



Years Ended
June 30, 2025
and 2024

Annual Financial
Report

Rehmann

JACKSON COLLEGE

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INDEPENDENT AUDITORS' REPORT

November 18, 2025

Board of Trustees
Jackson College
Jackson, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of **Jackson College** (the "College"), as of and for the years ended June 30, 2025 and 2024, 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 accompanying 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 the College, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Independent Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Independent Auditors' 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 auditors' 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 GAAS 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 GAAS 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 and the schedules for the pension and other postemployment benefits plans, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the combining statements of net position and the combining statements of revenues, expenses, transfers, and changes in net position but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other 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, under separate cover, our report dated November 18, 2025, 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.

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JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Management's discussion and analysis of *Jackson College's* (the "College") financial statements provides an overview of the College's financial position as of June 30, 2025, 2024 and 2023 and its activities for the years then ended. The College's management has prepared and is responsible for the financial statements and the related footnote disclosures, along with the discussion and analysis.

Using the Annual Financial Report

This annual financial report includes this management's discussion and analysis and other required supplementary information, the report of independent auditors, the basic financial statements in the above referred format, and notes to financial statements. Following the basic financial statements and notes are supplementary schedules, consisting of the Combining Statements of Net Position and Combining Statements of Revenues, Expenses, Transfers and Changes in Net Position. These supplementary schedules are required by the State of Michigan. Though Governmental Accounting Standards Board ("GASB") does not require this information for a fair and complete presentation, supplemental schedules do provide additional information regarding the various funds and activities of the College that is not presented in the basic, entity-wide statements.

Financial Highlights

The audited financial statements for Jackson College include the complete presentation of net position and changes therein. However, the traditional emphasis has been on the General Fund, or the portion of the institution primarily concerned with instruction and its support. It is this fund that the State of Michigan uses in its appropriation allocation each year. The following revenues and expenses sections of this analysis detail this portion of our operations, considering its importance to the overall health of the College.

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about the College's finances is, "Is Jackson College as a whole better or worse off from a financial standpoint as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that attempts to answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. These two statements report the College's net position and changes in them during each fiscal year presented.

The College's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) is a way to measure the College's health, or financial condition. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. Many other non-financial factors, such as the trend in College applicants, student retention, condition of the buildings, and strength of the faculty and academic programming need to be considered to assess the overall health of the College.

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by private-sector institutions.

	Condensed Statements of Net Position		
	June 30,		
	2025	2024	2023
Assets			
Current and other assets	\$ 38,436,629	\$ 29,925,155	\$ 30,333,907
Capital assets, net	84,046,932	83,036,358	81,045,439
Total assets	122,483,561	112,961,513	111,379,346
Deferred outflows of resources			
Deferred charge on refunding	165,922	198,484	231,044
Deferred pension amounts	3,740,270	5,512,587	7,078,703
Deferred OPEB amounts	603,567	1,212,656	1,792,022
Total deferred outflows of resources	4,509,759	6,923,727	9,101,769
Liabilities			
Other liabilities	7,038,353	7,377,137	8,265,281
Long term liabilities	42,507,935	45,063,320	53,371,181
Total liabilities	49,546,288	52,440,457	61,636,462
Deferred inflows of resources			
Deferred pension amounts	6,919,970	5,942,664	5,705,574
Deferred OPEB amounts	3,793,954	3,659,378	3,988,113
Total deferred inflows of resources	10,713,924	9,602,042	9,693,687
Net position			
Net investment in capital assets	56,320,312	58,301,435	53,185,009
Restricted			
Nonexpendable	34,939	34,667	34,447
Expendable	1,785,064	1,356,494	500,763
Capital projects	1,555,700	1,555,700	-
Net other postemployment benefits asset	2,452,844	357,888	-
Unrestricted (deficit)	4,584,249	(3,763,443)	(4,569,253)
Total net position	\$ 66,733,108	\$ 57,842,741	\$ 49,150,966

The College's net position increased \$8,890,367 for the June 30, 2025 fiscal year. Excluding the impacts of GASB 75 and GASB 68 contained in the pension and OPEB liability fund, the College's net position increased by \$4,291,956. The increase was primarily due to increased state grants and contracts, pell grants and state appropriations. The College's net position increased \$8,691,775 for the June 30, 2024 fiscal year. Excluding the impacts of GASB 75 and GASB 68 contained in the pension and OPEB liability fund, the College's net position increased by \$4,969,107. The increase was due to the plant receiving \$1,555,700 of state capital appropriations in ITEMS funding; the auxiliary fund having increased revenue which covers the previous year's negative net position in that fund; and the designated fund's net position growing from increased investment income.

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

	Condensed Statements of Revenues, Expenses and Changes in Net Position		
	Year Ended June 30,		
	2025	2024	2023
Operating revenues			
Tuition and fees, net	\$ 9,627,462	\$ 10,440,453	\$ 9,520,882
Grants and contracts	9,863,525	6,975,926	4,667,102
Potter Center activities	486,591	518,620	498,968
Other operating revenues	4,811,585	5,365,711	4,465,194
Total operating revenues	24,789,163	23,300,710	19,152,146
Operating expenses			
Instruction	16,104,417	14,021,724	14,081,187
Information technology	4,871,308	5,040,937	4,597,232
Public service	192,103	173,031	258,070
Academic support	2,976,262	2,876,531	2,667,887
Student services	8,807,383	7,749,475	6,037,679
Administration	10,639,581	10,044,106	9,053,007
Operation and maintenance of plant	6,480,611	6,265,193	5,276,220
Depreciation and amortization	4,170,351	4,530,928	4,145,221
Total operating expenses	54,242,016	50,701,925	46,116,503
Operating loss	(29,452,853)	(27,401,215)	(26,964,357)
Nonoperating revenues (expenses), capital grants and extraordinary item			
State appropriations	15,363,475	14,503,759	13,801,345
Local property taxes	6,715,716	6,312,526	5,901,192
Federal Pell grant revenue	15,190,184	12,166,856	9,040,901
Private gifts and grants	99,726	93,533	123,425
Federal HEERF grant revenue	-	-	3,927
Capital gifts and grants	-	250,341	-
Extraordinary item	937,729	209,594	138,640
State capital appropriation	-	1,555,700	-
Other	36,390	1,000,681	(468,308)
Net nonoperating revenues (expenses), capital grants and extraordinary item	38,343,220	36,092,990	28,541,122
Increase in net position	8,890,367	8,691,775	1,576,765
Net position, beginning of year	57,842,741	49,150,966	47,574,201
Net position, end of year	\$ 66,733,108	\$ 57,842,741	\$ 49,150,966

JACKSON COLLEGE

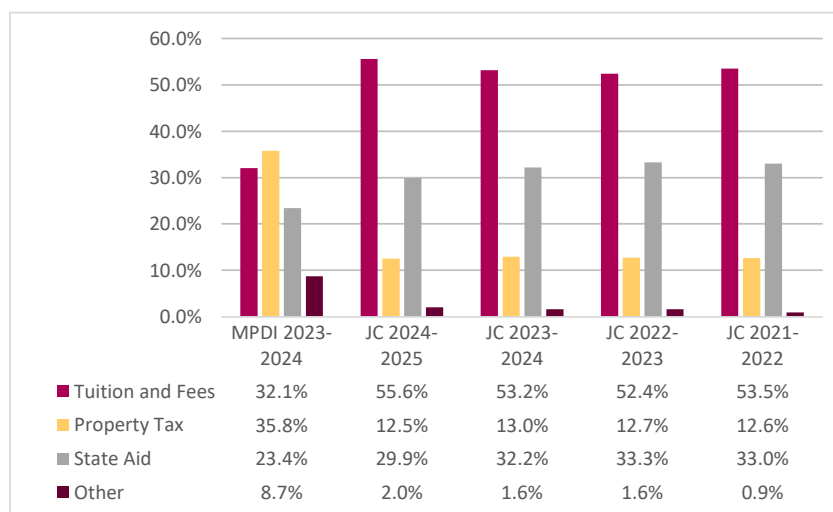
Management's Discussion and Analysis - Unaudited

Revenues

GASB guidelines require State appropriations, property tax revenues and Federal Pell grant revenue to be reported as nonoperating revenues. Management views, and has always viewed, major revenues to the College such as State appropriations, local property taxes and Pell grants as operating revenues. These dollars would not be received by the College to fund operating expenses if educational classes were not offered. Therefore, management believes these revenues should be applied directly to the operating costs that are associated with them for internal analysis purposes.

Each year the 28 Michigan public community colleges are required to submit data that is the basis of the Michigan Postsecondary Data Inventory (MPDI) Data Book. The Community College Appropriations Act assigns primary responsibility for data collection to the Center for Educational Performance and Information. In addition to appropriations, the data in the MPDI Data Book is used to derive comparisons among community colleges on a number of significant issues that relate to institutional concerns. The 2023-24 MPDI Data Book reveals the following state averages for the year. Four years of Jackson College information is included for comparison. These are comparisons of general fund revenues, as these are the numbers used in the State reports. Capital Outlay is not included in the State MPDI reports as these are recorded in Plant Funds and these operational reports only include the General and Designated Funds. The College generated General Fund revenues of \$53,564,843, \$48,738,353, and \$46,597,203 in 2025, 2024 and 2023, respectively.

General Fund Revenue Sources: Comparison of JC and Statewide Averages



JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

State Appropriations

Accounting guidelines issued by the GASB obligate the College to report State appropriations source as nonoperating income. Generally, the State of Michigan includes the Appropriation to Community Colleges Act in its annual budget, which is approved just prior to the beginning of the State's fiscal year, October 1. The College received \$16,002,388 in fiscal year 2025, of this total, \$638,913 was received and paid to the State of Michigan towards the unfunded actuarial accrued liability of the Michigan Public School Employees Retirement System and \$281,893 was received from the State of Michigan as a Personal Property Tax Reimbursement. The graph below reflects the amount of State appropriations received by the College that were reported as revenue in the general fund. The College received \$15,688,433 in fiscal year 2024, of this total, \$1,184,674 was received and paid to the State of Michigan towards the unfunded actuarial accrued liability of the Michigan Public School Employees Retirement System and \$207,594 was received from the State of Michigan as a Personal Property Tax Reimbursement. The graph below reflects the amount of State appropriations received by the College that were reported as revenue in the general fund.

State Appropriations to Jackson College



JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Property Taxes

Only 12.7% of MPDI revenues come from property taxes from Jackson County. The other community colleges like JC that depend heavily on State appropriations also have in common a low percentage of their General Fund revenue being derived from property taxes. The State average is 35.8%. An attempt to adjust the voted millage rate was made during the current fiscal year. No millage increase has been approved by the voters of Jackson County since the charter millage of 1.33 in 1964. The current millage rate as adjusted by the Headlee override to 1.1327 is the lowest in the State. Property tax revenues related to real estate have showed an increase as property values begin to slowly increase and past due tax bills get paid. In both 2025 and 2024, the overall property tax revenue increased slightly as property values increased.

Property Tax Revenues to Jackson College



JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Tuition and Fees

\$20,154,688, \$15,419,338, and \$14,861,414 of scholarship allowances against tuition and fees represent amounts paid by grants, resulting in a "discount rate" of 68.9%, 59.6%, and 61.0% for fiscal 2025, 2024 and 2023, respectively. The bulk of the scholarship allowance is Federal Pell awards which were \$15,190,184, \$12,166,856, and \$9,040,901 for fiscal 2025, 2024 and 2023, respectively. For purposes of this analysis, to show trends over time, the following chart presents gross tuition and fees. The College experienced an increase of 13.14% from tuition and fee revenue in the current year as compared to fiscal year 2024. The scholarship allowances increased by \$4,735,350 or 30.71%. This increase is due to increased Federal Pell, Michigan Tuition Incentive Program, Michigan Reconnect, and Michigan Community College Guarantee program awards as compared to the previous year. The College experienced an increase of 6.06% from tuition and fee revenue in 2024 as compared to fiscal year 2023. The scholarship allowances increased by \$557,924 or 3.75%. This increase is due to increased Federal Pell awards as compared to the previous year.

Gross Tuition and Fees Revenues

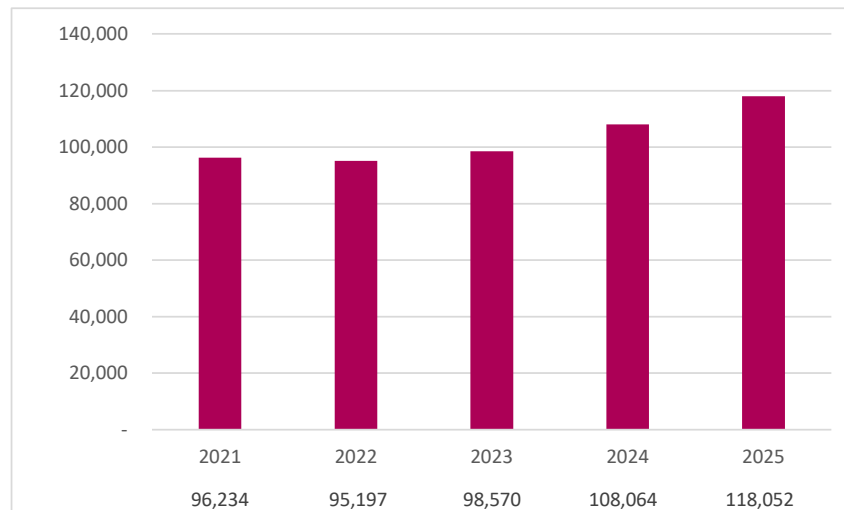


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Management's Discussion and Analysis - Unaudited

There was a 9.24% increase in the amount of billing contact hours generated in 2025. This increase is 10.8% above the originally budgeted BCH for fiscal 2025. There was a 9.63% increase in the amount of billing contact hours generated in 2024. This increase is 3.9% above the originally budgeted BCH for fiscal 2024. Changes in state and federal aid continue to make enrollment projections challenging, but the College remains focused on our efforts in total commitment to student success. The College began to implement a comprehensive enrollment management plan that focuses on recruitment and retention. The College continues to focus on recruiting, retaining, and accommodating a diverse student population.

Total Billing Contact Hours by Fiscal Year



Jackson College Enrollment by Semester and Fiscal Year

Billing Hours

	Fall	Spring	Summer	Total
Fiscal Year				
2025	47,691	48,259	22,102	118,052
2024	44,242	43,645	20,177	108,064
2023	42,318	38,983	17,269	98,570
2022	40,474	37,830	16,893	95,197
2021	41,477	37,384	17,373	96,234

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Tuition rates continued to rise, offsetting the small millage rate the local tax payers pay. Increases are detailed below. The rates for Out of State was determined to be hindering students to come to Jackson College and was reduced after these findings from an institutional review.

Jackson College Hourly Tuition Rates				
		In District	Out of District	Out of State
Fiscal Year				
2025	\$	193.00	\$ 225.00	\$ 288.00
2024	\$	185.00	\$ 209.00	\$ 277.00
2023	\$	176.00	\$ 199.00	\$ 264.00
2022	\$	168.00	\$ 190.00	\$ 327.00
2021	\$	163.46	\$ 245.19	\$ 326.91

Other Operating Revenues

Potter Center activities experienced a 6.2% decline in revenue, while expenses rose by 2.2%. Housing revenue decreased 13.0% in fiscal year 2025 due to student attrition from the fall to spring semester. Contract training revenue increased in fiscal year 2025 as the College was able to offer more trainings. In fiscal year 2022, the College transitioned bookstore operations in-house, discontinuing its contract with an external vendor. As a result, related revenues are now reflected under the Auxiliary Tuition and Bookstore Revenue categories.

Expenses

Compared to statewide averages, the College is relatively close to its peers. Please note that the State of Michigan does not include depreciation as an "operating cost". The College continues to increase its attention to the instructional efforts and Student Services as that is the large part of our total commitment to student success.

Jackson College Expenses Compared to State-Wide MPDI Averages				
		MPDI	Jackson College	
		2023-2024	2024-2025	2023-2024
				2022-2023
Instructional	39.3%	34.4%	34.9%	37.4%
Information Technology	7.2%	10.8%	11.9%	11.5%
Public Service	1.5%	0.9%	0.8%	0.9%
Academic Support	11.2%	5.2%	5.4%	5.9%
Student Services	13.9%	15.7%	15.3%	14.9%
Administration	14.6%	17.8%	17.3%	15.9%
Plant	12.3%	15.2%	14.4%	13.5%
Total	100.0%	100.0%	100.0%	100.0%

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Statements of Cash Flows

Another way to assess the financial health of the College is to look at the Statement of Cash Flows. Its primary purpose is to provide information about the College's cash receipts and cash payments during a fiscal year.

Major sources of cash were tuition and fees (\$9,830,634 in 2025 and \$10,211,889 in 2024), grants and contracts (\$9,124,328 in 2025 and \$4,857,218 in 2024), State appropriations (\$15,463,253 in 2025 and \$14,288,226 in 2024), local property taxes (\$6,715,716 in 2025 and \$6,312,526 in 2024), and Pell grant receipts (\$15,190,184 in 2025 and \$12,166,856 in 2024). The single, largest type of disbursement was compensation payments to or on behalf of the College's employees (\$38,863,340 in 2025 and \$36,194,032 in 2024).

Capital Assets

The components of the College's capital assets are as follows as of June 30:

	2025	2024	2023
Land	\$ 764,912	\$ 764,912	\$ 1,228,765
Infrastructure and land improvements	15,186,004	14,206,256	13,914,680
Buildings and improvements	126,216,112	118,356,277	120,527,089
Leasehold improvements	2,247,106	2,247,106	2,247,106
Artwork	6,366,227	6,366,227	6,366,227
Equipment	19,313,281	18,845,204	18,717,765
Construction in progress	3,903,055	8,029,790	1,861,545
Total capital assets	173,996,697	168,815,772	164,863,177
Less accumulated depreciation	89,949,765	85,779,414	83,817,738
Capital assets, net	<u>\$ 84,046,932</u>	<u>\$ 83,036,358</u>	<u>\$ 81,045,439</u>

During fiscal 2025 and 2024, the College made significant improvements to the Space Observatory, Steam Factory, Instrumental Music Studio, Jets Air Station, Baughman Theatre, Ruth Day Theatre, Health Simulation Center, Applied Technology Center, Fitness Court, student housing, emergency power infrastructure, roof restorations, and Potter Center office renovations. Additional information regarding the College's capital assets can be found in the notes to the financial statements.

Long-Term Debt

Information on the College's long-term debt can also be found in the notes to the financial statements.

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Factors That Will Affect our Future

Jackson College experienced growth in enrollment for the 2024-2025 fiscal year. This can be attributed to the concentrated efforts to recruit and retain our students. The 2025-2026 budget was developed based on projected enrollment of 114,500 billing contact hours, representing a 7.5% increase compared to the 2024-2025 budget. The Board of Trustees approved to increase tuition rates for in-district, out-of-district, and out-of-state for the 2025-2026 year. The Board has the authority to increase tuition rates to offset rising costs but are also mindful of the impact that tuition increases have on students.

State Appropriations received by Jackson College help offset the financial burden of tuition on our students. The College is responsible for controlling tuition rate increases in accordance with state regulations to continue to receive this funding. Jackson College continues its mantra of Total Commitment to Student Success by remaining committed to providing excellent, affordable education for our students.

Taxable values for property in Jackson County have increased in the last few years. It is anticipated that taxable values will increase slightly next fiscal year as well. While this revenue increase has helped offset some cost to Jackson College, the current millage rate as adjusted by the Headlee override is 1.1327, which is the lowest in the State.

The College continues to make investments in needed infrastructure and housing opportunities for families in our local community. The investments made in the Steam Factory, Instrumental Music Studio, Jets Air Station, Baughman Theatre, student housing, roof restorations, and Potter Center office renovations, were completed in fiscal year 2025. Improvements to the Ruth Day Theatre, Health Simulation Center, Applied Technology Center, and emergency power infrastructure are expected to be completed in fiscal 2026.

College management continues to watch enrollment trends, local economies, employer needs and will react to changing financial conditions with revenue enhancements and/or expense reductions as necessary to ensure financial stability of the College.

In an effort to meet local employer needs and demanding career fields, the College will continue to review academic programs to address those needs.

JACKSON COLLEGE

Statements of Net Position

	June 30, 2025		June 30, 2024	
	Primary Government	Component Unit	Primary Government	Component Unit
Assets				
Current assets				
Cash and cash equivalents	\$ 10,310,584	\$ 2,940,600	\$ 5,020,441	\$ 1,902,067
Short-term investments	-	-	-	377,314
Tuition and other receivables, net	3,328,743	1,270	2,404,128	642
State appropriations receivable	3,261,399	-	3,361,177	-
Federal and state grants receivable	6,979,160	-	6,197,626	-
Inventories	177,601	-	300,930	-
Prepaid and other assets	199,740	76,000	188,054	82,000
Total current assets	24,257,227	3,017,870	17,472,356	2,362,023
Noncurrent assets				
Long-term investments	11,726,558	23,571,980	12,094,911	20,734,103
Capital assets not being depreciated	4,667,967	-	8,794,702	-
Capital assets being depreciated, net	79,378,965	-	74,241,656	-
Beneficial interest in remainder trusts	-	879,664	-	1,097,752
Net other postemployment benefits asset	2,452,844	-	357,888	-
Total noncurrent assets	98,226,334	24,451,644	95,489,157	21,831,855
Total assets	122,483,561	27,469,514	112,961,513	24,193,878
Deferred outflows of resources				
Deferred charge on refunding	165,922	-	198,484	-
Deferred pension amounts	3,740,270	-	5,512,587	-
Deferred other postemployment benefits amounts	603,567	-	1,212,656	-
Total deferred outflows of resources	4,509,759	-	6,923,727	-
Liabilities				
Current liabilities				
Accounts payable	1,432,141	159,370	1,895,077	147,277
Accrued compensation and other benefits	2,125,955	-	2,095,320	-
Accrued compensated absences (Note 7)	482,223	-	159,488	-
Current portion of long-term liabilities	2,997,116	-	3,035,946	-
Current portion of annuities payable	-	11,200	-	11,200
Accrued interest	166,074	-	147,026	-
Unearned revenue	3,314,183	-	3,080,226	-
Total current liabilities	10,517,692	170,570	10,413,083	158,477
Noncurrent liabilities				
Long-term liabilities, net of current portion	24,895,426	-	21,897,461	-
Annuities payable, net of current portion	-	80,124	-	83,314
Net pension liability	14,133,170	-	20,129,913	-
Total noncurrent liabilities	39,028,596	80,124	42,027,374	83,314
Total liabilities	49,546,288	250,694	52,440,457	241,791
Deferred inflows of resources				
Deferred pension amounts	6,919,970	-	5,942,664	-
Deferred other postemployment benefits amounts	3,793,954	-	3,659,378	-
Deferred remainder trusts amounts	-	879,664	-	1,097,752
Total deferred inflows of resources	10,713,924	879,664	9,602,042	1,097,752
Net position				
Net investment in capital assets	56,320,312	-	58,301,435	-
Restricted:				
Nonexpendable - endowments	34,939	12,837,602	34,667	11,794,122
Expendable - endowments, scholarships, campus improvements	1,785,064	4,070,323	1,356,494	3,927,112
Expendable - capital projects	1,555,700	-	1,555,700	-
Net other postemployment benefits asset	2,452,844	-	357,888	-
Unrestricted (deficit) (Note 10)	4,584,249	9,431,231	(3,763,443)	7,133,101
Total net position	\$ 66,733,108	\$ 26,339,156	\$ 57,842,741	\$ 22,854,335

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

JACKSON COLLEGE

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Primary Government	Component Unit	Primary Government	Component Unit
Operating revenues				
Tuition and fees (net of scholarship allowances of \$20,154,688 in 2025 and \$15,419,338 in 2024)	\$ 9,627,462	\$ -	\$ 10,440,453	\$ -
Federal grants and contracts	4,332,168	-	4,587,927	-
State grants and contracts	5,531,357	-	2,387,999	-
Housing revenue	1,295,586	-	1,489,012	-
Potter Center activities	486,591	-	518,620	-
Hospitality services	404,284	-	420,571	-
Bookstore revenue	194,047	-	165,968	-
Contract training	247,836	-	216,880	-
Seminars, workshops, and other	2,669,832	-	3,073,280	-
Total operating revenues	24,789,163	-	23,300,710	-
Operating expenses				
Instruction	16,104,417	-	14,021,724	-
Information technology	4,871,308	-	5,040,937	-
Public service	192,103	-	173,031	-
Academic support	2,976,262	-	2,876,531	-
Student services	8,807,383	277,850	7,749,475	434,661
Administration	10,639,581	713,755	10,044,106	622,619
Operation and maintenance of plant	6,480,611	-	6,265,193	-
Depreciation and amortization	4,170,351	-	4,530,928	-
Total operating expenses	54,242,016	991,605	50,701,925	1,057,280
Operating loss	(29,452,853)	(991,605)	(27,401,215)	(1,057,280)
Nonoperating revenues (expenses)				
State appropriations	15,363,475	-	14,503,759	-
Local property taxes	6,715,716	-	6,312,526	-
Federal Pell grant revenue	15,190,184	-	12,166,856	-
Private gifts and grants	99,726	1,572,680	93,533	1,954,896
Net investment income	904,894	2,569,311	910,708	2,624,777
Gain on disposal of capital assets	-	-	722,902	-
Interest expense	(868,504)	-	(632,929)	-
Other revenues	-	334,435	-	311,866
Net nonoperating revenues	37,405,491	4,476,426	34,077,355	4,891,539
Other revenues				
Capital gifts and grants	-	-	250,341	-
State capital appropriations	-	-	1,555,700	-
Total other revenues	-	-	1,806,041	-
Increase in net position before extraordinary item	7,952,638	3,484,821	8,482,181	3,834,259
Extraordinary item (Note 13)	937,729	-	209,594	-
Increase in net position	8,890,367	3,484,821	8,691,775	3,834,259
Net position beginning of year	57,842,741	22,854,335	49,150,966	19,020,076
Net position, end of year	\$ 66,733,108	\$ 26,339,156	\$ 57,842,741	\$ 22,854,335

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

JACKSON COLLEGE

Statements of Cash Flows

	Year Ended June 30,	
	Primary Government 2025	Primary Government 2024
Cash flows from operating activities		
Tuition and fees	\$ 9,830,634	\$ 10,211,889
Housing	1,295,586	1,489,012
Hospitality services	404,284	420,571
Grants and contracts	9,124,328	4,857,218
Contract training	250,626	197,448
Payments to vendors	(11,908,008)	(11,865,052)
Payment to or on behalf of employees	(38,863,340)	(36,194,032)
Payments to students	(3,643,635)	(2,791,677)
Potter Center activities	(681,819)	423,084
Bookstore	194,047	165,968
Seminars, workshops and other	2,669,832	3,073,280
Net change in cash from operating activities	(31,327,465)	(30,012,291)
Cash flows from noncapital financing activities		
State appropriations	15,463,253	14,288,226
Local property taxes	6,715,716	6,312,526
Pell grant receipts	15,190,184	12,166,856
Gifts and contributions for other than capital purposes	99,726	93,533
Direct loan program receipts	5,608,191	6,035,275
Direct loan program disbursements	(5,608,191)	(6,035,275)
State scholarship and grant receipts	42,265	44,394
State scholarship and grant disbursements	(42,265)	(44,394)
Net change in cash from noncapital financing activities	37,468,879	32,861,141
Cash flows from capital and related financing activities		
Capital gift and grant proceeds	-	250,341
State capital appropriations	-	1,555,700
Purchases and construction of capital assets	(5,171,926)	(9,118,124)
Proceeds from sale of capital assets	-	3,319,179
Insurance proceeds	937,729	209,594
Principal paid on capital debt	(2,750,000)	(7,925,000)
Proceeds from capital debt	5,811,251	5,321,702
Interest paid on capital debt	(951,572)	(886,762)
Net change in cash from capital and related financing activities	(2,124,518)	(7,273,370)
Cash flows from investing activities		
Purchase of investments	(820,982)	(504,850)
Interest and dividends on investments	823,318	706,575
Proceeds from sales and maturities of investments	1,270,911	3,000,000
Net change in cash from investing activities	1,273,247	3,201,725
Net change in cash and cash equivalents	5,290,143	(1,222,795)
Cash and cash equivalents, beginning of year	5,020,441	6,243,236
Cash and cash equivalents, end of year	\$ 10,310,584	\$ 5,020,441

continued...

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

JACKSON COLLEGE

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
Reconciliation of operating loss to net change in cash from operating activities		
Operating loss	\$ (29,452,853)	\$ (27,401,215)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	4,170,351	4,530,928
Net change in loss on refunding	32,562	32,560
Change in operating assets and liabilities that provided (used) cash:		
Tuition and other receivables, net	(924,615)	(381,172)
Federal and state grants receivable	(781,534)	(2,081,819)
Inventories	123,329	(33,561)
Prepaid and other assets	(11,686)	(35,087)
Accounts payable	(471,935)	(1,027,570)
Accrued compensation, compensated absences, and other benefits	353,370	(182,157)
Unearned revenue	233,957	289,470
Change in pension liability	(5,996,743)	(4,010,947)
Change in other postemployment benefits asset/liability	(2,094,956)	(1,765,558)
Change in pension deferred inflows	977,306	237,090
Change in other postemployment benefits deferred inflows	134,576	(328,735)
Change in pension deferred outflows	1,772,317	1,566,116
Change in other postemployment benefits deferred outflows	609,089	579,366
Net change in cash from operating activities	\$ (31,327,465)	\$ (30,012,291)

concluded.

JACKSON COLLEGE

Notes to Financial Statements

1. MISSION

Jackson College (the "College") is a Michigan Community College whose mission is to assist learners in identifying and achieving their educational goals. The College offers four associate degrees, numerous certificate programs, and other educational programs while being accredited by the North Central Association of Colleges and Secondary Schools. The primary education centers for the College are its 500-acre main campus situated six miles south of Jackson, and extension centers located in Hillsdale and Adrian (Lenawee Center).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The College is governed by an elected seven member board of trustees. The College has one affiliated organization that is evaluated in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This organization is described below:

Jackson College Foundation (the "Foundation") is a legally separate, tax-exempt not-for-profit organization that was formed to solicit, collect, and invest donations made for the promotion of educational activities at and to augment the facilities of the College. The Foundation acts primarily as a fundraising organization to supplement the resources of the College in support of its programs and facilities. As the restricted resources held by the Foundation can be used only by, or for the benefit of, the College, the Foundation is considered a component unit of the College.

The College presents the Foundation as a discretely presented component unit of the College.

Separate financial statements are issued for the Foundation and are prepared in accordance with the accounting standards established by the Governmental Accounting Standards Board. These separate financial statements may be obtained from the College's Business Office.

Basis of Presentation

The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

The College prepares its annual financial statements in accordance with 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*, as described below, and the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Audits of State and Local Governments (GASB 34 Edition)*. The financial statements also consider the provisions of the Michigan Department of Career Development's *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*.

Notes to Financial Statements

Under the provisions of GASB Statement No. 35, the College is permitted to report as a special purpose government engaged only in business type activities ("BTA"). Business type activities are those that are financed in whole or in part by fees charged to external users in exchange for goods and services. BTA reporting requires the College to present only the basic financial statements and required supplementary information ("RSI") for an enterprise fund that includes management's discussion and analysis ("MD&A"), a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, notes to the financial statements, and other applicable RSI and related notes. Fund financial information is not required for BTA reporting.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Actual results may differ from estimated amounts. Significant estimates include the assumptions based on historical trends and industry standards used in the actuarial valuation of the MPSERS pension and OPEB plans. These amounts were independently developed by the Michigan Public School Employees Retirement System, and are not under the control of the College. Actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, money market accounts, and any certificates of deposit with an original maturity of three months or less, except that such investments purchased with endowment assets are classified as investments.

Investments

Investments are carried at fair value determined using quoted market prices. The College also participates in an external investment pool with the Michigan Liquid Asset Fund ("MILAF"). In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the College's shares of the MILAF Plus is carried at amortized cost. The MILAF Plus portfolio has a Standards & Poor's AAAM stable rating. All of the College's investments are classified as short- or long-term investments based on the instrument's maturity date.

The College endowment investment income spending policy is 100% of the realized earnings of each College endowment. The annual spending income allocation cannot reduce the original gift principal. There is no net appreciation on investments of donor-restricted College endowments included in net position at June 30, 2025 or 2024. According to the law of the State of Michigan, the Board of Trustees may appropriate for expenditure for the uses and purposes for which an endowment is established an allocation of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment over the historic dollar value as is prudent under the facts and circumstances prevailing at the time of the action or decision.

Inventories

Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

JACKSON COLLEGE

Notes to Financial Statements

Capital Assets

Capital assets, consisting of institutional physical properties used in College operations, are recorded at cost or, if acquired by gift, at estimated acquisition cost at the date of acquisition. Building additions and improvements with a cost in excess of \$30,000 are capitalized if the life of the building is extended or square footage is added. Collections, such as works of art, are capitalized if such items are held for public exhibition, education, or research in furtherance of public service. Equipment with a cost in excess of \$5,000 with a useful life of more than one year is capitalized. Expenses for routine maintenance and ordinary repairs are expensed as incurred. Library books are expensed the year of purchase. Certain maintenance and replacement reserves have been established to provide for significant repair and maintenance costs to facilities.

Depreciation, which includes amortization of leasehold improvements, is provided for capital assets on a straight-line basis over the estimated useful life or the term of the lease, if shorter, of the assets as follows:

Classification	Estimated Useful Lives
Buildings	40 years
Infrastructure and land improvements	15 years
Building and leasehold improvements	10 years
Artwork	10 years
Furniture and fixtures	5 years
Computer equipment	3 years

Deferred Outflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College reports a deferred outflow of resources for its deferred charge on bond refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This deferred outflow is amortized over the shorter of the refunded or refunding bonds. The College also reports deferred outflows of resources related to certain pension and other postemployment benefits ("OPEB") related amounts. More detailed information, including the amortization of these amounts can be found in Note 8.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts. More detailed information can be found in Note 8.

Notes to Financial Statements

Pension and Other Postemployment Benefits

For purposes of measuring the net pension liability and net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, pension and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Revenue Recognition and Unearned Revenue

Revenue from state appropriations are recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting -- Michigan Public Community Colleges, 2001*, which provides that state appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted. Property taxes are recorded as revenue when received, which approximates the amounts when levied.

Operating revenues of the College consist of tuition and fees, grants and contracts, housing, sales and services of educational activities and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, State appropriations, property taxes, and Federal Pell grant revenue are components of nonoperating and other revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy an expense.

Revenues received prior to year end that are related to the next fiscal year are recorded as unearned revenues. Unearned revenue relates primarily to student tuition and fees for the spring semester, student deposits and deposits of diverted Michigan income tax withholding from employers contracting with the College under the Michigan New Jobs Training Program to be used for future employee trainings.

Compensated Absences

Compensated absences represent the accumulated liability to be paid under the College's current vacation and comp time pay policies. As the compensated absences are required to be used or forfeited by December 31 each year, the liability is classified as current in the statements of net position.

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, comp time and sabbatical leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The College's policy permits employees to accumulate earned but unused vacation benefits, to a maximum limit annually, which are eligible for payment at the employee's current pay rate upon separation from employment or to be used as time off in a future period.

JACKSON COLLEGE

Notes to Financial Statements

Comp Time - The College's policy permits employees to accumulate earned but unused comp time to a maximum limit that can be carried over to subsequent years. All comp time lapses when employees leave the employ of the College and, employees are eligible for payment at their current hourly rate upon separation from employment.

Sabbatical Leave - In accordance with the Master Agreement with the Faculty Association, the College grants sabbatical leaves to various full-time instructors. The leaves are granted to enhance the personal and professional competence of the instructors who are required to return to the College for a period of two years. Compensation is accounted for as an expense in the fiscal year the leave is taken.

Net Position

Net position is classified into the following categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation, unspent bond proceeds, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable: Net position subject to externally imposed constraints that they be maintained permanently. Nonexpendable net position includes the corpus portion (historical value) of gifts to permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently.

Restricted expendable: Net position whose use by the College and the Foundation is subject to externally imposed constraints that can be fulfilled by actions of the College and the Foundation pursuant to those constraints or that expire by the passage of time. The restricted expendable balance of the College and the Foundation consists primarily of funds restricted for student loans, scholarships, capital projects, and other purposes.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the board of trustees.

The College's net investment in capital assets consists of the following as of June 30:

	2025	2024
Capital assets not being depreciated	\$ 4,667,967	\$ 8,794,702
Capital assets being depreciated, net	79,378,965	74,241,656
Deferred charge on refunding	165,922	198,484
Bonds payable	(27,892,542)	(24,933,407)
Total net investment in capital assets	\$ 56,320,312	\$ 58,301,435

JACKSON COLLEGE

Notes to Financial Statements

Reclassification

Certain amounts as reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

Change in Accounting Principle

For 2025, the College adopted GASB Statement No. 101, *Compensated Absences*. This new standard replaces the existing guidance in GASB Statement No. 16 and establishes a more uniform approach for accounting and financial reporting of compensated absences, such as vacation, sick leave, and similar benefits. Under GASB 101, the College is required to recognize a liability for leave time that is attributable to services already rendered, is accumulated, and is more likely than not to be used as time off or settled during or upon separation from employment. The provisions of this statement were effective for the year ended June 30, 2025 to be applied on a retrospective basis. The resulting impact of adoption was determined to be insignificant to both current and prior year financial statements. As such, the College recognized any additional liability required under the provisions of this statement during fiscal 2025.

3. DEPOSITS AND INVESTMENTS

State of Michigan statutes authorize the College to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper of corporations located in this state rated prime by at least one of the standard rating services. The College is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds comprised of investments as outlined above. The College's investment policy allows for all of these types of investments.

The College's deposits and investments are included on the statements of net position under the following classifications as of June 30:

	2025	2024
Cash and cash equivalents	\$ 10,310,584	\$ 5,020,441
Investments	<u>11,726,558</u>	<u>12,094,911</u>
	<u><u>\$ 22,037,142</u></u>	<u><u>\$ 17,115,352</u></u>

JACKSON COLLEGE

Notes to Financial Statements

The above amounts are categorized as follows at June 30:

	2025	2024
Bank deposits (checking, savings, cash sweep accounts and certificates of deposit)	\$ 10,305,971	\$ 5,016,038
Petty cash	4,613	4,403
Total deposits	10,310,584	5,020,441
Investment in U.S Government obligations	4,018,809	3,750,242
Investments in equity securities	2,609	2,492
Michigan Liquid Asset Fund	7,705,140	8,342,177
Total	\$ 22,037,142	\$ 17,115,352

The College utilizes fair value measurements to record fair value adjustments to its investment securities and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

The following is a description of the valuation methodology used for assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified. There have been no changes in the methodologies used at June 30, 2025 or 2024.

U.S. government obligations: Level 1 fair value measurement is based upon the closing price reported in the active market in which the individual securities are traded.

The College's investments are all measured as a Level 1 within the fair value hierarchy on a recurring basis as of June 30, 2025 and 2024. The nationally recognized statistical rating organization (NRSRO) utilized is primarily Moody's Investor Service. At June 30, 2025, the College's investments subject to credit risk (interest rate fluctuations) held by counterparties include Federal Home Loan Bank bonds that possess NRSRO ratings of Aa1 and matures on December 11, 2029 and April 27, 2033.

The College's shares in the Michigan Liquid Asset Fund (MILAF) External Investment Pool are recorded at amortized cost, which approximates fair value.

The College had the following investments in the MILAF as of June 30, 2025:

Investment	Maturity	Amortized Cost	Rating
Michigan Liquid Asset Fund	n/a	\$ 7,705,140	S&P AAAM

JACKSON COLLEGE

Notes to Financial Statements

The College had the following investments in the MILAF as of June 30, 2024:

Investment	Maturity	Amortized Cost	Rating
Michigan Liquid Asset Fund	n/a	<u>\$ 8,342,177</u>	S&P AAAM

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments. The College's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. State law does not require and the College does not have a policy for deposit custodial credit risk. As of June 30, 2025, \$8,351,052 of the College's bank deposits balance of \$13,418,494 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2024, \$1,541,497 of the College's bank deposits balance of \$6,476,142 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments that are in the possession of an outside party. State law does not require and the College does not have a policy for investment custodial credit risk. However, all investments are in the name of the College, and the investments are held in trust accounts with each financial institution from which they were purchased.

4. TUITION AND OTHER RECEIVABLES, NET

Tuition and other receivables result from various revenue sources including student tuition and fee billings, auxiliary enterprise sales and contract training revenues.

Tuition and other receivables, net, consist of the following amounts at June 30:

	2025	2024
Tuition and fees	\$ 2,509,752	\$ 2,712,924
Private grants	11,861	54,198
Reimbursements	1,797,256	631,636
Employees	<u>9,874</u>	<u>5,370</u>
Total	4,328,743	3,404,128
Less allowances	<u>1,000,000</u>	<u>1,000,000</u>
Tuition and other receivables, net	<u>\$ 3,328,743</u>	<u>\$ 2,404,128</u>

JACKSON COLLEGE

Notes to Financial Statements

5. CAPITAL ASSETS

The following tables present in summary fashion the changes in the components of capital assets for the years ended June 30:

2025	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	\$ 764,912	\$ -	\$ -	\$ -	\$ 764,912
Construction in progress	8,029,790	4,712,848	-	(8,839,583)	3,903,055
Subtotal nondepreciable capital assets	8,794,702	4,712,848	-	(8,839,583)	4,667,967
Depreciable capital assets					
Infrastructure and land improvements	14,206,256	-	-	979,748	15,186,004
Buildings and improvements	118,356,277	-	-	7,859,835	126,216,112
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	18,845,204	468,077	-	-	19,313,281
Subtotal depreciable capital assets	160,021,070	468,077	-	8,839,583	169,328,730
Less accumulated depreciation					
Infrastructure and land improvements	5,325,140	815,628	-	-	6,140,768
Buildings and improvements	54,170,694	2,805,559	-	-	56,976,253
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,172,102	153,328	-	-	6,325,430
Furniture, fixtures and equipment	17,864,372	395,836	-	-	18,260,208
Total accumulated depreciation	85,779,414	4,170,351	-	-	89,949,765
Subtotal depreciable capital assets, net	74,241,656	(3,702,274)	-	8,839,583	79,378,965
Total capital assets, net	\$ 83,036,358	\$ 1,010,574	\$ -	\$ -	\$ 84,046,932

JACKSON COLLEGE

Notes to Financial Statements

2024	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	\$ 1,228,765	\$ -	\$ (463,853)	\$ -	\$ 764,912
Construction in progress	1,861,545	7,904,017	-	(1,735,772)	8,029,790
Subtotal nondepreciable capital assets	3,090,310	7,904,017	(463,853)	(1,735,772)	8,794,702
Depreciable capital assets					
Infrastructure and land improvements	13,914,680	291,576	-	-	14,206,256
Buildings and improvements	120,527,089	155,175	(4,061,759)	1,735,772	118,356,277
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	18,717,765	767,356	(639,917)	-	18,845,204
Subtotal depreciable capital assets	161,772,867	1,214,107	(4,701,676)	1,735,772	160,021,070
Less accumulated depreciation					
Infrastructure and land improvements	4,524,394	800,746	-	-	5,325,140
Buildings and improvements	52,949,049	3,150,981	(1,929,336)	-	54,170,694
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,060,819	111,283	-	-	6,172,102
Furniture, fixtures and equipment	18,036,370	467,918	(639,916)	-	17,864,372
Total accumulated depreciation	83,817,738	4,530,928	(2,569,252)	-	85,779,414
Subtotal depreciable capital assets, net	77,955,129	(3,316,821)	(2,132,424)	1,735,772	74,241,656
Total capital assets, net	\$ 81,045,439	\$ 4,587,196	\$ (2,596,277)	\$ -	\$ 83,036,358

Construction in progress at June 30, 2025 consists primarily of construction costs for the utility programs site development, standby power upgrades, and other general projects. The projects are expected to be completed during fiscal year 2026 at an additional cost and commitment of approximately \$6.9 million.

JACKSON COLLEGE

Notes to Financial Statements

6. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30 was as follows:

2025	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2015	\$ 6,715,000	\$ -	\$ 490,000	\$ 6,225,000	\$ 515,000
General Bonds - 2016	2,190,000	-	1,080,000	1,110,000	1,110,000
General Bonds - 2020	10,595,000	-	390,000	10,205,000	395,000
General Bonds - 2024	4,965,000	-	790,000	4,175,000	875,000
General Bonds - 2025	-	5,400,000	-	5,400,000	-
Total bonds payable	24,465,000	5,400,000	2,750,000	27,115,000	2,895,000
Deferred amounts					
Bond premium	509,340	411,251	105,838	814,753	105,838
Bond discount	(40,933)	-	(3,722)	(37,211)	(3,722)
Total deferred amounts	468,407	411,251	102,116	777,542	102,116
	\$ 24,933,407	\$ 5,811,251	\$ 2,852,116	\$ 27,892,542	\$ 2,997,116
Less current portion				2,997,116	
Long-term liabilities, net of current portion				\$ 24,895,426	

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Notes to Financial Statements

2024	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2014	\$ 6,020,000	\$ -	\$ 6,020,000	\$ -	\$ -
General Bonds - 2015	7,185,000	-	470,000	6,715,000	490,000
General Bonds - 2016	3,250,000	-	1,060,000	2,190,000	1,080,000
General Bonds - 2020	10,970,000	-	375,000	10,595,000	390,000
General Bonds - 2024	-	4,965,000	-	4,965,000	790,000
Total bonds payable	27,425,000	4,965,000	7,925,000	24,465,000	2,750,000
Deferred amounts					
Bond premium	442,306	356,702	289,668	509,340	289,668
Bond discount	(44,655)	-	(3,722)	(40,933)	(3,722)
Total deferred amounts	397,651	356,702	285,946	468,407	285,946
	\$ 27,822,651	\$ 5,321,702	\$ 8,210,946	\$ 24,933,407	\$ 3,035,946
Less current portion				3,035,946	
Long-term liabilities, net of current portion				\$ 21,897,461	

Bonded Debt

\$9,990,000 General Bonds, Series 2015

Unsecured bonds mature in annual amounts ranging from \$350,000 to \$745,000 through 2035 with interest charged at rates ranging from 3.00% to 3.625% per annum.

\$9,255,000 General Refunding Bonds, Series 2016

The College issued \$9,255,000 in refunding bonds with an interest rate of 2.00% to 3.00% to refund \$9,465,000 of outstanding 2006 Series Bonds with an interest rate of 4.10% to 4.50%, maturing in 2026. The bonds mature at varying amounts through 2026.

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Notes to Financial Statements

\$8,195,000 General Refunding Bonds, Series 2017

The College issued \$8,195,000 in refunding bonds with an interest rate of 2.00% to 3.00% to refund \$2,910,000 of outstanding 2007 Series Bonds with an interest rate of 4.00% to 4.15%, maturing in 2024 and \$5,385,000 of outstanding 2008 Series Bonds with an interest rate of 3.75% to 4.50%, maturing in 2029.

\$11,340,000 General and Refunding Bonds, Series 2020

The College issued \$9,210,000 in refunding bonds and \$2,130,000 of general bonds with an interest rate of 2.00% to 2.625% to refund \$9,725,000 of outstanding 2015 Series Housing Revenue Bonds held by Jackson College Dormitories with an interest rate of 5.00% to 6.75%, maturing in 2047. The bonds mature at varying amounts through 2046.

\$4,965,000 General Refunding Bonds, Series 2024

The College issued \$4,965,000 in refunding bonds with an interest rate of 5.00% to refund \$5,280,000 of outstanding 2014 Series Bonds with an interest rate of 2.00% to 4.25%, maturing in 2030. The bonds mature at varying amounts through 2029. The net proceeds of \$5,296,446 (after payment of \$78,982 in underwriting fees and other issuance cost) were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. The refunding resulted in an economic gain of \$285,867 and a net present value savings of \$186,784. As of June 30, 2024, \$5,280,000 of the Series 2014 Bonds are considered defeased and the liability has been removed from the statement of net position.

\$5,400,000 General Bonds, Series 2025

The College issued \$5,400,000 in unsecured bonds maturing in annual amounts ranging from \$1,000,000 to \$2,315,000 through 2030 with interest charged at 5.0% per annum.

Scheduled principal and interest requirements of long-term debt for years succeeding June 30, 2025, are summarized below:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,895,000	\$ 974,694	\$ 3,869,694
2027	3,000,000	852,544	3,852,544
2028	3,070,000	725,244	3,795,244
2029	3,210,000	594,300	3,804,300
2030	3,345,000	456,550	3,801,550
2031-2035	5,690,000	1,239,741	6,929,741
2036-2040	2,500,000	609,830	3,109,830
2041-2045	2,810,000	295,908	3,105,908
2046-2047	595,000	15,618	610,618
Totals	\$ 27,115,000	\$ 5,764,429	\$ 32,879,429

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During fiscal 2004, the College entered into a lease agreement with the State of Michigan as part of the Capital Outlay program offered by the State Building Authority. The State appropriated approximately \$1,500,000 toward the construction of the College's Lenawee Center. During October 2023, the lease term ended, at which time the College paid \$1 and obtained title to the Center. During fiscal 2008, the College entered into a similar lease as part of the construction of the new Atkinson Hall building and the renovation of a section of Whiting Hall. The net State contribution amounted to \$7,318,398. Again, in fiscal year 2011, the College entered into another lease with the State of Michigan in connection with the renovation of Whiting Hall and the building of the Health Laboratory Center. The net state contribution amounted to \$10,016,314. In fiscal year 2016, the College entered into another lease with the State of Michigan in connection with the renovation of Bert Walker Hall. The net state contribution amounted to \$7,446,282 once the renovation was complete in fiscal 2017. The appropriations were funded by the issuance of bonds by the State Building Authority. In return, the College has deeded the buildings to the State Building Authority as collateral for the bondholders. The College and the State of Michigan are leasing the buildings from the State Building Authority for the period that the bonds for the buildings are being repaid by the State Building Authority. These lease payments are made out of the State of Michigan general operating budget. The College includes the buildings as part of its total investment in physical plant as the College will obtain title to the buildings at the end of the leases. No corresponding obligations have been recorded since there are no payments due by the College under these lease agreements.

7. COMPENSATED ABSENCES

Compensated absences liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	\$ 159,488	\$ 322,735	\$ 482,223	\$ 482,223

Compensated absences liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	\$ 328,765	\$ (169,277)	\$ 159,488	\$ 159,488

The change in compensated absences above is a net change for the year.

Notes to Financial Statements

8. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

Defined Benefit

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Pension Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Notes to Financial Statements

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

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Notes to Financial Statements

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2025, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 10.58% - 17.02% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	23.03% - 30.11%
Member Investment Plan (MIP)	3.00% - 7.00%	23.03% - 30.11%
Pension Plus	3.00% - 6.40%	19.17% - 26.27%
Pension Plus 2	6.20%	20.10% - 27.16%
Defined Contribution	0.00%	13.90% - 20.96%

Required contributions to the pension plan from the College were approximately \$2,187,000, \$2,431,000 and \$2,850,000 for the years ended June 30, 2025, 2024 and 2023, respectively.

The table below summarizes OPEB contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	1.25% - 8.31%
Personal Healthcare Fund (PHF)	0.00%	0.00% - 7.06%

Required contributions to the OPEB plan from the College were approximately \$141,000, \$492,000 and \$464,000 for the years ended June 30, 2025, 2024 and 2023, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

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Notes to Financial Statements

For the years ended June 30, 2025, 2024 and 2023, required and actual contributions from the College for those members with a defined contribution benefit were approximately \$137,000, \$144,000 and \$116,000, respectively.

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

At June 30, 2025 and 2024, the College reported a liability of \$14,133,170 and \$20,129,913, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022, respectively. The College's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.05773%, which was a decrease of 0.00446% points from its proportion measured as of September 30, 2023 of 0.06219%.

For the year ended June 30, 2025, the College recognized a pension benefit of \$597,763. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2025			
Differences between expected and actual experience	\$ 383,443	\$ 153,559	\$ 229,884
Changes in assumptions	1,473,467	1,035,514	437,953
Net difference between projected and actual earnings on pension plan investments	-	2,697,208	(2,697,208)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,394,776	(2,394,776)
	<u>1,856,910</u>	<u>6,281,057</u>	<u>(4,424,147)</u>
College contributions subsequent to the measurement date	1,883,360	-	1,883,360
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	638,913	(638,913)
Total	<u>\$ 3,740,270</u>	<u>\$ 6,919,970</u>	<u>\$ (3,179,700)</u>

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The amount reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The amount reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sec 147c of the State School Aid Act (PA 94 of 1979), will be recognized as State appropriations revenue for the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	\$ (1,649,126)
2027	(555,101)
2028	(1,373,514)
2029	<u>(846,406)</u>
Total	<u>\$ (4,424,147)</u>

For the year ended June 30, 2024, the College recognized pension expense of \$718,760. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2024			
Differences between expected and actual experience	\$ 635,440	\$ 30,836	\$ 604,604
Changes in assumptions	2,727,695	1,572,727	1,154,968
Net difference between projected and actual earnings on pension plan investments	-	411,923	(411,923)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,302</u>	<u>2,742,504</u>	<u>(2,741,202)</u>
	3,364,437	4,757,990	(1,393,553)
College contributions subsequent to the measurement date	2,148,150	-	2,148,150
Pension portion of Sec 147c state aid award subsequent to the measurement date	<u>-</u>	<u>1,184,674</u>	<u>(1,184,674)</u>
Total	<u>\$ 5,512,587</u>	<u>\$ 5,942,664</u>	<u>\$ (430,077)</u>

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Notes to Financial Statements

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

At June 30, 2025 and 2024, the College reported an asset of \$2,452,844 and \$357,888, respectively, for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024 and 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2023 and 2022. The College's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the College's proportion was 0.05698%, which was a decrease of 0.00628% points from its proportion measured as of September 30, 2023 of 0.06326%.

For the year ended June 30, 2025, the College recognized an OPEB benefit of \$1,229,696. At June 30, 2025, 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	Net Deferred Outflows (Inflows) of Resources
2025			
Differences between expected and actual experience	\$ -	\$ 2,599,266	\$ (2,599,266)
Changes in assumptions	535,736	61,578	474,158
Net difference between projected and actual earnings on OPEB plan investments	-	464,352	(464,352)
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,281	668,758	(636,477)
	568,017	3,793,954	(3,225,937)
College contributions subsequent to the measurement date	35,550	-	35,550
Total	\$ 603,567	\$ 3,793,954	\$ (3,190,387)

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The amount reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB (asset) liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2026	\$ (1,136,105)
2027	(690,445)
2028	(560,511)
2029	(500,088)
2030	(284,748)
Thereafter	<u>(54,040)</u>
Total	<u>\$ (3,225,937)</u>

For the year ended June 30, 2024, the College recognized an OPEB benefit of \$1,041,286. At June 30, 2024, 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	Net Deferred Outflows (Inflows) of Resources
2024			
Differences between expected and actual experience	\$ -	\$ 2,704,393	\$ (2,704,393)
Changes in assumptions	796,723	95,941	700,782
Net difference between projected and actual earnings on OPEB plan investments	1,091	-	1,091
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>44,508</u>	<u>859,044</u>	<u>(814,536)</u>
	842,322	3,659,378	(2,817,056)
College contributions subsequent to the measurement date	<u>370,334</u>	<u>-</u>	<u>370,334</u>
Total	<u>\$ 1,212,656</u>	<u>\$ 3,659,378</u>	<u>\$ (2,446,722)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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Notes to Financial Statements

The total pension and OPEB liabilities in the September 30, 2023 and 2022 actuarial valuations (for the fiscal years ended June 30, 2025 and 2024) were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.25% Year 1 graded to 3.5% Year 15 (7.50% Year 1 graded to 3.5% Year 15 in 2022 Post-65: 6.50% Year 1 graded to 3.5% Year 15 (6.25% Year 1 graded to 3.5% Year 15 in 2022
Mortality	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Other OPEB assumptions:	
Opt out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

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Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2024, are based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4612 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.2834 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2023, are based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4406 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.5099 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions - September 30, 2023 Valuation. The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.

Changes in assumptions - September 30, 2022 Valuation. The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.

JACKSON COLLEGE

Notes to Financial Statements

Long-Term Expected Return on Pension and OPEB Plan Assets

The long-term expected rate of return on pension and OPEB 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/OPEB 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 asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plans' target asset allocation as of September 30, 2024 and 2023, are summarized in the following tables:

Pension

2024			
	Asset Class	Target Allocation	Long-term Expected Real Rate of Return
	Domestic equity pools	25.00%	5.02%
	Private equity pools	16.00%	8.53%
	International equity pools	15.00%	6.16%
	Fixed income pools	13.00%	2.08%
	Real estate and infrastructure pools	10.00%	6.73%
	Absolute return pools	9.00%	4.93%
	Real return/opportunistic pools	10.00%	6.54%
	Short-term investment pools	2.00%	1.33%
		<u>100.00%</u>	
			5.60%
	Inflation		2.30%
	Risk adjustment		<u>-1.90%</u>
	Investment rate of return		<u>6.00%</u>

JACKSON COLLEGE

Notes to Financial Statements

OPEB

2024			
	Asset Class	Target Allocation	Long-term Expected Real Rate of Return
	Domestic equity pools	25.00%	5.02%
	Private equity pools	16.00%	8.53%
	International equity pools	15.00%	6.16%
	Fixed income pools	13.00%	1.88%
	Real estate and infrastructure pools	10.00%	6.73%
	Absolute return pools	9.00%	4.93%
	Real return/opportunistic pools	10.00%	6.54%
	Short-term investment pools	2.00%	1.33%
		<u>100.00%</u>	
			5.57%
	Inflation		2.30%
	Risk adjustment		-1.87%
	Investment rate of return		<u>6.00%</u>

Pension and OPEB

2023			
	Asset Class	Target Allocation	Long-term Expected Real Rate of Return
	Domestic equity pools	25.00%	5.43%
	Private equity pools	16.00%	8.99%
	International equity pools	15.00%	6.37%
	Fixed income pools	13.00%	1.22%
	Real estate and infrastructure pools	10.00%	5.99%
	Absolute return pools	9.00%	4.49%
	Real return/opportunistic pools	10.00%	6.83%
	Short-term investment pools	2.00%	0.28%
		<u>100.00%</u>	
			5.60%
	Inflation		2.70%
	Risk adjustment		-2.30%
	Investment rate of return		<u>6.00%</u>

JACKSON COLLEGE

Notes to Financial Statements

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

For the fiscal years ended September 30, 2024 and 2023, a discount rate of 6.00% was used to measure the total pension and OPEB liabilities. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. The projection of cash flows used to determine these discount rates 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 difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Decrease (7.00%)
College's proportionate share of the net pension liability	\$ 20,719,378	\$ 14,133,170	\$ 8,648,884

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of the net pension liability	\$ 27,195,454	\$ 20,129,913	\$ 14,247,595

JACKSON COLLEGE

Notes to Financial Statements

Sensitivity of College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of the net OPEB asset	\$ (1,895,578)	\$ (2,452,844)	\$ (2,934,660)

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the College's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of the net OPEB (asset) liability	\$ 371,024	\$ (357,888)	\$ (984,318)

Sensitivity of College's Proportionate Share of the Net OPEB Asset to Healthcare Cost Trend Rate

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2025:

	1% Decrease	Current Healthcare Cost Trent Rate	1% Increase
College's proportionate share of the net OPEB asset	\$ (2,934,665)	\$ (2,452,844)	\$ (1,936,094)

JACKSON COLLEGE

Notes to Financial Statements

The following presents the College's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB (asset) liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2024:

	1% Decrease	Current Healthcare Cost Trent Rate	1% Increase
College's proportionate share of the net OPEB (asset) liability	\$ (985,880)	\$ (357,888)	\$ 321,803

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2025, the College reported a payable of \$159,641 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2025. At June 30, 2024, the College reported a payable of \$264,836 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2024.

Payable to the OPEB Plan

At June 30, 2025, the College reported a payable of \$0 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2025. At June 30, 2024, the College reported a payable of \$19,047 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2024.

JACKSON COLLEGE

Notes to Financial Statements

Defined Contribution

Effective July 1, 1996, the College established the Jackson College Optional Retirement Program ("JCCORP"), a defined contribution pension plan qualified under Section 414(d) of the Internal Revenue Code. Under this plan, eligible employees as of July 1, 1996 and who are members of MPSERS, may continue their membership in MPSERS or may elect to participate in the plan and retain limited membership in the retirement system. An employee becoming eligible after July 1, 1996 may elect to become a member of MPSERS or to participate in JCCORP. Benefit provisions and contribution requirements are established and may be amended by the College. Required contributions are made by the College and the participants at a rate of 14% and 4% of eligible compensation for Staff and Faculty, respectively, and 15% and 4% of eligible compensation for Administration, respectively. For the years ended June 30, 2025 and 2024, the cost of this plan to the College was approximately \$1,780,000 and \$1,580,000 and participant contributions in the form of payroll deductions were approximately \$501,000 and \$445,000, respectively.

9. RELATED PARTIES

Jackson College Foundation

The College employs all Foundation staff. In addition, the College received payments from the Foundation for student scholarships and other support, including capital gifts, totaling \$248,850 and \$415,309 for the years ended June 30, 2025 and 2024, respectively.

Dahlem Environmental Center

In August 2005, the College spun off its Dahlem Environmental Center (the "Center") operations by entering into an agreement with The Dahlem Conservancy (the "Conservancy"), an independent, nonprofit organization, and the private donor of the Center's property. Under this agreement, the College leases the Center's property to the Conservancy for a term of 30 years at an annual amount of \$1. The agreement also states that any endowment gifts received for the benefit of the Center will be restricted support of the Foundation, and the Foundation annually distribute 5% of the total endowment funds held for the benefit of the Center to the Conservancy in quarterly installments.

JACKSON COLLEGE

Notes to Financial Statements

10. UNRESTRICTED NET POSITION (DEFICIT)

The College, through Board of Trustees action via the budget process, has designated the use of unrestricted net position (deficit) for the following purposes at June 30:

	2025	2024
Major maintenance and equipment replacement	\$ 7,938,107	\$ 5,387,025
Future operations	<u>14,526,294</u>	<u>13,843,859</u>
Total designated	22,464,401	19,230,884
Pension and OPEB liability fund deficit	(20,503,257)	(23,006,712)
Auxiliary	299,390	-
Undesignated	<u>2,323,715</u>	<u>12,385</u>
Total unrestricted net position (deficit)	<u><u>\$ 4,584,249</u></u>	<u><u>\$ (3,763,443)</u></u>

11. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2025 and 2024, the College carried commercial insurance to cover all risks of losses. The College has had no settled claims resulting from these risks that exceeded its commercial coverage limits in any of the past three fiscal years.

12. COMMITMENTS, UNCERTAINTIES AND OTHER MATTERS

Government Programs

The College conducts certain programs pursuant to grants and contracts funded, and subject to audit, by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in refunds to these governmental agencies. Any liabilities for reimbursements which may arise as the result of these audits is not believed to be material.

Employment Contract

The College is obligated pursuant to the terms of the College President's employment contract to provide housing in which the President is required to reside, maintain the buildings and grounds and pay all utilities furnished for the President's residential housing, annually reimburse certain expenses connected with the Office of the President, and annually provide an agreed upon amount of deferred compensation payable upon termination of the President's tenure. The President's employment agreement is currently scheduled to expire on August 31, 2027.

JACKSON COLLEGE

Notes to Financial Statements

13. EXTRAORDINARY ITEMS

Jackson College received \$937,729 and \$209,594 of insurance proceeds during the years ended June 30, 2025 and 2024, respectively. These proceeds were received as a result of a fire which occurred in the College's Potter Center in June 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

**MPSERS COST-SHARING
MULTIPLE-EMPLOYER PLANS**

JACKSON COLLEGE

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Pension Liability

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportionate share of the net pension liability	\$ 14,133,170	\$ 20,129,913	\$ 24,140,860	\$ 16,875,266	\$ 27,637,401	\$ 28,816,038	\$ 27,750,921	\$ 25,076,508	\$ 25,492,530	\$ 25,348,337
College's proportion of the net pension liability	0.05773%	0.06219%	0.06419%	0.07128%	0.08046%	0.08701%	0.09231%	0.09677%	0.10218%	0.10378%
College's covered payroll	\$ 5,990,332	\$ 6,310,084	\$ 6,423,472	\$ 5,905,653	\$ 6,801,890	\$ 7,430,975	\$ 7,602,247	\$ 8,021,049	\$ 8,450,437	\$ 9,132,227
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	235.93%	319.01%	375.82%	285.75%	406.32%	387.78%	365.04%	312.63%	301.67%	277.57%
Plan fiduciary net position as a percentage of the total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Schedule of College Pension Contributions

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,070,905	\$ 2,431,455	\$ 2,849,590	\$ 2,118,576	\$ 2,155,149	\$ 2,238,743	\$ 2,356,478	\$ 2,533,991	\$ 2,340,447	\$ 2,252,429
Contributions in relation to the statutorily required contribution	(2,070,905)	(2,431,455)	(2,849,590)	(2,118,576)	(2,155,149)	(2,238,743)	(2,356,478)	(2,533,991)	(2,340,447)	(2,252,429)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 6,739,403	\$ 6,857,347	\$ 6,637,330	\$ 6,187,090	\$ 6,164,630	\$ 7,224,684	\$ 7,536,546	\$ 7,902,364	\$ 9,003,990	\$ 8,950,325
Contributions as a percentage of covered employee payroll	30.73%	35.46%	42.93%	34.24%	34.96%	30.99%	31.27%	32.07%	25.99%	25.17%

See notes to the required supplementary information.

JACKSON COLLEGE

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Other Postemployment Benefits (Asset) Liability

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
College's proportionate share of the net OPEB (asset) liability	\$ (2,452,844)	\$ (357,888)	\$ 1,407,670	\$ 1,000,467	\$ 4,119,464	\$ 6,106,138	\$ 7,097,606	\$ 8,648,302
College's proportion of the net OPEB (asset) liability	0.05698%	0.06326%	0.06646%	0.06555%	0.07689%	0.08507%	0.08929%	0.09766%
College's covered payroll	\$ 5,990,332	\$ 6,310,084	\$ 6,423,472	\$ 5,905,653	\$ 6,801,890	\$ 7,430,975	\$ 7,602,247	\$ 8,021,049
College's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-40.95%	-5.67%	21.91%	16.94%	60.56%	82.17%	93.36%	107.82%
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

Schedule of College Other Postemployment Benefits Contributions

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 140,562	\$ 492,273	\$ 463,597	\$ 479,871	\$ 491,560	\$ 557,211	\$ 560,732	\$ 559,662
Contributions in relation to the statutorily required contribution	(140,562)	(492,273)	(463,597)	(479,871)	(491,560)	(557,211)	(560,732)	(559,662)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 6,739,403	\$ 6,857,347	\$ 6,637,330	\$ 6,187,090	\$ 6,164,630	\$ 7,224,684	\$ 7,536,546	\$ 7,902,364
Contributions as a percentage of covered payroll	2.09%	7.18%	6.98%	7.76%	7.97%	7.71%	7.44%	7.08%

See notes to the required supplementary information.

Notes to Required Supplementary Information

Pension Information

The amounts presented in the schedule of the College's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 Plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus Plan.

Notes to Required Supplementary Information

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB (Asset) Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.



OTHER INFORMATION

JACKSON COLLEGE
Combining Statement of Net Position (Unaudited)
 June 30, 2025

	General Fund	Designated Fund	Restricted Funds	Pension and OPEB Liability Fund	Auxiliary Funds	Endowment Funds	Plant Funds	Combined Total
Assets								
Current assets								
Cash and cash equivalents	\$ 3,935,691	\$ 2,720,944	\$ (5,124,003)	\$ -	\$ 863,765	\$ 32,330	\$ 7,881,857	\$ 10,310,584
Tuition and other receivables, net	1,515,050	-	12,761	-	12,760	-	1,788,172	3,328,743
State appropriations receivable	2,745,294	516,105	-	-	-	-	-	3,261,399
Federal and state grants receivable	9,200	-	6,969,960	-	-	-	-	6,979,160
Inventories	29,800	-	-	-	147,801	-	-	177,601
Prepaid and other assets	76,383	62,986	11,768	-	48,603	-	-	199,740
Total current assets	8,311,418	3,300,035	1,870,486	-	1,072,929	32,330	9,670,029	24,257,227
Noncurrent assets								
Investments	-	11,723,949	-	-	-	2,609	-	11,726,558
Capital assets not being depreciated	-	-	-	-	-	-	4,667,967	4,667,967
Capital assets being depreciated, net	-	-	-	-	-	-	79,378,965	79,378,965
Net OPEB asset	-	-	-	2,452,844	-	-	-	2,452,844
Total noncurrent assets	-	11,723,949	-	2,452,844	-	2,609	84,046,932	98,226,334
Total assets	8,311,418	15,023,984	1,870,486	2,452,844	1,072,929	34,939	93,716,961	122,483,561
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	165,922	165,922
Deferred pension amounts	-	-	-	3,740,270	-	-	-	3,740,270
Deferred OPEB amounts	-	-	-	603,567	-	-	-	603,567
Total deferred outflows of resources	-	-	-	4,343,837	-	-	165,922	4,509,759
Liabilities								
Current liabilities								
Accounts payable	553,679	497,690	4,900	-	365,724	-	10,148	1,432,141
Accrued compensation and benefits	2,049,622	-	16,897	-	59,436	-	-	2,125,955
Accrued compensated absences	482,223	-	-	-	-	-	-	482,223
Current portion of long-term liabilities	-	-	-	-	-	-	2,997,116	2,997,116
Accrued interest	-	-	-	-	-	-	166,074	166,074
Unearned revenue	2,902,179	-	63,625	-	348,379	-	-	3,314,183
Total current liabilities	5,987,703	497,690	85,422	-	773,539	-	3,173,338	10,517,692
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	24,895,426	24,895,426
Net pension liability	-	-	-	14,133,170	-	-	-	14,133,170
Total noncurrent liabilities	-	-	-	14,133,170	-	-	24,895,426	39,028,596
Total liabilities	5,987,703	497,690	85,422	14,133,170	773,539	-	28,068,764	49,546,288
Deferred inflows of resources								
Deferred pension amounts	-	-	-	6,919,970	-	-	-	6,919,970
Deferred OPEB amounts	-	-	-	3,793,954	-	-	-	3,793,954
Total deferred inflows of resources	-	-	-	10,713,924	-	-	-	10,713,924
Net position								
Net investment in capital assets	-	-	-	-	-	-	56,320,312	56,320,312
Restricted:								
Nonexpendable	-	-	-	-	-	34,939	-	34,939
Expendable	-	-	1,785,064	-	-	-	-	1,785,064
Expendable - capital projects	-	-	-	-	-	-	1,555,700	1,555,700
Net other postemployment benefits asset	-	-	-	2,452,844	-	-	-	2,452,844
Unrestricted (deficit)	2,323,715	14,526,294	-	(20,503,257)	299,390	-	7,938,107	4,584,249
Total net position (deficit)	\$ 2,323,715	\$ 14,526,294	\$ 1,785,064	\$ (18,050,413)	\$ 299,390	\$ 34,939	\$ 65,814,119	\$ 66,733,108

JACKSON COLLEGE
Combining Statement of Net Position (Unaudited)
 June 30, 2024

	General Fund	Designated Fund	Restricted Funds	Pension and OPEB Liability Fund	Auxiliary Funds	Endowment Funds	Plant Funds	Combined Total
Assets								
Current assets								
Cash and cash equivalents	\$ 652,181	\$ 1,943,274	\$ (4,535,379)	\$ -	\$ 524,476	\$ 17,774	\$ 6,418,115	\$ 5,020,441
Tuition and other receivables, net	1,723,858	-	(10,994)	-	5,568	14,401	671,295	2,404,128
State appropriations receivable	2,816,193	544,984	-	-	-	-	-	3,361,177
Federal and state grants receivable	9,200	-	6,188,426	-	-	-	-	6,197,626
Inventories	29,800	-	-	-	271,130	-	-	300,930
Prepaid and other assets	92,388	52,507	-	-	42,818	-	341	188,054
Total current assets	5,323,620	2,540,765	1,642,053	-	843,992	32,175	7,089,751	17,472,356
Noncurrent assets								
Investments	-	12,092,419	-	-	-	2,492	-	12,094,911
Capital assets not being depreciated	-	-	-	-	-	-	8,794,702	8,794,702
Capital assets being depreciated, net	-	-	-	-	-	-	74,241,656	74,241,656
Net OPEB asset	-	-	-	357,888	-	-	-	357,888
Total noncurrent assets	-	12,092,419	-	357,888	-	2,492	83,036,358	95,489,157
Total assets	5,323,620	14,633,184	1,642,053	357,888	843,992	34,667	90,126,109	112,961,513
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	198,484	198,484
Deferred pension amounts	-	-	-	5,512,587	-	-	-	5,512,587
Deferred OPEB amounts	-	-	-	1,212,656	-	-	-	1,212,656
Total deferred outflows of resources	-	-	-	6,725,243	-	-	198,484	6,923,727
Liabilities								
Current liabilities								
Accounts payable	568,528	789,325	-	-	537,224	-	-	1,895,077
Accrued compensation and benefits	2,023,920	-	7,837	-	63,563	-	-	2,095,320
Accrued compensated absences	159,488	-	-	-	-	-	-	159,488
Current portion of long-term liabilities	-	-	-	-	-	-	3,035,946	3,035,946
Accrued interest	-	-	-	-	-	-	147,026	147,026
Unearned revenue	2,559,299	-	277,722	-	243,205	-	-	3,080,226
Total current liabilities	5,311,235	789,325	285,559	-	843,992	-	3,182,972	10,413,083
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	21,897,461	21,897,461
Net pension liability	-	-	-	20,129,913	-	-	-	20,129,913
Total noncurrent liabilities	-	-	-	20,129,913	-	-	21,897,461	42,027,374
Total liabilities	5,311,235	789,325	285,559	20,129,913	843,992	-	25,080,433	52,440,457
Deferred inflows of resources								
Deferred pension amounts	-	-	-	5,942,664	-	-	-	5,942,664
Deferred OPEB amounts	-	-	-	3,659,378	-	-	-	3,659,378
Total deferred inflows of resources	-	-	-	9,602,042	-	-	-	9,602,042
Net position								
Net investment in capital assets	-	-	-	-	-	-	58,301,435	58,301,435
Restricted:								
Nonexpendable	-	-	-	-	-	34,667	-	34,667
Expendable	-	-	1,356,494	-	-	-	-	1,356,494
Expendable - capital projects	-	-	-	-	-	-	1,555,700	1,555,700
Net other postemployment benefits asset	-	-	-	357,888	-	-	-	357,888
Unrestricted (deficit)	12,385	13,843,859	-	(23,006,712)	-	-	5,387,025	(3,763,443)
Total net position (deficit)	\$ 12,385	\$ 13,843,859	\$ 1,356,494	\$ (22,648,824)	\$ -	\$ 34,667	\$ 65,244,160	\$ 57,842,741

JACKSON COLLEGE
Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)
For the Year Ended June 30, 2025

	General Fund	Designated Fund	Restricted Funds	Pension and OPEB Liability Fund	Auxiliary Funds	Endowment Funds	Plant Funds	Elimination Entries	Combined Total
Operating revenues									
Tuition and fees (net of scholarship allowances of \$20,154,688)	\$ 29,782,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,154,688)	\$ 9,627,462
Federal grants and contracts	9,200	-	4,322,968	-	-	-	-	-	4,332,168
State grants and contracts	20,000	-	5,511,357	-	-	-	-	-	5,531,357
Housing revenue	-	-	-	-	1,295,586	-	-	-	1,295,586
Potter Center activities	-	-	-	-	486,591	-	-	-	486,591
Hospitality services	-	-	-	-	404,284	-	-	-	404,284
Bookstore activities	-	-	-	-	3,026,142	-	-	(2,832,095)	194,047
Contract training	247,836	-	-	-	-	-	-	-	247,836
Seminars, workshops, and other	480,673	196,914	691,083	-	1,247,083	-	54,079	-	2,669,832
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	5,180,926	(5,180,926)	-
Total operating revenues	30,539,859	196,914	10,525,408	-	6,459,686	-	5,235,005	(28,167,709)	24,789,163
Operating expenses									
Instruction	16,022,907	-	2,114,748	(2,033,238)	-	-	-	-	16,104,417
Information technology	5,041,653	-	-	(170,345)	-	-	-	-	4,871,308
Public service	432,701	-	-	(240,598)	-	-	-	-	192,103
Academic support	2,414,635	-	706,460	(144,833)	-	-	-	-	2,976,262
Student services	7,318,057	201,425	22,464,792	(1,230,111)	3,040,003	-	-	(22,986,783)	8,807,383
Administration	8,309,135	-	1,022	(740,621)	3,070,045	-	-	-	10,639,581
Operation and maintenance of plant	7,081,732	-	-	(677,578)	-	-	5,257,383	(5,180,926)	6,480,611
Depreciation and amortization	-	-	-	-	-	-	4,170,351	-	4,170,351
Total operating expenses	46,620,820	201,425	25,287,022	(5,237,324)	6,110,048	-	9,427,734	(28,167,709)	54,242,016
Operating (loss) income	(16,080,961)	(4,511)	(14,761,614)	5,237,324	349,638	-	(4,192,729)	-	(29,452,853)
Nonoperating revenues (expenses)									
State appropriations	16,002,388	-	-	(638,913)	-	-	-	-	15,363,475
Local property taxes	6,715,716	-	-	-	-	-	-	-	6,715,716
Federal Pell grant revenue	-	-	15,190,184	-	-	-	-	-	15,190,184
Private gifts and grants	33,789	65,937	-	-	-	-	-	-	99,726
Net investment income	273,091	631,531	-	-	-	272	-	-	904,894
Interest expense	-	-	-	-	-	-	(868,504)	-	(868,504)
Net nonoperating revenues (expenses)	23,024,984	697,468	15,190,184	(638,913)	-	272	(868,504)	-	37,405,491
Increase (decrease) in net position	6,944,023	692,957	428,570	4,598,411	349,638	272	(5,061,233)	-	7,952,638
Transfers in (out)	(4,632,693)	(10,522)	-	-	(50,248)	-	4,693,463	-	-
Net increase (decrease) in net position before extraordinary item	2,311,330	682,435	428,570	4,598,411	299,390	272	(367,770)	-	7,952,638
Extraordinary item	-	-	-	-	-	-	937,729	-	937,729
Net increase in net position	2,311,330	682,435	428,570	4,598,411	299,390	272	569,959	-	8,890,367
Net position (deficit), beginning of year	12,385	13,843,859	1,356,494	(22,648,824)	-	34,667	65,244,160	-	57,842,741
Net position (deficit), end of year	\$ 2,323,715	\$ 14,526,294	\$ 1,785,064	\$ (18,050,413)	\$ 299,390	\$ 34,939	\$ 65,814,119	\$ -	\$ 66,733,108

JACKSON COLLEGE
Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)
 For the Year Ended June 30, 2024

	General Fund	Designated Fund	Restricted Funds	Pension and OPEB Liability Fund	Auxiliary Funds	Endowment Funds	Plant Funds	Elimination Entries	Combined Total
Operating revenues									
Tuition and fees (net of scholarship allowances of \$15,419,338)	\$ 25,859,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,419,338)	\$ 10,440,453
Federal grants and contracts	9,200	-	4,578,727	-	-	-	-	-	4,587,927
State grants and contracts	-	-	2,387,999	-	-	-	-	-	2,387,999
Housing revenue	-	-	-	-	1,489,012	-	-	-	1,489,012
Potter Center activities	-	-	-	-	518,620	-	-	-	518,620
Hospitality services	-	-	-	-	420,571	-	-	-	420,571
Bookstore activities	-	-	-	-	3,261,011	-	-	(3,095,043)	165,968
Contract training	216,880	-	-	-	-	-	-	-	216,880
Seminars, workshops, and other	410,408	379,858	862,004	-	1,389,270	-	31,740	-	3,073,280
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	8,654,272	(8,654,272)	-
Total operating revenues	26,496,279	379,858	7,828,730	-	7,078,484	-	8,686,012	(27,168,653)	23,300,710
Operating expenses									
Instruction	15,518,833	-	610,592	(2,107,701)	-	-	-	-	14,021,724
Information technology	5,288,192	-	-	(247,255)	-	-	-	-	5,040,937
Public service	334,353	-	-	(161,322)	-	-	-	-	173,031
Academic support	2,392,881	-	631,837	(148,187)	-	-	-	-	2,876,531
Student services	6,804,470	232,061	17,874,807	(1,023,723)	2,376,241	-	-	(18,514,381)	7,749,475
Administration	7,673,398	-	22,404	(630,435)	2,978,708	-	31	-	10,044,106
Operation and maintenance of plant	6,393,627	-	215	(588,719)	-	-	9,114,342	(8,654,272)	6,265,193
Depreciation and amortization	-	-	-	-	-	-	4,530,928	-	4,530,928
Total operating expenses	44,405,754	232,061	19,139,855	(4,907,342)	5,354,949	-	13,645,301	(27,168,653)	50,701,925
Operating (loss) income	(17,909,475)	147,797	(11,311,125)	4,907,342	1,723,535	-	(4,959,289)	-	(27,401,215)
Nonoperating revenues (expenses)									
State appropriations	15,688,433	-	-	(1,184,674)	-	-	-	-	14,503,759
Local property taxes	6,312,526	-	-	-	-	-	-	-	6,312,526
Federal Pell grant revenue	-	-	12,166,856	-	-	-	-	-	12,166,856
Private gifts and grants	39,603	53,930	-	-	-	-	-	-	93,533
Net investment income	201,512	708,976	-	-	-	220	-	-	910,708
Gain on disposal of capital assets	-	-	-	-	-	-	722,902	-	722,902
Interest expense	-	-	-	-	-	-	(632,929)	-	(632,929)
Net nonoperating revenues (expenses)	22,242,074	762,906	12,166,856	(1,184,674)	-	220	89,973	-	34,077,355
Other revenues									
Capital gifts and grants	-	-	-	-	-	-	250,341	-	250,341
State capital appropriations	-	-	-	-	-	-	1,555,700	-	1,555,700
Total other revenues	-	-	-	-	-	-	1,806,041	-	1,806,041
Increase (decrease) in net position	4,332,599	910,703	855,731	3,722,668	1,723,535	220	(3,063,275)	-	8,482,181
Transfers in (out)	(4,329,071)	-	-	-	(612,547)	-	4,941,618	-	-
Net increase in net position before extraordinary item	3,528	910,703	855,731	3,722,668	1,110,988	220	1,878,343	-	8,482,181
Extraordinary item	-	-	-	-	-	-	209,594	-	209,594
Net increase in net position	3,528	910,703	855,731	3,722,668	1,110,988	220	2,087,937	-	8,691,775
Net position (deficit), beginning of year	8,857	12,933,156	500,763	(26,371,492)	(1,110,988)	34,447	63,156,223	-	49,150,966
Net position (deficit), end of year	\$ 12,385	\$ 13,843,859	\$ 1,356,494	\$ (22,648,824)	\$ -	\$ 34,667	\$ 65,244,160	\$ -	\$ 57,842,741