625,701

  **Total Local Government:** $6,435,867

#### State Government:

- **ICCB Base Operating Grant:** 1,935,904
- **ICCB Equalization Grant:** 3,683,977
- **ICCB Career and Technical Education:** 474,920
- **Other ICCB Unrestricted Grants not listed above:** 104,755

  **Total State Government:** $6,199,556

#### Student Tuition and Fees:

- **Tuition:** 10,173,767
- **Fees:** 1,149,270

  **Total Student Tuition and Fees:** 11,323,037

#### Other Sources:

- **Sales and Service Fees:** 86,665
- **Facilities Revenue:** 393,560
- **Investment Revenue:** 153,816

  **Total Other Sources:** 634,041

**Total Revenue:** 24,592,501

**Less Non-Operating Items:**

- **Tuition Chargeback Revenue:**

**Adjusted Revenue:** $24,592,501

*Intercollegiate revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.*
### Operating Expenditures

<table>
<thead>
<tr>
<th>By Program:</th>
<th>Education Fund</th>
<th>Operations and Maintenance Fund</th>
<th>Total Operating Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$ 9,017,402</td>
<td>$ -</td>
<td>$ 9,017,402</td>
</tr>
<tr>
<td>Academic Support</td>
<td>2,232,561</td>
<td>-</td>
<td>2,232,561</td>
</tr>
<tr>
<td>Student Services</td>
<td>2,721,484</td>
<td>-</td>
<td>2,721,484</td>
</tr>
<tr>
<td>Public Service/Continuing Education</td>
<td>919,562</td>
<td>-</td>
<td>919,562</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>-</td>
<td>3,624,926</td>
<td>3,624,926</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>4,766,648</td>
<td>196,833</td>
<td>4,963,481</td>
</tr>
<tr>
<td>Scholarships, Grants, and Waivers</td>
<td>2,897,918</td>
<td>-</td>
<td>2,897,918</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>22,555,575</td>
<td>3,821,759</td>
<td>26,377,334</td>
</tr>
</tbody>
</table>

**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:

<table>
<thead>
<tr>
<th>By Object:</th>
<th>Education Fund</th>
<th>Operations and Maintenance Fund</th>
<th>Total Operating Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 14,809,423</td>
<td>$ 2,201,938</td>
<td>$ 17,011,361</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>1,627,441</td>
<td>293,739</td>
<td>1,921,180</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>1,303,629</td>
<td>219,740</td>
<td>1,523,369</td>
</tr>
<tr>
<td>General Materials and Supplies</td>
<td>1,302,453</td>
<td>216,786</td>
<td>1,519,239</td>
</tr>
<tr>
<td>Library Materials**</td>
<td>12,749</td>
<td>-</td>
<td>12,749</td>
</tr>
<tr>
<td>Conference and Meeting Expenses</td>
<td>180,573</td>
<td>5,988</td>
<td>186,561</td>
</tr>
<tr>
<td>Fixed Charges</td>
<td>9,455</td>
<td>373</td>
<td>9,828</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>827,007</td>
<td>827,007</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>28,014</td>
<td>55,955</td>
<td>83,969</td>
</tr>
<tr>
<td>Other</td>
<td>3,294,587</td>
<td>233</td>
<td>3,294,820</td>
</tr>
<tr>
<td>Student Grants and Scholarships**</td>
<td>2,897,918</td>
<td>-</td>
<td>2,897,918</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>22,555,575</td>
<td>3,821,759</td>
<td>26,377,334</td>
</tr>
</tbody>
</table>

**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
### Revenues by Source

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Government</strong></td>
<td></td>
</tr>
<tr>
<td>ICCB - Adult Education</td>
<td>$179,400</td>
</tr>
<tr>
<td>ICCB - Other</td>
<td>66,347</td>
</tr>
<tr>
<td>On-Behalf CIP</td>
<td>1,166,132</td>
</tr>
<tr>
<td>On-Behalf SURS</td>
<td>13,867,006</td>
</tr>
<tr>
<td>Other</td>
<td>495,162</td>
</tr>
<tr>
<td><strong>Total State Government</strong></td>
<td>15,774,047</td>
</tr>
<tr>
<td><strong>Federal Government</strong></td>
<td></td>
</tr>
<tr>
<td>Department of Education</td>
<td>6,870,468</td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
<td>1,446,951</td>
</tr>
<tr>
<td>Other</td>
<td>349,487</td>
</tr>
<tr>
<td><strong>Total Federal Government</strong></td>
<td>8,666,906</td>
</tr>
<tr>
<td><strong>Other Sources</strong></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>307,207</td>
</tr>
<tr>
<td>Transfers</td>
<td>17,175</td>
</tr>
<tr>
<td><strong>Total Restricted Purposes Fund Revenues</strong></td>
<td>$24,765,335</td>
</tr>
</tbody>
</table>

### Expenditures By Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>6,119,690</td>
</tr>
<tr>
<td>Academic Support</td>
<td>1,449,767</td>
</tr>
<tr>
<td>Student Services</td>
<td>2,354,078</td>
</tr>
<tr>
<td>Public Service/Continuing Education</td>
<td>3,101,385</td>
</tr>
<tr>
<td>Auxiliary Services</td>
<td>857,737</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>1,931,604</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>2,945,294</td>
</tr>
<tr>
<td>Scholarships, Grants, and Waivers</td>
<td>6,469,078</td>
</tr>
<tr>
<td><strong>Total Restricted Purposes Fund Expenditures</strong></td>
<td>$25,228,633</td>
</tr>
</tbody>
</table>

### Expenditures By Object

<table>
<thead>
<tr>
<th>Object</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,842,928</td>
</tr>
<tr>
<td>Employee Benefits (Including SURS &amp; CIP On-Behalf)</td>
<td>15,820,687</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>262,453</td>
</tr>
<tr>
<td>General Materials and Supplies</td>
<td>248,237</td>
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<tr>
<td>Library Materials*</td>
<td>10,190</td>
</tr>
<tr>
<td>Travel &amp; Conference/Meeting Expenses</td>
<td>98,815</td>
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<tr>
<td>Fixed Charges</td>
<td>30,756</td>
</tr>
<tr>
<td>Utilities</td>
<td>22,607</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>321,252</td>
</tr>
<tr>
<td>Other</td>
<td>6,580,898</td>
</tr>
<tr>
<td>Scholarships, Grants, and Waivers*</td>
<td>6,305,439</td>
</tr>
<tr>
<td><strong>Total Restricted Purposes Fund Expenditures</strong></td>
<td>$25,228,633</td>
</tr>
</tbody>
</table>

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

*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
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 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 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.
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.
<table>
<thead>
<tr>
<th></th>
<th>State Basic</th>
<th>Performance</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables - Governmental Claims</td>
<td>$ 11,264</td>
<td>$ 6,675</td>
<td>$ 17,939</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 11,264</td>
<td>$ 6,675</td>
<td>$ 17,939</td>
</tr>
<tr>
<td><strong>Liabilities and Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due To Other Funds</td>
<td>$ 11,264</td>
<td>$ 6,675</td>
<td>$ 17,868</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 11,264</td>
<td>$ 6,675</td>
<td>$ 17,939</td>
</tr>
<tr>
<td>Fund Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td>$ 11,264</td>
<td>$ 6,675</td>
<td>$ 17,939</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

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

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

<table>
<thead>
<tr>
<th>State Basic</th>
<th>Audited Expenditure Amount</th>
<th>Actual Expenditure Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction (45% Minimum Required)</td>
<td>$ 81,445</td>
<td>72.30%</td>
</tr>
<tr>
<td>General Administration (15% Maximum Allowed)</td>
<td>$ 6,352</td>
<td>5.64%</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
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
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019
<table>
<thead>
<tr>
<th>Program Name/Number/Contract Number/Other Identification</th>
<th>Program 1</th>
<th>Program 2</th>
<th>Program 3</th>
<th>Program 4</th>
<th>Program 5</th>
<th>All other Programs</th>
<th>Mgmt. &amp; General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCSX104632</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Direct Program expenses

- Program 1: 1,122,779
- Program 2: 8,640,861
- Program 3: 431,855
- Program 4: 10,195,495

B. Allocate Management and General Costs (Note 1)

- Program 1: 343,172
- Program 2: 88,683
- Program 3: -431,855
- Program 4: -
- Program 5: -

C. SUBTOTAL A & B

- Program 1: 1,465,951
- Program 2: 8,729,544
- Program 3: -
- Program 4: -
- Program 5: -

D. Subtract Unallowable costs per page 2

- Program 1: -
- Program 2: -
- Program 3: -
- Program 4: -
- Program 5: -

E. Add other approved uses (attach documentation)

- Program 1: -
- Program 2: -
- Program 3: -
- Program 4: -
- Program 5: -

F. TOTAL Allowable costs

- Program 1: -
- Program 2: -
- Program 3: -
- Program 4: -
- Program 5: -

G. Special provisions (see instructions)

- Program 1: -
- Program 2: -
- Program 3: -
- Program 4: -
- Program 5: -

H. Interest Earned (see instructions)

- Program 1: 1,178

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

Page 1 of 2
## UNALLOWABLE COST REPORT

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

<table>
<thead>
<tr>
<th>IDHS GRANT-FUNDED SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROGRAM 1</strong></td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Program Name/Number/Contract Number</td>
</tr>
<tr>
<td>Unallowable Costs (see instructions)</td>
</tr>
<tr>
<td>Compensation of Governing Body</td>
</tr>
<tr>
<td>Entertainment</td>
</tr>
<tr>
<td>Associate Dues</td>
</tr>
<tr>
<td>Meetings and Conventions</td>
</tr>
<tr>
<td>Fundraising</td>
</tr>
<tr>
<td>Bad Debt</td>
</tr>
<tr>
<td>Charity and Grants</td>
</tr>
<tr>
<td>Unallowable Interest</td>
</tr>
<tr>
<td>Inventories</td>
</tr>
<tr>
<td>Depreciation of IDHS - Funded Assets</td>
</tr>
<tr>
<td>Cost of Production</td>
</tr>
<tr>
<td>In-Kind Expenses</td>
</tr>
<tr>
<td>Alcoholic Beverages</td>
</tr>
<tr>
<td>Personal Automobile</td>
</tr>
<tr>
<td>Fines and Penalties</td>
</tr>
<tr>
<td>Personal Use Items</td>
</tr>
<tr>
<td>Lobbying</td>
</tr>
<tr>
<td>Unallowable Relocation</td>
</tr>
<tr>
<td>Gratuities</td>
</tr>
<tr>
<td>Political Contributions</td>
</tr>
<tr>
<td>Related Party Transactions</td>
</tr>
<tr>
<td>Costs Where a Conflict of Interest Exists</td>
</tr>
<tr>
<td><strong>Unallowable Cost if Program is Federally Funded or Cost Restricted by Contract (See Instructions)</strong></td>
</tr>
</tbody>
</table>

**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=59875
ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
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
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019
# 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)

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

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 or Contractual Agreement

### Reimbursable Semester Credit Hours (All Terms)

<table>
<thead>
<tr>
<th>Attend In-District</th>
<th>Total</th>
<th>73,793.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of District</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Reimbursable Semester Credit Hours (All Terms)

<table>
<thead>
<tr>
<th>Dual Credit</th>
<th>Dual Enrollment</th>
<th>$1,930,291,868</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,598.0</td>
<td>3,411.0</td>
<td></td>
</tr>
</tbody>
</table>

### District Prior Year Equalized Assessed Valuation

$1,930,291,868

## Correctional Semester Credit Hours by Term

<table>
<thead>
<tr>
<th>Categories</th>
<th>Summer</th>
<th>Fall</th>
<th>Spring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baccalaureate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Technical Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remedial Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adult Basic/Secondary Education</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Signatures

Chief Executive Officer (CEO)  
Chief Fiscal Officer (CFO)
### RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Categories</th>
<th>Total Credit Hours</th>
<th>Total Restricted Credit Hours</th>
<th>Difference</th>
<th>Total Credit Hours</th>
<th>Total Restricted Credit Hours</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baccalaureate</td>
<td>45,620.0</td>
<td>45,620.0</td>
<td>-</td>
<td>333.0</td>
<td>333.0</td>
<td>-</td>
</tr>
<tr>
<td>Business Occupational</td>
<td>5,725.0</td>
<td>5,725.0</td>
<td>-</td>
<td>217.0</td>
<td>217.0</td>
<td>-</td>
</tr>
<tr>
<td>Technical Occupational</td>
<td>11,187.0</td>
<td>11,187.0</td>
<td>-</td>
<td>136.0</td>
<td>136.0</td>
<td>-</td>
</tr>
<tr>
<td>Health Occupational</td>
<td>11,684.5</td>
<td>11,684.5</td>
<td>-</td>
<td>102.5</td>
<td>102.5</td>
<td>-</td>
</tr>
<tr>
<td>Remedial Developmental</td>
<td>2,564.0</td>
<td>2,564.0</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Basic/Secondary Education</td>
<td>941.0</td>
<td>941.0</td>
<td>-</td>
<td>3,285.0</td>
<td>3,285.0</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>77,721.5</td>
<td>77,721.5</td>
<td>-</td>
<td>4,073.5</td>
<td>4,073.5</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Categories</th>
<th>Total Attending (Unrestricted and Restricted)</th>
<th>Total Attending As Certified To The ICCB</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursable In-District Residents</td>
<td>73,793.5</td>
<td>73,793.5</td>
<td>-</td>
</tr>
<tr>
<td>Reimbursable Out-of-District on Chargeback or Contractual Agreement</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>73,793.5</td>
<td>73,793.5</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Categories</th>
<th>Total Reimbursable Certified to ICCB</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Credit</td>
<td>6,598.0</td>
<td>-</td>
</tr>
<tr>
<td>Dual Enrollment</td>
<td>3,411.0</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10,009.0</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Categories</th>
<th>Total Reimbursable Correctional Credit Hours</th>
<th>Total Reimbursable Correctional Credit Hours Certified to The ICCB</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baccalaureate</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Technical Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health Occupational</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remedial Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adult Basic/Secondary Education</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
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
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
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.
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
Certified Public Accountants and Consultants

Marion, Illinois
December 17, 2019
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

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

(NC) Non-cash awards

(M) Major Program
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.
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:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.007</td>
<td>Federal Student Assistance Cluster:</td>
</tr>
<tr>
<td>84.033</td>
<td>Federal Supplemental Educational Opportunity</td>
</tr>
<tr>
<td>84.063</td>
<td>Federal College Work Study</td>
</tr>
<tr>
<td></td>
<td>Federal Pell Grant Program</td>
</tr>
</tbody>
</table>

5. Dollar threshold used to distinguish between Type A and Type B programs: $750,000

6. Auditee qualified as a low-risk auditee? No
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.
### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Finding No.</th>
<th>Condition</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-001 &amp; 2018-002</td>
<td>The College did not report, within the required time frame, changes in student enrollment for 21 students tested.</td>
<td>Repeated as Finding 2019-001</td>
</tr>
</tbody>
</table>
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

www.jalc.edu

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