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

ANNUAL FINANCIAL REPORT
AND
SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

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

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KEMPER CPA GROUP LLP
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension schedules, and other postemployment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise John A. Logan College, Community College District No. 530's basic financial statements. The Uniform Financial Statements, as required by the Illinois Community College Board, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 basic 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 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 taken as a whole.

Other Information

Management is responsible for the Other Supplemental Information included in the annual report. The Other Supplemental Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplemental Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the Other Supplemental Information and consider whether a material inconsistency exists between the Other Supplemental Information and the basic financial statements, or the Other Supplemental Information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the Other Supplemental Information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 25, 2024

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of John A. Logan College, Community College District No. 530 (the College) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 25, 2024. 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.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

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Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Unaudited)

This section of John A. Logan College's Annual Comprehensive Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2023. 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 audited basic financial statements and the notes to financial statements. Responsibility for the completeness and fairness of this information rests with management of the College.

Using the Annual Comprehensive Financial Report

The basic financial statements focus on the College as a whole and 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 reflect the College's financial position at a certain date. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. Net position is one indicator of the current financial condition of the College, while the change in net position is another indicator of whether the overall financial condition has improved or deteriorated during the year.

The Statement of Revenues, Expenses, and Changes in Net Position presents the College's financial results for the fiscal year. This statement includes the College's revenues and expenses, both operating and non-operating. Operating revenues and expenses are those for which the College directly exchanges goods and services. The primary operating revenues for the College are tuition and fees (net of scholarship allowances) and auxiliary services (net). Non-operating revenues and expenses are those that exclude specific, direct exchanges of goods and services. The major components of the College's non-operating revenues include local property taxes and government grants and contracts. The reporting model classifies these revenues as non-operating because no direct exchange of goods and services are received from the government or local taxpayers, respectively. 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

The College's net position increased by $10.6 million to $50.7 million at June 30, 2023, from $40.1 million at June 30, 2022. Net position represents the balance in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted.

Operating revenues increased to $5.9 million from $5.6 million during the years ended June 30, 2023, and 2022, respectively. Non-operating revenues and expenses, net, decreased $9.2 million. Included in non-operating revenues are State on-behalf revenues, which decreased from $11.7 million to $6.7 million in fiscal years 2022 and 2023, respectively. These on-behalf revenues represent combined pension and other post-employment benefit (OPEB) contributions made on behalf of the College by the State of Illinois to the State University Retirement System (SURS) and State of Illinois College Insurance Program (CIP). Total revenues and capital contributions, excluding State on-behalf contributions, decreased $4.2 million from $52.2 million to $48.0 million in fiscal years 2022 and 2023, respectively. This decrease is due to a reduction in federal grants and contracts of $7.1 million, primarily driven by the conclusion of the Higher Education Emergency Relief Fund (HEERF) grants in early FY2023, offset partially by an increase in investment income of $1.2

Financial Highlights (Concluded)

million. Total College expenses decreased $11.0 million from $55.1 million to $44.1 million in fiscal years 2022 and 2023, respectively. More discussion of the change in operating expenses is available on the following pages.

Financial Analysis of the College as a Whole

Net Position
(in millions)

ASSETS	FY2023	FY2022	Increase (Decrease)	Percent Change
Current				
Current assets	$ 36.3	$ 33.9	$ 2.4	7.1 %
Non-Current				
Restricted assets	22.9	21.6	1.3	6.0
Tangible and intangible capital assets, net	62.1	61.8	0.3	0.5
Total assets	121.3	117.3	4.0	3.4
DEFERRED OUTFLOWS OF RESOURCES	1.2	1.7	(0.5)	(29.4)
LIABILITIES				
Current liabilities	9.6	8.6	1.0	11.6
Non-current liabilities	31.9	47.0	(15.1)	(32.1)
Total liabilities	41.5	55.6	(14.1)	(25.4)
DEFERRED INFLOWS OF RESOURCES	30.3	23.3	7.0	30.0
NET POSITION				
Net investment in capital assets	43.1	49.2	(6.1)	(12.4)
Restricted	19.5	17.2	2.3	13.4
Unrestricted	(11.9)	(26.3)	14.4	(54.8)
Total net assets	$ 50.7	$ 40.1	$ 10.6	26.4 %

The College's statement of net position, as summarized in the above schedule, is presented on the accrual basis of accounting whereby assets are capitalized and depreciated or amortized and deferred outflows and inflows of resources are recognized.

Current assets increased $2.4 million to $36.3 million at June 30, 2023. Within current assets, cash and cash equivalents increased $1.3 million and receivables increased $1.0 million. The increase in total receivables was driven by an increase of $0.9 million in governmental claims and $0.5 million in property taxes receivable, offset partially by a decrease of $0.3 million in other receivables. Non-current assets increased $1.6 million due to a $1.3 million increase in restricted assets and a $0.3 million increase in tangible and intangible capital assets, net of depreciation and amortization.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

Financial Analysis of the College as a Whole (Continued)

Current liabilities increased $1.0 million in part due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023, which added $0.5 million current subscription liabilities to the Statement of Net Position. The remaining increase in current liabilities was due to increases of $0.1 million in accounts payable, $0.1 million in refundable advances, and $0.2 million in the current portion of bonds payable. Non-current liabilities decreased $15.1 million to $31.9 million on June 30, 2023 due to decreases of $10.7 million in net OPEB liabilities and $4.5 million in the long-term portion of bonds payable.

Deferred outflows of resources decreased $0.5 million due to decreases in OPEB plan related amounts. Deferred inflows of resources increased $7.0 million due to a $6.7 million increase in OPEB plan related amounts and a $0.5 million increase in deferred property tax revenue.

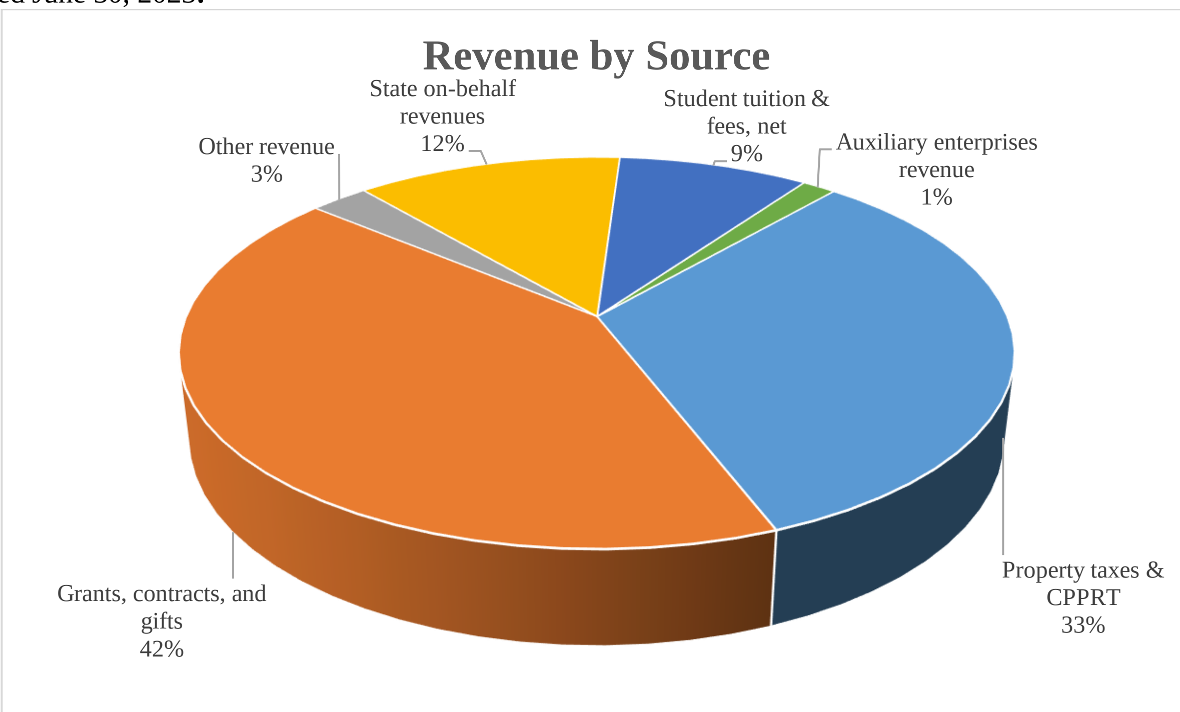
Operating Results
(in millions)

OPERATING INCOME (LOSS)	FY2023	FY2022	Increase (Decrease)	Percent Change
Operating revenues				
Student tuition and fees, net	$ 4.81	$ 4.23	$ 0.58	13.7%
Auxiliary enterprises revenue, net	0.85	1.00	(0.15)	(15.0)
Other operating revenue	0.21	0.39	(0.18)	(46.2)
Total operating revenue	5.87	5.62	0.25	4.4
Less operating expenses	43.32	54.25	(10.93)	(20.1)
Operating income (loss)	(37.45)	(48.63)	11.18	(23.0)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	15.79	15.24	0.55	3.6
Corporate personal property replacement taxes	2.12	2.03	0.09	4.4
Local grants and contracts	0.30	-	0.30	N/A
State grants and contracts	12.14	11.54	0.60	5.2
Federal grants and contracts	8.36	15.44	(7.08)	(45.9)
Nongovernmental gifts, grants and bequests	0.88	0.73	0.15	20.5
On-behalf revenues – SURS & CIP	6.71	11.74	(5.03)	(42.8)
Investment income	1.26	0.10	1.16	1,160.0
Bond premium amortization (interest expense), net	(0.77)	(0.84)	0.07	(8.3)
Total non-operating revenues (expenses)	46.79	55.98	(9.19)	(16.4)
CAPITAL CONTRIBUTIONS	1.26	1.46	(0.20)	(13.7)
CHANGE IN NET POSITION	$ 10.60	$ 8.81	$ 1.79	20.3%

Financial Analysis of the College as a Whole (Continued)

When reviewing the operating results, it should be noted the tuition and fees amount has been adjusted for a scholarship allowance. The scholarship allowances for the fiscal years 2023 and 2022 were $5.5 million and $5.0 million, respectively. This scholarship allowance represents the amount of scholarships and waivers applied to student accounts to fund a portion of their tuition and fee balances. If tuition and fees were presented on a gross basis, a greater dependence on tuition and fees would be noted.

The following is a graphic illustration of total revenue, including capital contributions, by source for the year ended June 30, 2023**:**

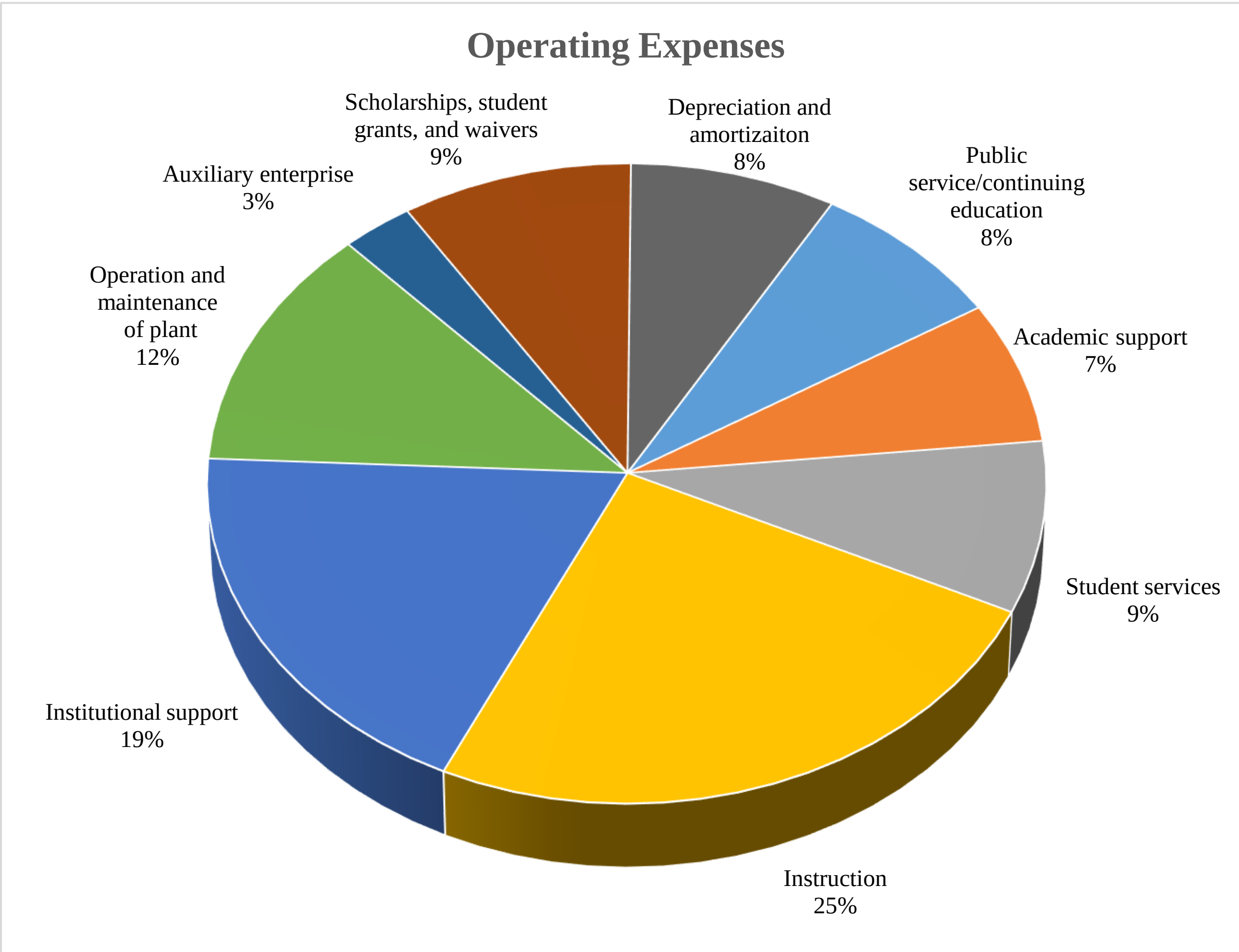


Operating Expenses, Including State On-behalf Payments
(in millions)

OPERATING EXPENSES	FY2023	FY2022	Increase (Decrease)	Percent Change
Instruction	$ 10.8	$ 13.8	$ (3.0)	(21.7) %
Academic support	3.1	5.1	(2.0)	(39.2)
Student services	3.8	5.1	(1.3)	(25.5)
Public service/continuing education	3.4	3.6	(0.2)	(5.6)
Operation and maintenance of plant	5.3	6.3	(1.0)	(15.9)
Institutional support	8.1	9.5	(1.4)	(14.7)
Auxiliary enterprise	1.2	1.5	(0.3)	(20.0)
Scholarships, student grants, and waivers	4.0	6.3	(2.3)	(36.5)
Depreciation and amortization	3.6	3.0	0.6	20.0
Total operating expenses	$ 43.3	$ 54.2	$ (10.9)	(20.1) %

Financial Analysis of the College as a Whole (Continued)

The following is a graphic illustration of operating expenses, including payments made by the State of Illinois on behalf of the College and recognized as expenses by the College, for the year ended June 30, 2023:



Operating expenses for the year ended June 30, 2023 decreased $10.9 million compared to the year ended June 30, 2022. Much of this total decrease is attributable to a decrease of $5.0 million in the combined pension and OPEB expenses paid on-behalf of the College by the State of Illinois, which are allocated pro-rata across operating expense programs based on salary expenses. These on-behalf expenses represent the College's portion of the SURS pension and CIP OPEB contributions. The State of Illinois has the legal obligation to make contributions directly to the SURS pension plan. The College recognizes revenue and a corresponding employee benefit expense for the College's proportionate share of the State's payments. The revenues and expenses recorded for these payments do not pass through the College, and the College does not spend any actual dollars. These on-behalf payments occur annually, and amounts may fluctuate significantly year to year. Both the FY2022 and FY2023 CIP on-behalf amounts were net OPEB benefits, which reduce the total on-behalf expense. For the year ended June 30, 2023, the College recognized revenue and expense of $9.6 million for on-behalf SURS pension contributions, offset by $2.9 million for on-behalf CIP net OPEB benefits, which nets to a total of $6.7 million State on-behalf revenues and expenses.

Financial Analysis of the College as a Whole (Concluded)

Operating Expenses, Excluding State On-behalf Payments
(in millions)

OPERATING EXPENSES	FY2023	FY2022	Increase (Decrease)	Percent Change
Instruction	$ 8.3	$ 9.0	$ (0.7)	(7.8) %
Academic support	2.6	4.2	(1.6)	(38.1)
Student services	3.0	3.8	(0.8)	(21.1)
Public service/continuing education	2.8	2.7	0.1	3.7
Operation and maintenance of plant	4.4	4.7	(0.3)	(6.4)
Institutional support	6.9	7.6	(0.7)	(9.2)
Auxiliary enterprise	1.0	1.2	(0.2)	(16.7)
Scholarships, student grants, and waivers	4.0	6.3	(2.3)	(36.5)
Depreciation and amortization	3.6	3.0	0.6	20.0
Total operating expenses	$ 36.6	$ 42.5	$ (5.9)	(13.9) %

Excluding the on-behalf expense allocations, operating expenses decreased $5.9 million. Scholarships, student grants, and waivers decreased $2.3 million primarily due to the conclusion of the HEERF grants in early fiscal year 2023, offset by an increase in Pell funding and participant incentives across multiple state and federal grants. Academic support expenses decreased $1.6 million also due to the conclusion of the HEERF grants. These grants were used during fiscal year 2022 to purchase academic support materials, technology, and online services to improve remote learning and promote social distancing and campus safety. Overall, contractual services and supplies and materials decreased $0.9 million and $1.2 million, respectively, year over year. Salaries and benefits, excluding on-behalf expenses, increased $0.9 million year over year while fixed charges and utilities each increased $0.2 million, and conferences and travel increased $0.3 million.

Capital and Debt Activities

Capital Assets, Net
As of June 30
(in millions)

TANGIBLE CAPITAL ASSETS	2023	2022	Increase (Decrease)	Percent Change
Site	$ 0.3	$ 0.3	$ -	- %
Site improvement	4.8	3.8	1.0	26.3
Buildings and improvements	95.5	95.0	0.5	0.5
Equipment and other	10.6	10.4	0.2	1.9
Construction in progress	2.1	1.7	0.4	23.5
Total historical cost	113.3	111.2	2.1	1.9
Less accumulated depreciation	52.0	49.4	2.6	5.3
Tangible capital assets, net	$ 61.3	$ 61.8	$ (0.5)	(0.8) %

Capital and Debt Activities (Concluded)

INTANGIBLE CAPITAL ASSETS	2023	2022	Increase (Decrease)	Percent Change
Right to use equipment and software	$ 1.4	$ -	$ 1.4	N/A %
Less accumulated amortization	0.6	-	0.6	N/A
Intangible capital assets, net	$ 0.8	$ -	$ 0.8	N/A %

Net tangible capital assets decreased by $0.5 million. Depreciation expense remained flat for both of the years ended June 30, 2023 and 2022 at $3.0 million. During the year ended June 30, 2023, the College completed the bike path and pedestrian bridge project, G building and practice facility roof renovations, and a nursing department remodel project. Instructional, office, and service equipment of $0.6 million was placed into service during the year. The net book value of asset disposals during the fiscal year was not significant.

Several other construction projects have been approved by the Board and were in progress during the year ended June 30, 2023. These projects are included in construction in progress on June 30, 2023. See Note 14 of the notes to the financial statements for a list of these projects and the estimated remaining project commitments on June 30, 2023.

Net intangible capital assets increased by $0.8 million. The College's intangible capital assets are comprised of right-to-use leased equipment and subscription-based information technology arrangements (SBITAs). Amortization expense was $0.6 million and $0, respectively, for the years ended June 30, 2023 and 2022. The College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* in fiscal year 2023.

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

Bonds payable, July 1, 2022	$ 27,310,000
Bonds issued	-
Bonds retired	(4,125,000)
Bonds payable, June 30, 2023	$ 23,185,000

Bond retirements of $4.1 million occurred during the year in accordance with the original debt retirement schedules of previously issued bonds.

Leases liability, July 1, 2022	$ 53,703
Increases	211,084
Decreases	(44,990)
Leases liability, June 30, 2023	$ 219,797

Subscription liability, July 1, 2022	$ -
Increases	585,925
Decreases	(96,246)
Subscription liability, June 30, 2023	$ 489,679

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
JUNE 30, 2023

	John A. Logan College	Component Unit: John A. Logan College Foundation
Assets		
Current Assets		
Cash and Cash Equivalents	$ 14,542,075	$ 870,213
Receivables		
Property Taxes	16,615,764	-
Governmental Claims	1,714,561	-
Tuition and Fees, Net of Allowance for Doubtful Accounts of $992,039	1,491,915	-
Other	1,182,493	16,884
Inventories	38,933	-
Prepaid Expenses	708,961	1,000
Total Current Assets	36,294,702	888,097
Non-Current Assets		
Restricted Cash and Cash Equivalents	22,911,970	-
Investments	-	9,058,449
Tangible and Intangible Capital Assets, Net	62,059,244	-
Total Non-Current Assets	84,971,214	9,058,449
Total Assets	121,265,916	9,946,546
Deferred Outflows of Resources		
College OPEB Plan Related Amounts	146,639	-
CIP OPEB Plan Related Amounts	554,845	-
Pension Related Amounts	236,546	-
Deferred Loss on Refunded Bonds Payable	296,130	-
Total Deferred Outflows of Resources	1,234,160	-
Liabilities		
Current Liabilities		
Accounts Payable	721,577	30,166
Accrued Expenses	3,764,667	-
Refundable Advances	193,229	-
Accrued Bond Interest	66,468	-
Lease Liability, Due in One Year	77,032	-
Subscription Liability, Due in One Year	468,305	-
Bonds Payable, Due in One Year	4,295,000	-
Total Current Liabilities	9,586,278	30,166

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

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

STATEMENT OF NET POSITION (Concluded)
JUNE 30, 2023

	John A. Logan College	Component Unit John A. Logan College Foundation
Non-Current Liabilities		
Net OPEB Liability	11,823,877	-
Lease Liability	142,765	-
Subscription Liability	21,374	-
Bonds Payable, Net of Unamortized Premium of $1,037,744	19,927,744	-
Total Non-Current Liabilities	31,915,760	-
Total Liabilities	41,502,038	30,166
Deferred Inflows of Resources		
College OPEB Plan Related Amounts	302,500	-
CIP OPEB Plan Related Amounts	12,224,546	-
Deferred Property Tax Revenue	16,281,580	-
Deferred Tuition and Fees	497,257	-
Deferred Pepsi Agreement	975,000	-
Total Deferred Inflows of Resources	30,280,883	-
Net Position		
Net Investment in Capital Assets	43,097,685	-
Restricted for		
Debt Service	134,187	-
Capital Projects	11,405,360	-
Liability Protection	1,155,639	-
Working Cash	6,805,685	-
Other	20,163	-
Without Donor Restrictions	-	1,580,239
With Donor Restrictions	-	8,336,141
Unrestricted	(11,901,564)	-
Total Net Position	$ 50,717,155	$ 9,916,380

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

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	John A. Logan College	Component Unit John A. Logan College Foundation
Revenues		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarships and Allowances of $5,466,916	$ 4,808,530	$ -
Donations	-	923,967
Auxiliary Enterprise Revenue, Net of Scholarships and Allowances of $14,462	854,556	-
Other	204,505	37,228
Total Operating Revenues	5,867,591	961,195
Expenses		
Operating Expenses:		
Instruction	10,813,655	-
Academic Support	3,130,294	-
Student Services	3,766,703	1,191,892
Public Service/Continuing Education	3,405,715	-
Operation and Maintenance of Plant	5,352,822	-
Institutional Support	8,066,998	-
Auxiliary Enterprise	1,240,585	-
Scholarships, Student Grants, and Waivers	3,988,348	-
Depreciation and amortization	3,557,500	-
Total Operating Expenses	43,322,620	1,191,892
Operating Income (Loss)	(37,455,029)	(230,697)
Non-Operating Revenues (Expenses)		
Property Taxes	15,794,905	-
Corporate Personal Property Replacement Taxes	2,119,252	-
Local Grants and Contracts	299,631	-
State Grants and Contracts	12,139,305	-
Federal Grants and Contracts	8,362,785	-
Nongovernmental Gifts, Grants, and Bequests	875,864	-
On-Behalf Revenues - SURS & CIP	6,705,377	-
Investment Income	1,264,886	224,707
Bond Premium Amortization (Interest Expense), Net	(767,215)	-
Realized Capital Gains (Losses)	-	(313,448)
Unrealized Capital Gains (Losses)	-	793,574
Total Non-Operating Revenues (Expenses)	46,794,790	704,833
Income before Capital Contributions	9,339,761	474,136
Capital Contributions	1,264,605	-
Change in Net Position	10,604,366	474,136
Net Position, July 1, 2022	40,112,789	9,442,244
Net Position, June 30, 2023	$ 50,717,155	$ 9,916,380

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities		
Tuition and Fees	$	5,083,924
Payments to Suppliers		(7,689,014)
Payments to and Benefits for Employees		(28,912,659)
Auxiliary Enterprise Charges		854,556
Other Receipts		285,430
Net Cash Provided (Used) by Operating Activities		(30,377,763)
Cash Flows from Noncapital Financing Activities		
Property Taxes		15,809,988
Corporate Personal Property Replacement Taxes		2,117,766
Disbursement of Deposits Held in Custody		(30,983)
Grants, Contracts, Gifts, and Bequests		20,688,933
Net Cash Provided (Used) by Noncapital Financing Activities		38,585,704
Cash Flows from Capital and Related Financing Activities		
Capital Grants, Contracts, Gifts, and Bequests		1,334,846
Principal Paid on Bonds		(4,125,000)
Principal Paid on Lease Liabilities		(44,989)
Principal Paid on SBITAs		(96,246)
Interest Paid on Debt		(887,219)
Purchases of Capital Assets		(3,040,415)
Net Cash Provided (Used) by Capital and Related Financing Activities		(6,859,023)
Cash Flows from Investing Activities		
Interest Income		1,264,886
Net Cash Provided (Used) by Investing Activities		1,264,886
Net Increase (Decrease) in Cash and Cash Equivalents		2,613,804
Cash and Cash Equivalents, July 1, 2022		34,840,241
Cash and Cash Equivalents, June 30, 2023	$	37,454,045
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	(37,455,029)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
On-Behalf - SURS & CIP		6,705,377
Depreciation Expense		3,557,500
Loss on Disposed Capital Assets		1,557
Change in Assets, Liabilities, and Deferred Outflows (Inflows):		
Tuition and Fees Receivables (net)		76,704
Other Receivables		212,940
Inventories		(32,019)
Prepaid Expenses		19,635
Net College OPEB-Related Deferred Outflows/Inflows		(137,708)
Net CIP OPEB-Related Deferred Outflows/Inflows		7,275,898
Pension Related Deferred Outflows		(87,083)
Net OPEB Liability		(10,721,804)
Accounts Payable		102,588
Accrued Expenses		37,006
Deferred Tuition and Fees		(61,148)
Refundable Advances		127,823
Net Cash Provided (Used) by Operating Activities	$	(30,377,763)

Noncash Capital and Related Financing Activities

During the year ended June 30, 2023, the College entered into an operating lease agreement for Konica Minolta copiers. A capital asset and lease liability of $211,084 was recorded at commencement of this lease. See Note 11 for more information.

The College also entered into several subscription-based information technology arrangements (SBITAs) during the year as detailed in Note 12. The total cost of these SBITAs was $1,141,859, with a related subscription liability of $585,924 recorded at commencement of these SBITAs. A cash downpayment of $555.935 was made on these SBITAs.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

The College has developed criteria to determine whether other entities are component units of the College. Component units are legally separate organizations for which the elected officials of the College are financially accountable. The College would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the College (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on the College, the College is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Additionally, organizations that raise and hold economic resources for the direct benefit of the College are considered to be component units.

Based on the foregoing criteria, the following organization is considered to be a component unit and is discretely presented in the basic financial statements.

The John A. Logan College Foundation (the Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College. The Foundation is governed by a separate board of directors and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the resources, or income thereon, which the Foundation holds and invests are restricted for the benefit of the College, its students, and its programs. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered to be a component unit of the College.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Concluded)

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.

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

As a public institution, the College is considered a special-purpose government under the provisions of GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – An Amendment of GASB Statement No. 34*. The College records revenue in part from tuition, fees, and other charges for services to external users, and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows for all financial information of the College to be reported in a single column in each of the financial statements, accompanied by a separate column for its discretely presented component unit. All significant internal activity between funds has been eliminated from these financial statements.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues from exchange transactions are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Intergovernmental revenues, such as federal, state, and local grants, and state shared revenues generally meet the definition of non-exchange transactions and are accounted for as non-operating revenues, with the exception of intergovernmental revenues used for capital assets which are accounted for as capital contributions. Revenue from these sources is recognized when all applicable eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis. Receivables are reported for these amounts for which revenue has been recognized but the related payments have not been received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

New Accounting Guidance

For the fiscal year ended June 30, 2023, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 96 – *Subscription-Based Information Technology Arrangements.* GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on standards established in Statement No. 87 – *Leases,* as amended. The implementation of GASB Statement No. 96 required changes to the College's financial statement reporting related to their SBITAs as further described in Notes 1L and 12. The implementation did not require a restatement of beginning net assets.

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges. The GASB is the accepted standard setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The following is a summary of the more significant policies.

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 with 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. Receivables

Receivables consist of tuition and fee charges to students, auxiliary enterprise fees for services provided to students, 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Expenses

Prepaid expenses represent current expenditures which benefit future periods.

J. Capital Assets

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

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

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

K. Leases

The College is a lessee for a noncancelable lease of copiers. The College recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the College initially measure the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Right-to-use lease assets useful lives are determined by the length of the lease period and are amortized using the straight-line method. The College has elected to use a capitalization threshold for leased assets of $25,000.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Concluded)

Key estimates and judgments include how the College determines the discount rate and lease term it uses to discount the expected lease payments to present value. The College uses the market rate of interest at lease inception as the discount rate for leases. Lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease payable are composed of fixed payments as outlined in the lease agreements.

L. Subscription-Based Information Technology Agreements (SBITAs)

The College obtains the right to use vendor’s information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements.

At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Right-to-use subscription assets’ useful lives are determined by the length of the subscription period and are amortized using the straight-line method. The College has elected to use a capitalization threshold for subscription assets of $25,000.

Key estimates and judgments include how the College determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The College uses the market rate of interest at the subscription’s inception as the discount rate. The subscription’s term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

M. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows (Inflows) of Resources

Deferred outflows are defined under GASB Statement No. 63 as 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. For the College, pension payments related to employees with federally funded positions and made subsequent to the pension liability measurement date are considered to be deferred outflows in accordance with GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – An Amendment of GASB Statement No. 68. Changes in assumptions and differences between expected and actual experience of the College's other postemployment benefit (OPEB) plans are considered to be deferred outflows. 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. 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 of resources are defined under GASB Statement No. 63 as acquisitions of net assets that are applicable to a future reporting period and should be reported as having a similar impact on net position as liabilities. At June 30, 2023, deferred inflows of resources included tax levies accrued that are levied for use in the next fiscal year, student tuition and fees that were collected or accrued for the next academic year, the unamortized portion of the net difference between projected and actual earnings on OPEB investments, and the unrecognized portion of revenues from a long-term vendor contract.

O. 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of scholarship allowances, and (2) sales and services of auxiliary enterprises. 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.

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 2022 property tax extension has been deferred to comply with GASB Statement No. 33 since it was levied to finance activities of the 2023/2024 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.

S. Federal Financial Assistance Programs

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. 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 financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (John A. Logan College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. John A. Logan College recognizes its proportionate share of the State's pension expense relative to John A. Logan College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

U. Other Postemployment Benefits (OPEB)

For purposes of measuring the other postemployment benefits (OPEB) obligations, deferred outflows of resources and deferred inflows of resources related to OPEB, and benefits expense, information about the net position of the OPEB plans and additions to and deductions from the OPEB plans' net positions have been determined on the same basis as they are reported by the OPEB plans. 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.

V. 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.

W. 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:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

W. Component Unit (Concluded)

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.

X. Subsequent Events

The College has evaluated subsequent events through January 25, 2024, the date which the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

At June 30, 2023, the carrying amount and bank balance of the College's deposits is as follows:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents		
Cash Accounts	$ 17,129,668	$ 17,540,509
US Treasury Obligations	1,978,083	1,978,083
Illinois Funds Money Market Fund	18,346,294	18,340,764
Total Cash and Cash Equivalents	$ 37,454,045	$ 37,859,356

	Carrying Amount	Bank Balance
Current Assets:		
Cash and Cash Equivalents	$ 14,542,075	$ 14,947,386
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	22,911,970	22,911,970
	$ 37,454,045	$ 37,859,356

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, 2023, 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

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.

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 Funds Money Market 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 AAAmmf by Fitch's at June 30, 2023.

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, 2023, 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, 2023. The investment in capital assets is determined by reducing historical cost by accumulated depreciation and amortization. Depreciation and amortization expense for June 30, 2023 was $3,557,500.

	Primary Government/Business-Type Activity			
	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Historical Cost:				
Tangible Capital Assets,				
Not Being Depreciated:				
Site	$ 346,427	$ -	$ -	$ 346,427
Construction in Progress	1,725,595	1,826,884	(1,424,580)	2,127,899
	2,072,022	1,826,884	(1,424,580)	2,474,326
Tangible Capital Assets,				
Being Depreciated:				
Site Improvements	3,779,829	987,196	-	4,767,025
Buildings and Improvements	94,986,066	459,437	-	95,445,503
Equipment	10,397,991	635,543	(425,551)	10,607,983
	109,163,886	2,082,176	(425,551)	110,820,511
Intangible Capital Assets,				
Being Amortized:				
Right to Use Leased Equipment	-	211,084	-	211,084
Right to Use SBITAs	-	1,141,859	-	1,141,859
	-	1,352,943	-	1,352,943
Total Capital Assets:	111,235,908	$ 5,262,003	$ (1,850,131)	114,647,780
Less Accumulated Depreciation for				
Tangible Capital Assets:				
Site Improvements	1,570,837	$ 354,901	$ -	1,925,738
Buildings and Improvements	40,703,521	1,854,082	-	42,557,603
Equipment	7,180,672	771,817	(423,994)	7,528,495
	49,455,030	$ 2,980,800	$ (423,994)	52,011,836
Less Accumulated Amortization for				
Intangible Capital Assets:				
Right to Use Leased Equipment	-	548,106	-	548,106
Right to Use SBITAs	-	28,594	-	28,594
	-	576,700	-	576,700
Capital Assets, Net	$ 61,780,878			$ 62,059,244

NOTE 4: ACCRUED EXPENSES

Accrued expenses consisted of the following at June 30, 2023:

Accrued Payroll	$ 1,649,130
Accrued Vacation	1,466,473
Accrued Benefits	230,173
Accrued Personal Leave	231,968
Accrued Expenses - Other	186,923
	$ 3,764,667

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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Bonds Payable	$ 27,310,000	$ -	$ 4,125,000	$ 23,185,000
Bond Premium	1,198,281	-	160,537	1,037,744
Accrued Compensated Absences	1,715,413	-	16,972	1,698,441
Lease Liability	53,703	211,084	44,990	219,797
Subscription Liability	-	585,924	96,245	489,679
Net OPEB Liability	22,545,681	-	10,721,804	11,823,877
Total	$ 52,823,078	$ 797,008	$ 15,165,548	$ 38,454,538

	Amount Due Within One Year
Bonds Payable	$ 4,295,000
Lease Liability	77,032
Subscription Liability	468,305
Total	$ 4,840,337

NOTE 6: BONDS PAYABLE

Bonds payable consists of the following at June 30, 2023:

On February 29, 2016 the College issued $5,035,000 of Taxable General Obligation Community College Bonds, Series 2016B to refund the College's Series 2015 bonds. Principal is payable December 1st of each year beginning on December 1, 2016. Interest is payable on these bonds on June 1st and December 1st of each year at 3.00% to 3.75%. The final maturity date of these bonds is December 1, 2030. The money is restricted for making future OPEB contributions.	$	2,995,000
On April 25, 2017, the College issued $13,265,000 of General Obligation Community College Bonds, Series 2017A to advance refund the College's Series 2007 bonds. Principal is payable December 1st of each year beginning on December 1, 2023. Interest is payable on these bonds on June 1st and December 1st of each year at 3.25% to 5.00%. The final maturity date of these bonds is December 1, 2029.		13,265,000
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. Principal is payable December 1st of each year beginning on December 1, 2019. Interest is payable on these bonds on June 1st and December 1st of each year at 2.05% to 3.04%. The final maturity date of these bonds is December 1, 2023.		730,000
On December 29, 2020, the College issued General Obligation Community College Bonds, Series 2020A, which created an obligation against the College in order to pay off the General Obligation (Limited Tax) Debt Certificates, Series 2020A-D. $10,160,000 was the bond issue, of which $98,235 was bond issuance costs, $10,058,184 paid off the Debt Certificates, and $3,581 was deposited in College funds. Principal is payable December 1st of each year beginning on December 1, 2021. Interest is payable on these bonds on June 1st and December 1st of each year at 1.15%. The final maturity date of these bonds is December 1, 2025.		6,195,000
Total Bonds Payable	$	23,185,000

NOTE 6: BONDS PAYABLE (CONCLUDED)

At June 30, 2023, the College's future cash flow requirements of long-term debt obligations by fiscal year were as follows:

Year Ending June 30,		Principal	Interest	Total
2024		$ 4,295,000	$ 777,068	$ 5,072,068
2025		4,360,000	653,669	5,013,669
2026		4,495,000	519,277	5,014,277
2027		2,520,000	390,879	2,910,879
2028		2,645,000	267,988	2,912,988
2029 – 2031		4,870,000	190,009	5,060,009
		23,185,000	$ 2,798,890	$ 25,983,890
	Unamortized Bond Premium	1,037,744		
		$ 24,222,744		

NOTE 7: DEFINED BENEFIT PENSION PLAN

General Information about the 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's financial reporting entity and is included in the State's Comprehensive Annual Financial Report (CAFR) 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. Tier I of 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 reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022, can be found in the Financial Section of SURS ACFR.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Concluded)

Contributions

The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% 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 State's General Assembly.

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

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, SURS defined benefit plan reported a net pension liability (NPL) of $29,078,053,857.

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 $144,216,097 or 0.4960%. John A. Logan College's proportionate share changed by (0.0063%) from 0.5022% since the last measurement date on June 30, 2021. This amount should not be recognized in the College's financial statements. The net pension liability and total pension liability as of June 30, 2022 was determined based on the June 30, 2021 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 2021.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pensions (Continued)

Defined Benefit Pension Expense

For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of $1,903,314,699.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective defined benefit 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 defined benefit plan during fiscal year 2021. As a result, the College recognized revenue and pension expense of $9,439,718 from this special funding situation during the year ended June 30, 2023.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,973,496	$ 28,674,599
Changes in assumptions	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	$ 342,964,872	$ 1,011,628,867

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Years ending June 30,		Net Deferred Outflows (Inflows) of Resources
2023	$	(332,941,204)
2024		(528,966,820)
2025		(249,290,775)
2026		442,534,804
2027		-
Thereafter		-
Total	$	(668,663,995)

Employer Deferral of Fiscal Year 2023 Contributions

The College paid $236,546 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

Mortality rates were based on the Pub-2010 employee and retiree gender district tables with projected generational mortality and a separate mortality assumption for disabled participants.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Traditional Growth – Global Public Equity	38.0%	7.62%
Stabilized Growth		
Credit Fixed Income	9.0%	4.20%
Core Real Assets	4.5%	4.98%
Options Strategies	2.5%	4.91%
Private Credit	1.0%	7.45%
Non-Traditional Growth		
Private Equity	10.5%	11.91%
Non-Core Real Assets	2.5%	9.43%
Inflation Sensitive – US TIPS	5.0%	1.23%
Principal Protection – Core Fixed Income	8.0%	1.79%
Crisis Risk Offset		
Systematic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.0%	3.59%
Long Duration	4.0%	2.16%
Total	100%	6.08%
Inflation		2.25%
Expected Arithmetic Return		8.33%

Discount Rate

A single discount rate of 6.39% 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 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Assumptions and Other Inputs (Concluded)

Sensitivity of SURS Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's net pension liability, calculated using a single discount rate of 6.39%, as well as what the State's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point-higher:

1% Decrease 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
$ 35,261,802,968	$ 29,078,053,857	$ 23,928,731,076

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in SURS Comprehensive Annual Financial Report by accessing the website at www.SURS.org.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

General Information about the Pension Plan

Plan Description

The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all 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 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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN (CONCLUDED)

General Information about the Pension Plan (Concluded)

Contributions

All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Forfeitures

Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled $89,770,940. Of this amount, $80,902,699 was funded via an appropriation from the State and $8,868,241 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution 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 defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 0.1525%. As a result, the College recognized revenue and defined contribution pension expense of $136,885 from this special funding situation during the year ended June 30, 2023, of which $13,522 constituted forfeitures.

NOTE 9: 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.

A. State of Illinois' College Insurance Program

Plan Description

The College contributes to the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program "CIP") that was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9(f), which became effective July 1, 1999. The CIP is a cost-sharing, multiple-employer defined benefit OPEB Trust Fund, which has a special funding situation as described in 40 ILCS 15/1.4. A non-employer (the State) is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through the trust.

CIP has no component units and is not a component unit of any other entity. However, because CIP is not legally separate from the State of Illinois, the financials statements of the CIP are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. This fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan and associated administrative cost.

Benefits Provided

Through the trust the State provides health, dental, vision, and life insurance benefits for retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental and vision benefits include basic benefits for annuitants and their dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards 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 Employees' Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retire on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Benefits Provided (Concluded)

The State pays for a portion of the employer costs for the benefits provided. The total cost of the State's portion of the health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and the dependents.

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

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from the district. Administrative costs are paid by the CIP. At June 30, 2023, the College's policy was not required to subsidize health insurance premiums of their retirees.

Employers participating in a cost-sharing OPEB plan, and any non-employer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEBs amounts for the OPEB benefits provided to members through the CIP plan. During fiscal year 2023, the College recognized OPEB contributions of $94,643.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

The collective net OPEB liability was measured as of June 30, 2022. At June 30, 2022, the CIP reported a net OPEB liability of $684,560,152.

At June 30, 2023, the College reported a liability for its proportionate share of the net OPEB liability that is reflected as a reduction for State OPEB support provided to the College. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the collective net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of the College, actuarially determined. At June 30, 2022, the College's proportion was $6,699,449 (0.978650%), which was a decrease of 0.016436% from its proportion measured as of June 30, 2021 of $17,270,036 (0.995086%). The State's support and total are for disclosure purposes only. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follow:

College's proportionate share of the collective net OPEB liability	$ 6,699,449
State's proportionate share of the collective net OPEB liability associated with the employer	6,699,449
	$ 13,398,898

For the year ending June 30, 2023, the College recognized OPEB revenue and expense of ($2,871,226) for support provided on-behalf by the State. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 52,925	$ (2,790,528)
Changes in assumptions	-	(9,030,648)
Net difference between projected and actual earnings on OPEB plan investments	-	(346)
Changes in proportion and differences between employer contributions and proportionate share of contributions	407,277	(403,024)
Total deferred amounts to be recognized in expense in future periods	460,202	(12,224,546)
Employer contributions subsequent to the measurement date	94,643	-
Total	$ 554,845	$ (12,224,546)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

The College reported $94,643 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Years ending June 30,		Net Deferred Outflows (Inflows) of Resources
2023	$	(2,962,536)
2024		(3,183,422)
2025		(2,944,274)
2026		(2,134,152)
2027		(539,960)
Total	$	(11,764,344)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than one 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend rates for plan year 2023 based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033, and 5.77% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Concluded)

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement annuitants were based on the Pub-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

Projected benefit payments were discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the CIP fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20-years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The increase in the single discount rate from 1.92% to 3.69% caused the College's total OPEB liability to decrease by $119.2 million from 2021 to 2022.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of the future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of the benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2022, the collective trust earned $16,000 in interest and due to the significant benefit payable, the market value of assets at June 30, 2022, is a negative $123.6 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumptions was set to zero.

NOTE 9: 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

The following table presents the College's proportionate share of the collective net OPEB liability as of June 30, 2022, calculated using a single discount rate of 3.69% as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
Employer's proportionate share of the collective net OPEB liability	$ 7,333,739	$ 6,699,449	$ 6,157,038

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

The following table presents the College's collective net OPEB liability as of June 30, 2022, 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 2024 decreasing to an ultimate trend rate of 4.25% in 2039:

	1% Decrease *(a)*	Healthcare Cost Trend Rates Assumptions	1% Increase *(b)*
Employer's proportionate share of the collective net OPEB liability	$ 5,986,983	$ 6,699,449	$ 7,570,019

(a) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 5.08% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capital costs: 1.78% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.77% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

(b) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 7.08% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capital costs: 3.78% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.77% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

Payable to the OPEB Plan

The College had no outstanding contributions payable to the CIP plan for the year ended June 30, 2023.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Request for information

The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

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 8, 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, 2023, the following employees were covered by the benefit term:

Active employees	110
Inactive employees entitled to but not receiving benefits	-
Inactive employees currently receiving benefits	100
Total	210

Total OPEB Liability

The College's total OPEB liability of $5,124,428 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023.

NOTE 9: 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, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary rate increase	4.00%
Discount rate	4.13%
Healthcare cost trend rates	5.50%, managed care option, 5.50% CCHP option for 2021 decreasing to an ultimate rate of 4.50% for 2037 and later years
Retirees' share of benefit-related costs	Same as healthcare trend

Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used, and the discount rate used to measure the total OPEB liability was a 20-year tax-exempt general obligation municipal bond index rate. The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2023. The discount rate as of June 30, 2023 was 4.13%, which was an increase from the June 30, 2022 rate of 4.09%.

Mortality rates were based on the PubT.H-2010 Mortality Table for males and females, as appropriate.

Changes in the Total OPEB Liability

Balance as of June 30, 2022	$ 5,275,645
Changes for the year:	
Service cost	4,830
Interest	208,735
Changes of Benefit Terms	-
Difference between expected and actual experience	-
Changes in assumptions and other inputs	(20,569)
Benefit payments	(344,213)
Other changes	-
Net changes	(151,216)
Balance as of June 30, 2023	$ 5,124,428

NOTE 9: 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 4.13% 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 (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Employer's proportionate share of the collective net OPEB liability	$ 5,684,665	$ 5,124,428	$ 4,652,635

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be it if were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. The key trend rates are 5.50%, managed care option, and 5.50%, CCHP option, decreasing to an ultimate trend rate of 4.50% in 2037:

	1% Decrease *(a)*	Healthcare Cost Trend Rates Assumptions	1% Increase *(b)*
Employer's proportionate share of the collective net OPEB liability	$ 4,649,165	$ 5,124,428	5,679,087

(a) One percentage point decrease in healthcare trend rates is 4.50%, managed care option, and 4.50%, CCHP option, in 2021 decreasing to an ultimate trend rate of 3.50% in 2037.
(b) One percentage point increase in healthcare trend rates is 7.00%, managed care option, and 6.50%, CCHP option, in 2021 decreasing to an ultimate trend rate of 6.50% in 2037.

NOTE 9: 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, 2023, the College recognized OPEB expense of $55,288. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 47,303	$ -
Changes in assumptions	99,336	(302,500)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total deferred amounts to be recognized in expense in future periods	$ 146,639	$ (302,500)

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

Years ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ (151,163)
2025	(4,698)
Total	$ (155,861)

NOTE 10: 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 11: LEASES

The College is the lessee in two lease agreements with the following terms:

Financing Lease – On December 1, 2020, the College entered into a financing lease with Wells Fargo for a Bobcat Skid Steer. The lease term is 36 months, the interest rate is 4.23%, and the monthly lease payment is $1,421. The College intends to exercise the purchase option of $29,022 at the end of the lease. The Bobcat is included with tangible capital assets being depreciated in Note 3 as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Bobcat Skid Steer Lease	$ 73,083	$ -	$ -	$ 73,083
Less: Accumulated Depreciation	(9,135)	(9,136)	-	(18,271)
Capital Assets, Net	$ 63,948	$ (9,136)	$ -	$ 54,812

Operating Lease – On September 27, 2022, the College entered into an operating lease with Konica Minolta for copiers. The lease term is 60 months, the interest rate is 4.70%, and the monthly lease payment is $3,955. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 3 and below.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Copier Lease	$ -	$ 211,084	$ -	$ 211,084
Less: Accumulated Amortization	-	(28,594)	-	(28,594)
Right-of-Use Assets, Net	$ -	$ 182,490	$ -	$ 182,490

The following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	$ 77,032	$ 7,968	$ 85,000
2025	41,633	5,821	47,454
2026	47,362	3,821	51,183
2027	41,999	1,726	43,725
2028	11,771	92	11,863
	$ 219,797	$ 19,428	$ 239,225

NOTE 12: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College has entered into six qualifying subscription-based technology agreements (SBITAs) involving:

- Cybersecurity software,
- Enterprise resource planning software,
- Fitness center management software,
- Budgeting software,
- Disaster recovery and risk management software, and
- Learning management software.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
SBITAs	$ -	$ 1,141,859	$ -	$ 1,141,859
Less: Accumulated Amortization	-	(548,106)	-	(548,106)
Right-of-Use Assets, Net	$ -	$ 593,753	$ -	$ 593,753

The future subscription payments under SBITA arrangements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 468,305	$ 15,114	$ 483,419
2025	10,274	1,716	11,990
2026	11,100	891	11,991
	$ 489,679	$ 17,721	$ 507,400

NOTE 13: PEPSI AGREEMENT

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, 2023, the College recognized $65,000 as revenue, accounts receivable of $975,000, and $975,000 as a deferred inflow of resources related to this contract.

NOTE 14: 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.

NOTE 14: CONTINGENT LIABILITIES AND COMMITMENTS (CONCLUDED)

Vacation and Personal Leave

As of June 30, 2023, 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 $1,466,473 and $231,968, respectively. The College has accrued this liability and considers the entire liability to be long-term.

Construction in Progress

At June 30, 2023, the College had construction project commitments totaling approximately $17,508,800. These commitments are detailed below:

Approved prior to June 30, 2023:		
West entry elevator and mezzanine	$	799,700
Harrison Bruce Player Development		2,348,800
Electronical system and transformer upgrades		854,200
PA Alert System		23,200
Upper C wing air handlers		942,500
West lobby expansion		1,230,600
Renovation of upper C wing and E wing lobby		575,000
CTE program consolidation renovation		8,317,800
Highway construction careers program building		214,000
Flooring replacement – multiple rooms		100,000
Cooling tower repairs – 2 units		153,500
Hoffard pond – drain and dredge, remove silt		100,000
Pool deck repairs		70,000
H building main breaker		50,000
Communication wing 3rd floor renovation		50,000
		15,829,300
Approved after June 30, 2023, but prior to report date:		
Boiler replacement		1,194,500
D wing roof replacement		485,000
		1,679,500
Total construction commitments	$	17,508,800

NOTE 15: 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 provides financial support to the educational programs and services at John A. Logan College (the College) to assist in increasing and enhancing the physical and cultural environment of the College; to broaden the educational opportunities and services for its students, alumni, and citizens of the District; and to provide funds to implement scholarships and various awards.

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.

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.

NOTE 15: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Continued)

Contributions of Financial Assets – Contributions of financial assets, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. The Foundation evaluates contributions for criteria indicating the existence of measurable barriers to entitlement for the contribution and the right of return to the donor. When a barrier to entitlement exists, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of financial 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, 2023 or 2022. 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, 2023 or 2022.

Contributions of financial assets received in the same year in which the restriction is met are recorded as contributions with donor restrictions and released from restriction.

Contributions of Nonfinancial Assets – Contributions of nonfinancial assets are provided to the Foundation by the College and include office space, accounting and record-keeping services, and necessary administrative services. 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. The services would typically need to be purchased if not provided by donation by the College. See Note 15F 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 $39,839 and have been netted with investment income in the accompanying Statement of Activities.

NOTE 15: 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, 2023, there were no uncertain tax benefits identified and recorded as a liability. The Foundation is no longer subject to U.S. federal or state income tax authorities for the years ending prior to June 30, 2020.

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 15: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Concluded)

Functional Allocation of Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. This presentation requires allocation of expenses on a reasonable basis that is consistently applied. Expenses are allocated based on the Foundation's best estimate of the time spent by employees on program services vs. supporting services functions. Directly identifiable expenses are charged to the appropriate program or supporting service. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Foundation.

Date of Management's Review – Management has reviewed subsequent events through January 25, 2024, 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 15A.

Investments as of June 30, 2023 consisted of the following:

		Fair Value		
	Cost	Quoted Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Mutual Funds	$ 2,776,771	$ 3,394,357	$ -	$ 3,394,357
Exchange-traded Funds	2,874,987	3,062,086	-	3,062,086
Corporate Bonds	2,523,009	-	2,124,324	2,124,324
Commodities	310,943	-	286,450	286,450
Real Estate Investments	201,965	-	191,232	191,232
Total Investments	$ 8,687,675	$ 6,456,443	$ 2,602,006	$ 9,058,449

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the year ended June 30, 2023.

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.

NOTE 15: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

C. Net Assets with Donor Restrictions (Concluded)

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, 2023, the Foundation held $8,336,141 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	$	491,890
Athletics		194,743
Endowments - Scholarships		7,384,419
Other		265,089
Total	$	8,336,141

During the year ended June 30, 2023, $793,264 was released from restrictions and used for the following purposes:

Scholarships	$	611,980
Athletics		130,734
Fundraising		8,085
Other Student Support		42,465
Total	$	793,264

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

NOTE 15: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

D. Endowment Funds (Continued)

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 $307,918 for the fiscal year ended June 30, 2023.

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.

NOTE 15: DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

D. Endowment Funds (Concluded)

Endowment net assets as June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Donor-restricted Endowment Funds	$ -	$ 7,384,419	$ 7,384,419
Board-designated Endowment Funds	1,540,095	-	1,540,095
	$ 1,540,095	$ 7,384,419	$ 8,924,514

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment Net Assets, Beginning of Year	$ 1,431,924	$ 7,110,514	$ 8,542,438
Contributions	-	35,000	35,000
Investment Income, Net of Fees	35,651	173,106	208,757
Realized Gain (Loss)	(49,311)	(242,195)	(291,506)
Unrealized Gain (Loss)	125,161	612,582	737,743
Amounts Appropriated for Expenditures	(3,330)	(304,588)	(307,918)
Endowment Net Assets, End of Year	$ 1,540,095	$ 7,384,419	$ 8,924,514

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 Net Position date, comprise the following:

Cash and Cash Equivalents	$ 492,463
Investments	-
Total	$ 492,463

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 $1,100,781 are reserved for special purposes. Most of these board-designated endowments are subject to annual spending limit as described in Note 15D. 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.

NOTE 15: DISCRETELY PRESENTED COMPONENT UNIT (CONCLUDED)

E. Liquidity and Availability (Concluded)

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, 2023 is recognized as contributions revenue in the Statement of Activities as detailed below:

Occupancy	$	12,000
Contractual Services		2,225
Supplies, Materials, and Travel		29,013
Personnel		303,021
Total	$	346,259

The total value of the services and the facilities provided by the College during the year ended June 30, 2023 is also recognized as expenses as follows:

Scholarships	$	72,949
Other Student Services		47,085
Management and General		78,995
Fundraising		147,230
Total	$	346,259

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, 2023, the Foundation had cash and cash equivalents totaling $167,150 that were exposed to custodial credit risk but were collateralized by securities pledged by the Foundation's financial institution on-behalf of the Foundation.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

	FY2023*	FY2022*	FY2021*	FY2020*	FY2019*	FY2018*	FY2017*	FY2016*	FY2015*
College's proportionate percentage of the collective net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
College's proportionate amount of the collective net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of collective net pension liability associated with the College	144,216,097	143,278,856	153,781,255	146,156,442	141,981,891	132,756,562	150,631,522	142,796,497	134,423,009
Total	$ 144,216,097	$ 143,278,856	$ 153,781,255	$ 146,156,442	$ 141,981,891	$ 132,756,562	$ 150,631,522	$ 142,796,497	$ 134,423,009
College's DB covered payroll	$ 17,709,871	$ 18,485,610	$ 18,661,907	$ 18,387,517	$ 18,444,296	$ 18,370,903	$ 20,970,430	$ 21,977,912	$ 22,488,035
College's proportionate share of collective net pension liability as a percentage of its DB covered payroll	814.33%	775.08%	824.04%	794.87%	769.79%	722.65%	718.30%	649.73%	597.75%
SURS plan fiduciary net position as a percentage of the total pension liability	43.65%	45.45%	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%

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

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

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Federal, trust, grant and other contributions (required contributions)	$ 236,546	$ 149,463	$ 155,757	$ 153,469	$ 148,117	$ 159,156	$ 161,062	$ 167,235	$ 182,837
Contributions in relation to required contributions	236,546	149,463	155,757	153,469	148,117	159,156	161,062	167,235	182,837
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 1,843,694	$ 1,213,174	$ 1,226,434	$ 1,178,720	$ 1,205,183	$ 1,277,335	$ 1,285,411	$ 1,317,849	$ 1,561,375
Contributions as a percentage of covered payroll	12.83%	12.32%	12.70%	13.02%	12.29%	12.46%	12.53%	12.69%	11.71%

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
On-behalf payments for Community College Health Insurance Program	$ 94,643	$ 92,291	$ 92,522	$ 89,969	$ 86,591	$ 85,396	$ 84,297	$ 100,481	$ 106,881

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

Fiscal Year 2023 Total DB Contributions: $1,455,280

Fiscal Year 2023 Total RSP Contributions: $180,015

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

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

Fiscal Year Ended	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 4,831	$ 9,148	$ 6,793	$ 5,389	$ 17,357	$ 17,620
Interest on Total OPEB Liability	208,735	127,088	148,082	158,767	169,959	148,927
Changes of Benefit Terms	-	31,247	-	-	-	-
Differences Between Expected and Actual Experience	-	188,844	-	(94,383)	-	497,910
Changes of Assumptions or Other Inputs	(20,569)	(760,638)	380,555	107,469	162,832	116,522
Benefit Payments	(344,213)	(299,561)	(245,817)	(368,328)	(373,937)	(475,247)
Other Changes	-	-	-	6,269	8,234	349,370
Net Change in Total OPEB Liability	(151,216)	(703,872)	289,613	(184,817)	(15,555)	655,102
Total OPEB Liability - Beginning	5,275,645	5,979,517	5,689,904	5,874,721	5,890,276	5,235,174
Total OPEB Liability - Ending	$ 5,124,429	$ 5,275,645	$ 5,979,517	$ 5,689,904	$ 5,874,721	$ 5,890,276
Covered Payroll	$ 7,435,428	$ 7,435,428	$ 10,868,249	$ 10,868,249	$ 13,411,239	$ 13,411,239
Total OPEB Liability as a Percentage of Covered Payroll	68.92%	70.95%	55.02%	52.35%	43.80%	43.92%

Notes to Schedule

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

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

COLLEGE INSURANCE PROGRAM (CIP) - GASB 75

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY†
College Insurance Program (CIP) - *Unaudited*

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
College's proportion of the collective net OPEB liability	0.978650%	0.995086%	0.978269%	0.964645%	0.977891%	0.971646%	1.108664%
College's proportionate share of the collective net OPEB liability	$ 6,699,449	$ 17,270,036	$ 17,831,530	$ 18,217,715	$ 18,435,712	$ 18,011,609	$ 20,177,182
State's proportionate share of the collective net OPEB liability associated with the College	6,699,449	17,270,036	17,831,530	18,217,617	18,435,620	23,653,716	21,023,006
Total	$ 13,398,898	$ 34,540,072	$ 35,663,060	$ 36,435,332	$ 36,871,332	$ 41,665,325	$ 41,200,188
College's covered payroll	$ 18,928,600	$ 18,458,200	$ 18,504,390	$ 17,993,700	$ 17,318,296	$ 17,078,749	$ 16,859,262
College's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	35.4%	93.6%	96.4%	101.2%	106.5%	105.5%	119.7%
Plan fiduciary net position as a percentage of the total OPEB liability	-18.05%	-6.00%	-4.83%	-3.96%	-3.42%	-2.81%	N/A

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

SCHEDULE OF STATE CONTRIBUTIONS†
College Insurance Program (CIP) - *Unaudited*

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Statutorily Required Contributions**	$ 94,643	$ 92,291	$ 92,522	$ 89,969	$ 86,591	$ 85,396	$ 84,297
Contributions in relation to the College's covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Annual contribution deficiency (excess)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A

***Statutorily required contributions = actual contributions*

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

NOTE 1: SURS PENSION PLAN

Changes of Benefit Terms.

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2022.

Changes of Assumptions.

In accordance with *Illinois Complied Statutes,* an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

- Salary Increase: Change in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, with maintaining the underlying wage inflation rate of 2.25%.
- Investment Return: Decrease the investment return assumption to 6.50%. This reflects decreasing the assumed real rate of return to 4.25% and maintaining the underlying assumed price inflation of 2.25%.
- Effective Rate of Interest (ERI): Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.50%.
- Normal Retirement Rates: Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early Retirement Rates: Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover Rates: Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality Rates: Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- Disability Rates: Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan Election: Change plan election assumptions to 75% Tier 2 and 25% Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% Retirement Savings Plan (RSP) for academic members.

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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONCLUDED) - *UNAUDITED*
JUNE 30, 2023

NOTE 2: COLLEGE INSURANCE PLAN

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Sponsor's Fiscal Year-End	June 30, 2023

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 a pay-as-you-go basis. Retired members contribute a percentage of premium rates based on service at retirement. The sponsor contributes claims and expenses in excess of retired member contributions. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Not applicable
Investment Rate of Return	Not applicable
Inflation	2.25%
Salary Increases	Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 20 or more years of service for employees under 50, and ranges from 12.00% at less than 1 year of service to 3.00% at 20 or more years of service, for employees over 50 years of age. Salary increases include a 3.00% 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, 2021 actuarial valuation of SURS.
Mortality	Retirement and Beneficiary Annuitants: Pub-2010 Healthy Mortality Table and PubT-10 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-Medicare costs, trends start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033, and 5.77% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

OTHER SUPPLEMENTAL INFORMATION

Other

JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 530

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND TAXES EXTENDED
UNAUDITED
LEVY YEARS 2020, 2021 AND 2022

	2022 Levy Payable in 2023*	2021 Levy Payable in 2022*	2020 Levy Payable in 2021*
Assessed Valuation (by County)			
Franklin County	$ 107,333,205	$ 98,503,329	$ 96,746,412
Jackson County	760,945,209	709,927,451	697,616,552
Perry County	122,807,353	113,621,785	105,638,374
Randolph County	15,316,113	14,318,549	13,086,465
Williamson County	1,213,714,414	1,161,880,804	1,117,807,799
	$ 2,220,116,294	$ 2,098,251,918	$ 2,030,895,602
Tax Rates			
(Per $100 of Assessed Valuation)			
Education	0.29345	0.30000	0.30000
Operations and Maintenance	0.04887	0.05000	0.05000
Bond and Interest	0.22848	0.24112	0.24270
Audit	0.00270	0.00279	0.00256
Liability, Protection, and Settlement	0.10809	0.11180	0.10369
Health, Life, and Safety	0.04625	0.05000	0.04805
Prior Year Adjustment	0.00033	(0.00109)	0.00024
	0.72817	0.75462	0.74724
Taxes Extended			
Education	$ 6,580,851	$ 6,292,237	$ 6,092,687
Operations and Maintenance	1,096,344	1,048,786	1,015,448
Bond and Interest	5,147,355	5,082,670	4,969,091
Audit	60,958	58,916	52,490
Liability, Protection, and Settlement	2,434,588	2,356,188	2,122,615
Health, Life, and Safety	1,041,718	1,048,668	983,655
Prior Year Adjustment	(80,233)	(75,990)	(38,058)
	$ 16,281,581	$ 15,811,475	$ 15,197,928

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

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

SCHEDULE OF LEGAL DEBT MARGIN
UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023

Assessed Valuation - 2021 Levy		
Franklin County	$	98,503,329
Jackson County		709,927,451
Perry County		113,621,785
Randolph County		14,318,549
Williamson County		1,161,880,804
	$	2,098,251,918
Debt Limit, 2.875% of Assessed Valuation (50 ILCS 405/1)	$	60,324,743
Less: Total Indebtedness		(23,222,308)
Legal Debt Margin	$	37,102,435

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

FOR FISCAL YEAR 2024

All Non-Capital Audited Operating Expenditures for Fiscal Year 2023 From the Following Funds:

1	Education Fund	$ 22,560,008	
2	Operations and Maintenance Fund	4,589,522	
3	Public Building Commission Operation and Maintenance Fund	-	
4	Bond and Interest Fund	1,843,344	
5	Public Building Commission Rental Fund	-	
6	Restricted Purposes Fund	10,551,020	
7	Audit Fund	69,299	
8	Liability, Protection, and Settlement Fund	1,773,292	
9	Auxiliary Enterprises Fund (subsidy only)	2,821,488	
10	**Total Non-Capital Expenditures (sum of lines 1-9)**		$ 44,207,973
11	Depreciation on Capital Outlay Expenditures (equipment, buildings, and fixed equipment paid) From Sources Other than State and Federal Funds	1,721,664	
12	**Total Costs Included (line 10 plus line 11)**		$ 45,929,637
13	Total Certified Semester Credit Hours for Fiscal Year 2023	59,995.00	
14	**Per Capita Cost (line 12 divided by line 13)**		$ 765.56
15	All Fiscal Year 2023 State and Federal Operating Grants For Non-Capital Expenditures, Except ICCB Grants	3,391,569	
16	Fiscal Year 2023 State and Federal Grants Per Semester Credit Hour (line 15 divided by line 13)		56.53
17	District's Average ICCB Grant Rate (excluding equalization grant) for Fiscal Year 2024		52.48
18	District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2024		150.00
19	**Chargeback Reimbursement Per Semester Credit Hour (line 14 less lines 16, 17, and 18)**		$ 506.55

APPROVED: Susan LaPlante 12-22-2023
Chief Fiscal Officer Date

APPROVED: Kirk E. Overmyer, Ph.D. 12-22-2023
Chief Executive Officer Date

UNIFORM FINANCIAL STATEMENTS

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

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2023

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
Fund Balance, July 1, 2022	$ 10,364,975	$ 924,606	$ 10,953,358	$ 139,605	$ 309,569	$ 2,712,805	$ 7,535,685	$ 27,008	$ 791,734	$ 33,759,345
Revenues										
Local Tax Revenue	8,374,939	1,042,696	1,042,578	5,052,954	-	-	-	58,567	2,342,423	17,914,157
All Other Local Revenue	109,025	-	-	-	-	190,606	-	-	-	299,631
ICCB Grants	6,881,505	3,156,220	-	-	-	879,556	-	-	-	10,917,281
All Other State Revenue	175,229	75,097	911,926	-	-	1,106,715	-	-	-	2,268,967
Federal Revenue	247,307	105,974	3,750	-	-	8,223,416	-	-	-	8,580,447
Student Tuition and Fees	10,257,576	-	-	-	256,730	17,870	-	-	-	10,532,176
On-Behalf CIP	-	-	-	-	-	(2,871,226)	-	-	-	(2,871,226)
On-Behalf SURS	-	-	-	-	-	9,576,603	-	-	-	9,576,603
All Other Revenue	1,072,249	347,761	348,944	11,988	972,766	947,158	-	3,887	168,235	3,872,988
Total Revenues	27,117,830	4,727,748	2,307,198	5,064,942	1,229,496	18,070,698	-	62,454	2,510,658	61,091,024
Expenditures										
Instruction	8,812,687	-	-	-	-	3,665,994	-	-	-	12,478,681
Academic Support	2,647,376	-	-	-	-	1,115,568	-	-	-	3,762,944
Student Services	2,647,379	-	-	-	-	1,527,828	-	-	-	4,175,207
Public Service/Continuing Education	641,964	-	-	-	947,107	2,191,546	-	-	-	3,780,617
Auxiliary Services	-	-	-	-	1,358,125	213,835	-	-	-	1,571,960
Operations and Maintenance	-	4,195,529	-	-	4,840	962,572	-	-	848,531	6,011,472
Institutional Support	5,993,493	467,225	1,955,196	5,003,892	324,217	1,809,185	-	69,299	1,298,222	16,920,729
Scholarships, Grants, and Waivers	2,736,131	-	-	-	442,542	6,192,789	-	-	-	9,371,462
Total Expenditures	23,479,030	4,662,754	1,955,196	5,003,892	3,076,831	17,679,317	-	69,299	2,146,753	58,073,072
Net Transfers	(2,187,219)	(100,000)	100,000	-	1,858,591	328,628	-	-	-	-
Fund Balance, June 30, 2023	$ 11,816,556	$ 889,600	$ 11,405,360	$ 200,655	$ 320,825	$ 3,432,814	$ 7,535,685	$ 20,163	$ 1,155,639	$ 36,777,297

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

RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO. 1
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance - Uniform Financial Statement No. 1	$	36,777,297
Amounts reported in the basic financial statements for net position are different because:		
Capital assets used in College activities are not current financial resources and therefore are not reported in the Uniform Financial Statements.		61,283,001
Right-of-use assets used in College activities are not current financial resources and therefore are not reported in the Uniform Financial Statements.		776,243
Capital assets included as prepaid expenses on the Uniform Financial Statements but are capitalized and amortized over the life of the capital assets in the basic financial statements.		(3,935)
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.		236,546
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.		94,643
Premiums on fixed debt are other financial sources in the Uniform Financial Statements but are liabilities that are amortized over the life of the fixed debt in the basic financial statements.		(1,037,744)
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.		296,130
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.		(11,920,205)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in the Uniform Financial Statements. These liabilities consist of:		
Bonds payable		(23,185,000)
Lease liability		(219,797)
Subscription liablilty		(489,679)
Postemployment benefits		(11,823,877)
Accrued interest		(66,468)
Net Position - Statement of Net Position	$	50,717,155

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

RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO. 1
TO THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Uniform Financial Statement No. 1		$ 3,017,952
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	$ 3,885,543	
Depreciation and amortization expense	(3,557,500)	
		328,043
Net book value of disposed capital assets is not reported in the Uniform Financial Statements.		(1,557)
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.		87,083
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.		94,643
Proceeds from long-term debt are recognized as other local revenue in the Uniform Financial Statements but have no impact on net assets in the Statement of Revenues, Expenses, and Changes in Net Position.		(797,008)
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		4,238,175
Lease liability		44,989
SBITA liability		96,246
Postemployment benefits		3,488,971
Accrued interest		6,829
Increase in Net Position - Statement of Revenues, Expenses, and Changes in Net Position		$ 10,604,366

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

SUMMARY OF FIXED ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2023

	Fixed Asset/Debt Account Groups July 1, 2022	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2023
Fixed Assets				
Site	$ 346,427	$ -	$ -	$ 346,427
Construction in Progress	1,725,595	1,826,884	(1,424,580)	2,127,899
Site Improvements	3,779,829	987,196	-	4,767,025
Buildings and Improvements	94,986,066	459,437	-	95,445,503
Equipment	10,397,991	635,543	(425,551)	10,607,983
Right to Use Leased Equipment	-	211,084	-	211,084
Right to Use SBITAs	-	1,141,859	-	1,141,859
Total Fixed Assets	111,235,908	5,262,003	(1,850,131)	114,647,780
Less: Accumulated Depreciation	49,455,030	3,557,500	(423,994)	52,588,536
Net Fixed Assets	$ 61,780,878	$ 1,704,503	$ (1,426,137)	$ 62,059,244
Fixed Debt				
Bonds Payable	$ 27,310,000	$ -	$ (4,125,000)	$ 23,185,000
Bond Premium	1,198,281	-	(160,537)	1,037,744
Accrued Compensated Absences	1,715,413	-	(16,972)	1,698,441
Lease Liability	53,703	211,084	(44,990)	219,797
Subscription Liability	-	585,924	(96,245)	489,679
Net OPEB Liability	22,545,681	-	(10,721,804)	11,823,877
Total Fixed Debt	$ 52,823,078	$ 797,008	$ (15,165,548)	$ 38,454,538

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

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Sources			
Local Government Revenues:			
Local Taxes	$ 6,255,687	$ 1,042,696	$ 7,298,383
Corporate Personal Property Replacement Tax	2,119,252	-	2,119,252
Other	109,025	-	109,025
Total Local Government	8,483,964	1,042,696	9,526,660
State Government:			
ICCB Base Operating Grant	2,071,502	1,020,292	3,091,794
ICCB Equalization Grant	4,336,582	2,135,928	6,472,510
ICCB Career and Technical Education	380,267	-	380,267
ICCB Performance Grant	17,785	-	17,785
Other ICCB Unrestricted Grants not listed above	75,369	-	75,369
Other State not listed above	175,229	75,097	250,326
Total State Government	7,056,734	3,231,317	10,288,051
Federal Government:			
Department of Education	37,603	16,103	53,706
Department of Labor	-	-	-
Department of Health & Human Services	195,751	83,891	279,642
Other	13,953	5,980	19,933
Total Federal Government	247,307	105,974	353,281
Student Tuition and Fees:			
Tuition	9,545,007	-	9,545,007
Fees	712,569	-	712,569
Total Student Tuition and Fees	10,257,576	-	10,257,576
Other Sources:			
Sales and Service Fees	46,290	-	46,290
Facilities Revenue	-	83,330	83,330
Investment Revenue	544,029	252,078	796,107
Non-Governmental Grants	4,000	-	4,000
Other	477,930	12,353	490,283
Total Other Sources	1,072,249	347,761	1,420,010
Total Revenue	27,117,830	4,727,748	31,845,578
Less Non-Operating Items:*	-	-	-
Adjusted Revenue	$ 27,117,830	$ 4,727,748	$ 31,845,578

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

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

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures			
By Program:			
Instruction	$ 8,812,687	$ -	$ 8,812,687
Academic Support	2,647,376	-	2,647,376
Student Services	2,647,379	-	2,647,379
Public Service/Continuing Education	641,964	-	641,964
Auxiliary Services	-	-	-
Operations and Maintenance	-	4,195,529	4,195,529
Institutional Support	5,993,493	467,225	6,460,718
Scholarships, Grants, and Waivers	2,736,131	-	2,736,131
Total Expenditures	23,479,030	4,662,754	28,141,784
Less Non-Operating Items:*	-	-	-
Adjusted Expenditures	$ 23,479,030	$ 4,662,754	$ 28,141,784
By Object:			
Salaries	$ 14,876,652	$ 2,611,769	$ 17,488,421
Employee Benefits	1,997,556	397,454	2,395,010
Contractual Services	941,176	223,842	1,165,018
General Materials and Supplies	1,155,681	420,049	1,575,730
Library Materials**	28,335	-	28,335
Conference and Meeting Expenses	310,255	4,759	315,014
Fixed Charges	106,001	21,765	127,766
Utilities	6,599	909,578	916,177
Capital Outlay	919,022	73,232	992,254
Other	3,166,088	306	3,166,394
Student Grants and Scholarships**	2,736,131	-	2,736,131
Total Expenditures	23,479,030	4,662,754	28,141,784
Less Non-Operating Items:*	-	-	-
Adjusted Expenditures	$ 23,479,030	$ 4,662,754	$ 28,141,784

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

**Non-add line

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

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2023

	Restricted Purposes Fund
Revenues by Source	
Total Local Government	$ 190,606
State Government:	
ICCB - Adult Education	197,441
ICCB - Other	682,115
On-Behalf CIP	(2,871,226)
On-Behalf SURS	9,576,603
Other	1,106,715
Total State Government	8,691,648
Federal Government:	
Department of Education	6,228,693
Department of Labor	22,295
Department of Health and Human Services	1,415,335
Other	557,093
Total Federal Government	8,223,416
Other Sources:	
Tuition and Fees	17,870
Other	947,158
Total Other Sources	965,028
Total Restricted Purposes Fund Revenues	$ 18,070,698
Expenditures By Program	
Instruction	$ 3,665,994
Academic Support	1,115,568
Student Services	1,527,828
Public Service/Continuing Education	2,191,546
Auxiliary Services	213,835
Operations and Maintenance	962,572
Institutional Support	1,809,185
Scholarships, Grants, and Waivers	6,192,789
Total Restricted Purposes Fund Expenditures	$ 17,679,317
Expenditures By Object	
Salaries	$ 2,056,473
Employee Benefits (Including SURS & CIP On-Behalf)	7,496,348
Contractual Services	245,931
General Materials and Supplies	872,258
Library Materials*	-
Travel & Conference/Meeting Expenses	124,864
Fixed Charges	92,722
Utilities	24,741
Capital Outlay	422,920
Other	6,343,060
Scholarships, Grants, and Waivers*	5,831,345
Total Restricted Purposes Fund Expenditures	$ 17,679,317

*Non-add line

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

CURRENT FUNDS * EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2023

Instruction	
Instructional Programs	$ 12,266,789
Other	211,892
Total Instruction	12,478,681
Academic Support	
Library Center	312,226
Instructional Materials Center	107,866
Academic Computing Support	314,073
Academic Administration and Planning	2,504,780
Other	523,999
Total Academic Support	3,762,944
Student Services	
Admissions and Records	409,878
Counseling and Career Guidance	2,337,032
Financial Aid Administration	546,089
Other	882,208
Total Student Services Support	4,175,207
Public Service/Continuing Education	
Community Education	328,061
Customized Training (Instructional)	275,140
Community Services	3,168,401
Other	9,015
Total Public Service/Continuing Education	3,780,617
Auxiliary Services	1,571,960
Operations and Maintenance of Plant	
Maintenance	1,331,971
Custodial	1,928,238
Grounds	764,037
Campus Security	1,063,807
Transportation	-
Plant Utilities	913,504
Other	9,915
Total Operations and Maintenance of Plant	6,011,472
Institutional Support	
Executive Management	1,435,377
Fiscal Operations	1,086,412
Community Relations	945,181
Administrative Support Services	1,057,937
Board of Trustees	53,329
General Institution	1,747,343
Institutional Research	509,205
Administrative Data Processing	2,834,172
Other	292,685
Total Institutional Support	9,961,641
Scholarships, Student Grants, and Waivers	9,371,462
Total Current Funds Expenditures	$ 51,113,984

*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

Opinion

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, 2023, and the related notes to the grant program financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The grant program financial statements on pages 72-73 are intended to present the financial position and changes in financial position of the Adult Education and Family Literacy Grants. They do not purport to, and do not, present fairly the financial position of the College as of June 30, 2023, or the changes in financial position for 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these grant program financial statements in accordance with accounting principles general accepted in the United States of America, and for 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 76 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 76 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 dated January 25, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 25, 2024

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

STATE ADULT EDUCATION RESTRICTED FUNDS

BALANCE SHEET
JUNE 30, 2023

	State Basic	Performance	Total (Memorandum Only)
Assets			
Current Assets			
Cash Held by John A. Logan College	$ 5,889	$ 4,695	$ 10,584
Total Assets	$ 5,889	$ 4,695	$ 10,584
Liabilities and Fund Balances			
Current Liabilities			
Accounts Payable	$ -	$ 1,164	$ 1,164
Accrued Expenses	5,889	3,531	9,420
Total Liabilities	5,889	4,695	10,584
Fund Balance			
Reserved	-	-	-
Total Liabilities and Fund Balances	$ 5,889	$ 4,695	$ 10,584

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

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

STATE ADULT EDUCATION RESTRICTED FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	State Basic	Performance	Total (Memorandum Only)
Revenues			
Grant	$ 106,276	$ 91,165	$ 197,441
Expenditures by Program			
Personnel Services	78,696	65,241	143,937
Fringe Benefits	14,316	10,030	24,346
Travel	1,058	1,770	2,828
Supplies	8,855	9,261	18,116
Contractual Services	-	129	129
Occupancy	-	2,200	2,200
Telecommunications	741	-	741
Training and Education	1,095	2,534	3,629
Miscellaneous	1,515	-	1,515
Total Expenditures	106,276	91,165	197,441
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance, July 1, 2022	-	-	-
Fund Balance, June 30, 2023	$ -	$ -	$ -

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

NOTES TO GRANT PROGRAM FINANCIAL STATEMENTS
JUNE 30, 2023

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.

NOTES TO GRANT PROGRAM FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2023

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, 2023, 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, 2023.

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, 2023

	Audited Expenditure Amount	Actual Expenditure Percentage
State Basic		
Instruction (45% Minimum Required)	$ 64,153	60.36%

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

ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

**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, 2023 (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 Certified 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 80-82 discusses the College's residency verification steps and is the responsibility of the College's management. This information has not been subjected to the audit procedures applied in the audit of the Schedule, and accordingly, we do not express an opinion or provide any assurance on it.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 25, 2024

3401 Professional Park Drive ▪ Marion, IL 62959
Phone: (618) 997-3055 Fax: (618) 997-5121 kempercpa.com

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

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2023

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

	Summer		Fall		Spring		Total (Note 3)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories								
(Notes 1 & 2)								
Baccalaureate	3,896.0	-	17,085.0	264.0	14,834.0	241.0	35,815.0	505.0
Business Occupational	311.0	9.0	2,117.5	23.5	2,094.5	55.5	4,523.0	88.0
Technical Occupational	268.5	-	3,003.5	212.0	2,909.0	169.5	6,181.0	381.5
Health Occupational	915.0	-	3,944.5	6.0	3,378.5	10.5	8,238.0	16.5
Remedial Developmental	89.0	-	561.0	-	465.0	-	1,115.0	-
Adult Basic/Secondary Education	174.0	177.5	308.5	1,115.0	264.0	1,093.0	746.5	2,385.5
Total	5,653.5	186.5	27,020.0	1,620.5	23,945.0	1,569.5	56,618.5	3,376.5

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

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

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

	Attending In-District	Attending Out-of District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	53,534.5	2,773.5	56,308.0

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	6,824.0	3,016.0

District Prior Year Equalized Assessed Valuation $2,098,251,918

Correctional Semester Credit Hours by Term

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

Signatures

Kee E. Ouen J. PhD.
Chief Executive Officer (CEO)

Susan LaPlume
Chief Fiscal Officer (CFO)

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

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 2023

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	35,815.0	35,815.0	-	505.0	505.0	-
Business Occupational	4,523.0	4,523.0	-	88.0	88.0	-
Technical Occupational	6,181.0	6,181.0	-	381.5	381.5	-
Health Occupational	8,238.0	8,238.0	-	16.5	16.5	-
Remedial Developmental	1,115.0	1,115.0	-	-	-	-
Adult Basic/Secondary Education	746.5	746.5	-	2,385.5	2,385.5	-
Total	56,618.5	56,618.5	-	3,376.5	3,376.5	-

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 2023

	Total Attending (Unrestricted and Restricted)	Total Attending As Certified To The ICCB	Difference
Reimbursable In-District Residents	53,534.5	53,534.5	-
Reimbursable Out-of-District on Chargeback or Contractual Agreement	2,773.5	2,773.5	-
Total	56,308.0	56,308.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	6,824.0	6,824.0	-
Dual Enrollment	3,016.0	3,016.0	-
Total	9,840.0	9,840.0	-

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 2023

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

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

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2023

In-District Student

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

Residency Code: In-district

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

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

Tuition Charge: Current in-district tuition charge

Student Employed Full-Time in the District

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

Residency Code: Out-of-district

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

Tuition Charge: Current in-district tuition charge

Out-of-District Student

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

Residency Code: Out-of-district

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

Tuition Charge: Current out-of-district tuition charge

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS (CONTINUED)
JUNE 30, 2023

Chargeback Student

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

Residency Code: Out-of-district

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

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

Reciprocal Agreement Student

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

Residency Code: Out-of-district

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

Tuition Charge: Current in-district tuition charge

Out-of-State Student

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

Residency Code: Out-of-state

Acceptable documentation: None is required.

Tuition Charge: Current out-of-state tuition charge

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS (CONCLUDED)
JUNE 30, 2023

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

Opinion on 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 identified as subject to audit 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, 2023. 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.

In our opinion, the College complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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 for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 25, 2024

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grant/Program or Cluster Title	Federal Assistance Listing Number	Contract or Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Direct Grant				
TRIO Cluster				
TRIO Student Support Services	84.042A	P042A200753-21	$ -	$ 63,498
TRIO Student Support Services	84.042A	P042A200753-22	-	280,040
Total TRIO Cluster			-	343,538
Student Financial Assistance Cluster				
Federal Pell Grant Program (M)	84.063	P063P210542	-	35,234
Federal Pell Grant Program (M)	84.063	P063P220542	-	4,468,665
Federal Supplemental Educational Opportunity Grants (M)	84.007	P007A221184	-	175,350
Federal Work-Study Program (M)	84.033	P033A221184	-	142,002
Total Student Financial Assistance Cluster			-	4,821,251
Education Stabilization Fund				
COVID-19 - Higher Education Emergency Relief Fund Student Portion (M)	84.425E	P425E202186	-	627,852
COVID-19 - Higher Education Emergency Relief Fund Strengthening Institutions Program (	84.425M	P425M201142	-	53,671
Total Direct Education Stabilization Fund			-	681,523
Passed through the Illinois Community College Board:				
Education Stabilization Fund				
COVID-19 - Governor's Emergency Education Relief Fund (M)	84.425C	GEERII-53022	-	45,487
Adult Education - Basic Grants to States	84.002	AE-53001-23	-	98,970
Career and Technical Education - Basic Grants to States	84.048	CTE-530-23	-	291,630
Total U.S. Department of Education			-	6,282,399
U.S. Department of Labor				
Passed through Parkland College				
Strengthening Community Colleges Training Grant	17.261	CC-38940-22-60-A-17	-	22,295
Total U.S. Department of Labor			-	22,295
U.S. Department of Health and Human Services				
Passed through the Illinois Department of Human Services:				
Child Care and Development Fund Cluster				
Child Care Development Block Grant (M)	93.575	FCSBI04632	-	70,081
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (M)	93.596	FCSBI04632	90,992	1,081,183
Passed through Illinois Network of Child Care Resource and Referral Agencies:				
Child Care and Development Fund Cluster				
Child Care Development Block Grant - Community Outreach Grant (M)	93.575	Region 20	-	34,428
Child Care Development Block Grant - Community Outreach Grant (M)	93.575	Region 21	-	49,295
Child Care Development Block Grant - Community Outreach Grant (M)	93.575	Region 30	-	31,676
Passed through Illinois Student Assistance Commission				
Child Care and Development Fund Cluster				
Child Care Development Block Grant - Early Childhood Access Consortium for Equity (M)	93.575	N/A	-	209,649
Passed through Illinois Community College Board				
Child Care and Development Fund Cluster				
Child Care Development Block Grant - Early Childhood Access Consortium for Equity (M)	93.575	ECE-53001-22	-	202,316
Total Child Care and Development Fund Cluster			90,992	1,678,628
Passed through the Illinois Department of Human Services:				
Preschool Development Grant Birth to Five	93.434	FCSBI06390	-	1,408
Passed through Southern Illinois University Carbondale				
Biomedical Research and Research Training	93.859	SIUC 20-02	-	14,941
Total U.S. Department of Health and Human Services			90,992	1,694,977
Delta Regional Authority				
Direct Grant				
Delta Regional Authority	90.201	IL-54451	-	199,393
Total Delta Regional Authority			-	199,393

The notes to the Schedule of Federal Awards are an integral part of this Schedule.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONCLUDED
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grant/Program or Cluster Title	Federal Assistance Listing Number	Contract or Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Passed through the Illinois Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	N/A	-	26,102
Total U.S. Department of Transportation			-	26,102
U.S. Department of Energy				
Passed through Lewis and Clark Community College				
Renewable Energy Research and Development	81.087	N/A	-	41,849
Total U.S. Department of Energy			-	41,849
U.S. Department of Veterans Affairs				
Direct Grant				
Post-9/11 Veterans Education Assistance - GI Bill Chapter 33	64.028	N/A	-	67,459
Total U.S. Department of Veterans Affairs			-	67,459
U.S. Department of Treasury				
Passed through the Illinois Community College Board:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	CB-53001-22	-	242,223
Total U.S. Department of Treasury			-	242,223
U.S. Department of Commerce				
Passed through the Economic Development Administration				
Investments for Public Works and Economic Development Facilities	11.300	06-01-06399	-	3,750
Total U.S. Department of Treasury			-	3,750
Total Federal Awards			$ 90,992	$ 8,580,447

(M) Major Program

The notes to the Schedule of Federal Awards are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: BASIS OF PRESENTATION

A. <u>General</u>

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, 2023. 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. <u>Basis of Accounting</u>

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

Federal awards totaling $90,992 were provided to subrecipients for the year ended June 30, 2023 as detailed on the Schedule.

NOTE 3: NONCASH AWARDS

There were no noncash awards reported on the Schedule for the year ended June 30, 2023.

NOTE 4: LOANS OR LOAN GUARANTEES OUTSTANDING

There were no loan programs for the year ended June 30, 2023.

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, 2023, is primarily based on a federally negotiated higher education rate agreement. The College has elected not to use the 10% de Minimis indirect cost rate.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

CFDA Number	Name of Federal Program
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.425C	COVID-19-Governor's Emergency Education Relief
84.425E	COVID-19-Higher Education Emergency Relief Fund Student Portion
84.425M	COVID-19-Higher Education Emergency Relief Fund Strengthening Institutions Program
	Child Care and Development Fund Cluster:
93.596	Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.575	Child Care and Development Block Grant

5.	Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6.	Auditee qualified as a low-risk auditee?	Yes

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2023-001: Controls Over Student Financial Assistance Special Tests and Provisions – Enrollment Reporting (Repeated from Finding No. 2022-001)

Federal Program Name	Student Financial Assistance Program
Project No.	P063P210542, P063P220542, P007A221184, P033A221184
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" requirements related to Enrollment Reporting, we noted the following exceptions:

- Two (2) students were not reported within the 60 day requirement.

Questioned Costs:

None

Context:

Of the forty (40) students tested for Enrollment Reporting purposes, two (2) students were not reported within the 60-day time frame.

Effect:

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

Cause:

A graduation date was backdated when the grade was changed from an incomplete to an A upon completion of graduation requirements by the student after the end of the term. Also, an ERP system error caused a student who had graduated in one semester and then re-enrolled full-time the next semester to be missed in the Clearinghouse enrollment reporting for the previous semester.

Recommendation:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

Finding No. 2023-001: Controls Over Student Financial Assistance Special Tests and Provisions – Enrollment Reporting (Concluded) (Repeated from Findings 2022-001)

Management's Response:
Management agrees with the finding.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Finding No.	Condition	Current Status
2022-001	During the compliance testing of “Special Tests and provisions” requirements related to Enrollment Reporting, we noted the following exceptions: 1) Two (2) students were reported as dropped when they should have been reported as withdrawn and 2) One (1) student was missed being reported to the Clearinghouse.	Repeated as Finding 2023-001
2022-002	During our testing it was noted that three (3) students’ refunds were not processed within the required 14 days.	Not Repeated

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

Finding No. 2023-001: Controls Over Student Financial Assistance Special Tests and Provisions – Enrollment Reporting (Repeated from Finding No. 2022-001)

Condition:

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

- Two (2) students were not reported within the 60 day requirement.

Plan:

Admissions and Records will no longer award degrees after a two-week grade period following each semester's conferred date. All students who do not apply or do not meet the qualifications to grade on this date will be awarded at the end of the following term. A letter of completion may be provided to students who complete degree requirements during the course of a semester. Applicable programs have been notified of this change. In addition, the final Clearinghouse submission with degrees will be submitted and validated prior to any submissions for the next term. Additionally, the degree submission list posted to the Clearinghouse will be compared to the final graduate list generated in Institutional Research to ensure the lists match.

Anticipated Date of Completion:

December 2023

Name of Contact Person:

Dr. Stephanie Hartford, Provost