
JOHN A. LOGAN COLLEGE FOUNDATION
(A Component Unit of John A. Logan College)

ANNUAL FINANCIAL REPORT
(With Independent Auditor's Report Thereon)

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

**JOHN A. LOGAN COLLEGE FOUNDATION
CARTERVILLE, ILLINOIS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
John A. Logan College Foundation

We have audited the accompanying financial statements of John A. Logan College Foundation (a nonprofit organization that is a component unit of John A. Logan College), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of John A. Logan College Foundation as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
January 11, 2022

JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and Cash Equivalents	\$ 369,892	\$ 422,630
Investments	11,056,713	9,108,767
Contributions Receivable	-	4,324
Prepaid Expenses	4,485	3,911
Total Assets	\$ 11,431,090	\$ 9,539,632
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 40,088	\$ 86,946
Total Liabilities	40,088	86,946
Net Assets		
Without Donor Restrictions	1,888,391	1,588,751
With Donor Restrictions	9,502,611	7,863,935
Total Net Assets	11,391,002	9,452,686
Total Liabilities and Net Assets	\$ 11,431,090	\$ 9,539,632

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

JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	\$ 225,098	\$ 393,202	\$ 618,300	\$ 257,224	\$ 510,527	\$ 767,751
Investment Return						
Investment Income, Net of Fees	34,083	164,704	198,787	41,658	198,094	239,752
Net Unrealized Gain (Loss) on Investments Held	123,295	598,589	721,884	10,098	60,158	70,256
Net Realized Gain (Loss) on Investments Held	200,019	974,531	1,174,550	(11,353)	(55,746)	(67,099)
Special Events	30,606	-	30,606	49,949	1,985	51,934
Net Assets Released from Restrictions	492,350	(492,350)	-	649,625	(649,625)	-
Total Revenue Gains, and Other Support	1,105,451	1,638,676	2,744,127	997,201	65,393	1,062,594
Expenses						
Program Services						
Scholarships	473,075	-	473,075	594,085	-	594,085
Athletics	77,152	-	77,152	57,892	-	57,892
Other Student Support	43,882	-	43,882	138,948	-	138,948
Total Program Services Expenses	594,109	-	594,109	790,925	-	790,925
Supporting Services						
Management and General	94,258	-	94,258	101,610		101,610
Fundraising	117,444	-	117,444	128,762	-	128,762
Total Supporting Services Expenses	211,702	-	211,702	230,372	-	230,372
Total Expenses	805,811	-	805,811	1,021,297	-	1,021,297
Changes in Net Assets	299,640	1,638,676	1,938,316	(24,096)	65,393	41,297
Net Assets, Beginning of Year	1,588,751	7,863,935	9,452,686	1,612,847	7,798,542	9,411,389
Net Assets, End of Year	\$ 1,888,391	\$ 9,502,611	\$ 11,391,002	\$ 1,588,751	\$ 7,863,935	\$ 9,452,686

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

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2021 and 2020

	2021					
	Program Services			Supporting Services		Total
	Scholarships	Athletics	Other Student Services	Management and General	Fundraising	
Scholarship Awards	\$ 430,641	\$ -	\$ -	\$ -	\$ -	\$ 430,641
Personnel Services	37,385	-	12,793	55,532	101,780	207,490
Occupancy	4,237	-	-	3,351	4,412	12,000
Professional Fees	-	-	-	7,625	-	7,625
Supplies and Materials	485	38,786	165	15,000	5,429	59,865
Printing	59	-	20	48	618	745
Meetings and Travel	268	6,065	91	218	741	7,383
Contractual Services	-	32,301	25,285	7,948	4,464	69,998
Other	-	-	5,528	4,536	-	10,064
Total Functional Expenses	\$ 473,075	\$ 77,152	\$ 43,882	\$ 94,258	\$ 117,444	\$ 805,811

	2020					
	Program Services			Supporting Services		Total
	Scholarships	Athletics	Other Student Services	Management and General	Fundraising	
Scholarship Awards	\$ 526,069	\$ -	\$ -	\$ -	\$ -	\$ 526,069
Personnel Services	61,741	-	12,044	65,088	94,550	233,423
Occupancy	4,237	-	-	3,351	4,412	12,000
Professional Fees	-	-	-	7,625	-	7,625
Supplies and Materials	2,038	26,038	3,633	14,397	9,267	55,373
Printing	-	-	45	275	868	1,188
Meetings and Travel	-	2,432	5,838	279	-	8,549
Contractual Services	-	28,042	43,247	4,805	19,665	95,759
Other	-	1,380	74,141	5,790	-	81,311
Total Functional Expenses	\$ 594,085	\$ 57,892	\$ 138,948	\$ 101,610	\$ 128,762	\$ 1,021,297

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

JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,938,316	\$ 41,297
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations		
Investment Return		
Net Realized (Gain) Loss	(1,174,550)	67,099
Net Unrealized (Gain) Loss	(721,884)	(70,256)
Contributions Restricted for Long-Term Purposes	(128,060)	(235,292)
Changes in Operating Assets		
(Increase) Decrease in Contributions Receivable	4,324	14,178
(Increase) Decrease in Prepaid Expense	(574)	8,828
Changes in Operating Liabilities		
Increase (Decrease) in Accounts Payable	(46,858)	57,177
Increase (Decrease) in Deferred Revenue	-	(9,200)
Net Cash Provided (Used) by Operating Activities	(129,286)	(126,169)
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	11,322,168	4,059,740
Purchase of Investments	(11,373,680)	(4,224,156)
Net Cash Provided (Used) by Investing Activities	(51,512)	(164,416)
Cash Flows from Financing Activities		
Contributions Restricted for Long-Term Purposes	128,060	235,292
Net Cash Provided (Used) by Financing Activities	128,060	235,292
Net Increase (Decrease) in Cash and Cash Equivalents	(52,738)	(55,293)
Cash and Cash Equivalents, Beginning of Year	422,630	477,923
Cash and Cash Equivalents, End of Year	\$ 369,892	\$ 422,630

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

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*, the Foundation is reported as a component unit of the College in the College's separately issued financial statements. Generally, GASB Statement No. 61 amends the criteria for reporting component units as if they were part of the primary government. The Foundation raises and holds significant economic resources for the direct benefit of a governmental unit and acts primarily as a fundraising foundation to supplement the resources that are available to the College in support of its programs. The Board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or the amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the students of the College, and the College and Foundation have a financial benefit or burden relationship, the Foundation is considered a component unit of the College.

A. Basis of Accounting

The financial statements of John A. Logan College 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.

B. 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.

C. 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.

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Contributions

Contributions, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted and recorded at the present value using a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. There were no contributions to be received after one year at June 30, 2021 or 2020. 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, 2021 or 2020.

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

E. Contributed Services

The College provides office space, accounting and record-keeping services, and the necessary administrative services to the Foundation at no charge. The rental value of the office space is recorded at fair rental value equivalent to similar facility space. Other amounts have been recorded based on actual cost to the College for the services. See Note 6.

F. 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.

G. Investment Expenses

Investment expenses, including custodial fees and investment advisory fees, relating to investment income amounted to \$42,155 and \$39,104 at June 30, 2021 and 2020, respectively, and have been netted with investment income in the accompanying Statement of Activities.

H. 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.

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

H. Fair Value (Concluded)

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.

I. 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, 2021 and 2020, 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, 2018.

J. 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.

K. 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 Statements of Functional Expenses present 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 Organization'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 Organization.

K. Date of Management's Review

Management has reviewed subsequent events through January 11, 2022, the date the financial statements were available to be issued.

JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 2: 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 1.

Investments as of June 30, 2021 consisted of the following:

	Cost	Fair Value		Total
		Quoted Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Mutual Funds	\$ 3,291,770	\$ 4,206,612	\$ -	\$ 4,206,612
Exchange-traded Funds	2,674,312	3,163,538	-	3,163,538
Corporate Bonds	3,469,687	-	3,423,839	3,423,839
Real Estate Investments	208,207	-	262,724	262,724
Total Investments	<u>\$ 9,643,976</u>	<u>\$ 7,370,150</u>	<u>\$ 3,686,563</u>	<u>\$ 11,056,713</u>

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the year ended June 30, 2021.

Investments as of June 30, 2020 consisted of the following:

	Cost	Fair Value		Total
		Quoted Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Mutual Funds	\$ 751,362	\$ 858,453	\$ -	\$ 858,453
Common Stock	2,594,335	3,001,191	-	3,001,191
Exchange-traded Funds	1,953,459	2,059,732	-	2,059,732
Corporate Bonds	2,927,985	-	2,949,907	2,949,907
U.S. Government and Agency Obligations	100,978	-	102,148	102,148
Real Estate Investments	103,801	-	137,336	137,336
Total Investments	<u>\$ 8,431,920</u>	<u>\$ 5,919,376</u>	<u>\$ 3,189,391</u>	<u>\$ 9,108,767</u>

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the year ended June 30, 2020.

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 3: NET ASSETS WITH DONOR RESTRICTIONS

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

At June 30, 2021, the Foundation held \$9,502,611 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	\$ 588,829
Athletics	90,845
Endowments	8,530,071
Other	292,866
Total	<u>\$ 9,502,611</u>

During the year ended June 30, 2021, \$492,350 was released from restrictions and used for the following purposes:

Scholarships	\$ 407,862
Athletics	77,152
Other Student Support	7,336
Total	<u>\$ 492,350</u>

At June 30, 2020, the Foundation held \$7,863,935 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	\$ 453,901
Athletics	132,886
Endowments	6,984,328
Other	292,820
Total	<u>\$ 7,863,935</u>

During the year ended June 30, 2020, \$649,625 was released from restrictions and used for the following purposes:

Scholarships	\$ 506,321
Athletics	57,892
Other Student Support	83,265
Other College Expenses	2,147
Total	<u>\$ 649,625</u>

NOTE 4: 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.

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020**

NOTE 4: ENDOWMENT FUNDS (CONTINUED)

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

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

Spending Policy. The Foundation has a policy in which any accumulated earnings in excess of a calculated reserve are available for distribution each year. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 4% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. The Board-approved spending was \$198,122 and \$307,873 for the fiscal years ended June 30, 2021 and 2020, respectively.

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.

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 4: ENDOWMENT FUNDS (CONCLUDED)

Endowment net assets as June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Donor-restricted Endowment Funds	\$ -	\$ 8,530,070	\$ 8,530,070
Board-designated Endowment Funds	<u>1,832,195</u>	<u>-</u>	<u>1,832,195</u>
	<u>\$ 1,832,195</u>	<u>\$ 8,530,070</u>	<u>\$ 10,362,265</u>

Changes in endowment net assets as of June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ 1,521,350	\$ 6,984,328	\$ 8,505,678
Contributions	-	118,060	118,060
Investment Income, Net of Fees	33,783	149,480	183,263
Realized Gain (Loss)	200,019	884,993	1,085,012
Unrealized Gain (Loss)	123,295	545,079	668,374
Amounts Appropriated for Expenditures	<u>(46,252)</u>	<u>(151,870)</u>	<u>(198,122)</u>
Endowment Net Assets, End of Year	<u>\$ 1,832,195</u>	<u>\$ 8,530,070</u>	<u>\$ 10,362,265</u>

Endowment net assets as of June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Donor-restricted Endowment Funds	\$ -	\$ 6,984,328	\$ 6,984,328
Board-designated Endowment Funds	<u>1,521,350</u>	<u>-</u>	<u>1,521,350</u>
	<u>\$ 1,521,350</u>	<u>\$ 6,984,328</u>	<u>\$ 8,505,678</u>

Changes in endowment net assets as of June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ 1,544,175	\$ 6,865,320	\$ 8,409,495
Contributions	-	184,527	184,527
Investment Income, Net of Fees	41,426	178,441	219,867
Realized Gain (Loss)	(11,353)	(52,565)	(63,918)
Unrealized Gain (Loss)	10,097	53,483	63,580
Amounts Appropriated for Expenditures	<u>(62,995)</u>	<u>(244,878)</u>	<u>(307,873)</u>
Endowment Net Assets, End of Year	<u>\$ 1,521,350</u>	<u>\$ 6,984,328</u>	<u>\$ 8,505,678</u>

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 5: LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 99,219	\$ 224,379
Investments	450,063	247,804
Total	<u>\$ 549,282</u>	<u>\$ 472,183</u>

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 \$1,345,314 and \$1,124,510, for the years ending June 30, 2021 and 2020, respectively, are subject to annual spending limits as described in Note 4. Although the Foundation does not intend to spend from the board-designated endowments (other than amounts appropriated for general expenditures as part of the Board's annual approved budget), these amounts could be made available if necessary.

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

NOTE 6: 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 years ended June 30, 2021 and 2020 is recognized as contributions revenue in the Statement of Activities as detailed below:

	<u>2021</u>	<u>2020</u>
Occupancy	\$ 12,000	\$ 12,000
Contractual Services	112	112
Supplies, Materials, and Travel	3,998	6,789
Personnel	207,489	233,423
Total	<u>\$ 223,599</u>	<u>\$ 252,324</u>

The total value of the services and the facilities provided by the College during the years ended June 30, 2021 and 2020 is also recognized as expenses as follows:

	<u>2021</u>	<u>2020</u>
Scholarships	\$ 42,434	\$ 68,016
Other Student Services	13,069	12,436
Management and General	59,656	69,773
Fundraising	108,440	102,099
Total	<u>\$ 223,599</u>	<u>\$ 252,324</u>

**JOHN A. LOGAN COLLEGE FOUNDATION
(A COMPONENT UNIT OF JOHN A. LOGAN COLLEGE)**

**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
June 30, 2021 and 2020**

NOTE 7: 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, 2021 and 2020, the Foundation had cash and cash equivalents totaling \$85,325 and \$28,415, respectively, that were exposed to custodial credit risk but were collateralized by securities pledged by the Foundation's financial institution on-behalf of the Foundation.

NOTE 8: EFFECT OF COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant impact upon many sectors of the economy. We believe the ultimate financial impact of the COVID-19 pandemic on the Foundation is likely to be determined by factors which are uncertain, unpredictable, and outside of the control of the Foundation. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially adversely affect future revenues.