Jackson College

Years Ended June 30, 2022 and 2021

Annual Financial Report

Rehmann

JACKSON COLLEGE

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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, 2022, 2021, and 2020 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.

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,		
	2022	**2021**	**2020**
Assets			
Current and other assets	$ 37,869,304	$ 33,664,205	$ 34,178,022
Capital assets, net	78,939,885	76,957,164	70,654,296
Total assets	**116,809,189**	**110,621,369**	**104,832,318**
Deferred Outflows of Resources			
Deferred charge on refunding	292,010	352,978	413,946
Deferred pension amounts	3,297,064	5,598,434	7,822,795
Deferred OPEB amounts	1,264,275	1,826,836	1,793,736
Total deferred outflows of resources	**4,853,349**	**7,778,248**	**10,030,477**
Liabilities			
Current and other liabilities	27,055,131	40,270,167	43,611,627
Long term debt	31,500,121	34,722,590	37,870,062
Total liabilities	**58,555,252**	**74,992,757**	**81,481,689**
Deferred Inflows of Resources			
Deferred pension amounts	10,224,688	3,778,761	4,150,243
Deferred OPEB amounts	5,308,397	4,245,327	3,155,963
Total deferred inflows of resources	**15,533,085**	**8,024,088**	**7,306,206**
Net position			
Net investment in capital assets	47,731,774	42,587,552	43,226,537
Restricted			
Nonexpendable	34,177	35,147	29,930
Expendable	477,120	361,628	380,898
Unrestricted deficit	(668,870)	(7,601,555)	(17,562,465)
Total net position	**$ 47,574,201**	**$ 35,382,772**	**$ 26,074,900**

Management's Discussion and Analysis - Unaudited

The College's net position increased $12,191,429 for the June 30, 2022 fiscal year. Excluding the impacts of GASB 75 and GASB 68 contained in the pension and OPEB liability fund and the impact of the COVID-19 relief funds reported in the CARES fund, the College's net position increased by $8,683,225. The increase was mainly attributable to the plant fund as the College invested in the future maintenance and construction needs. The College's net position increased $9,307,872 for the June 30, 2021 fiscal year. Excluding the impacts of GASB 75 and GASB 68 contained in the pension and OPEB liability fund and the impact of the COVID-19 relief funds reported in the CARES fund, the College's net position increased by $7,946,346. The increase was mainly attributable to the plant fund as the College invested in the future maintenance and construction needs by transferring excess revenues over expenditures from the general fund to the plant fund. These excess revenues over expenses were the result of cost reductions due to virtual operations.

	Condensed Statements of Revenues, Expenses and Changes in Net Position		
	Year Ended June 30,		
	2022	2021	2020
Operating revenues			
Tuition and fees, net	$ 8,555,101	$ 8,600,320	14,063,788
Grants and contracts	5,322,991	3,849,746	3,132,463
Potter Center activities	308,072	-	296,380
Other operating revenues	3,683,573	2,820,285	3,768,667
Total operating revenues	**17,869,737**	**15,270,351**	**21,261,298**
Operating expenses			
Instruction	13,021,326	13,881,139	16,918,041
Information technology	3,174,916	2,749,327	2,893,653
Public service	815,188	505,024	962,647
Academic support	2,384,254	2,280,615	2,470,696
Student services	12,159,823	9,795,149	5,917,218
Administration	6,969,454	4,938,569	5,210,660
Operation and maintenance of plant	8,141,177	5,571,081	5,668,893
Depreciation and amortization	4,582,763	4,543,139	4,728,010
Total operating expenses	**51,248,901**	**44,264,043**	**44,769,818**
Operating loss	**(33,379,164)**	**(28,993,692)**	**(23,508,520)**
Nonoperating revenues (expenses) and other revenues			
State appropriations	13,809,638	13,282,008	11,830,467
Local property taxes	5,621,776	5,462,111	5,301,939
Federal Pell grant revenue	7,444,487	8,350,044	9,098,781
Private gifts and grants	121,918	318,765	206,000
Federal HEERF grant revenue	15,858,643	10,136,178	-
Federal CRF grant revenue	-	1,429,600	201,387
Capital gifts and grants	859,529	301,704	-
Special item	2,802,452	-	-
Other	(947,850)	(978,846)	(2,140,354)
Net nonoperating revenues and other revenues, net	**45,570,593**	**38,301,564**	**24,498,220**
Increase in net position	**12,191,429**	**9,307,872**	**989,700**
Net position, beginning of year	35,382,772	26,074,900	25,085,200
Net position, end of year	**$ 47,574,201**	**$ 35,382,772**	**$ 26,074,900**

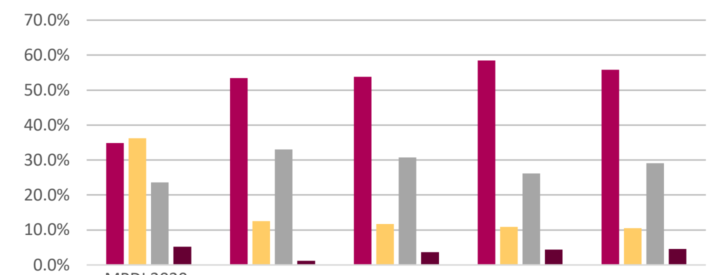
Management's Discussion and Analysis - Unaudited

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 2020-21 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 $44,819,985, $45,745,730 and $46,633,952 in 2022, 2021 and 2020, respectively.

General Fund Revenue Sources: Comparison of JC and Statewide Averages

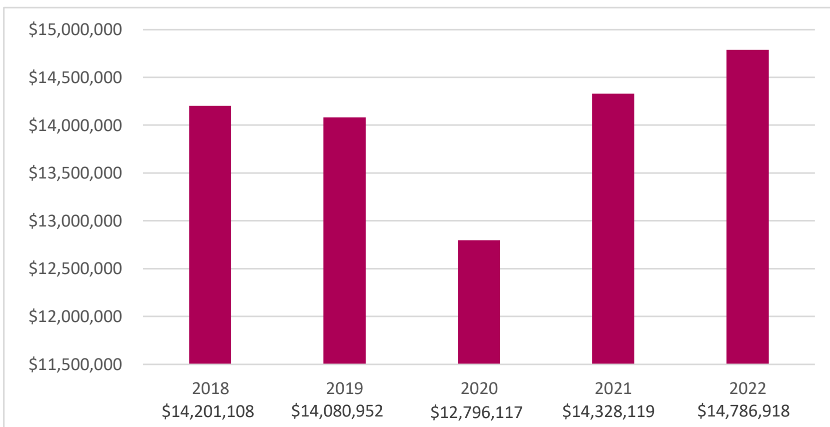


	MPDI 2020-2021	JC 2021-2022	JC 2020-2021	JC 2019-2020	JC 2018-2019
Tuition and Fees	34.9%	53.4%	53.9%	58.5%	55.8%
Property Tax	36.3%	12.5%	11.7%	10.9%	10.5%
State Aid	23.6%	33.0%	30.8%	26.2%	29.1%
Other	5.2%	1.1%	3.6%	4.4%	4.6%

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 $14,786,918 in fiscal year 2022, of this total, $977,280 was received and paid to the State of Michigan towards the unfunded actuarial accrued liability of the Michigan Public School Employees Retirement System and $268,828 was received from the State of Michigan as a Personal Property Tax Reimbursement. The College received $14,328,119 in fiscal year 2021, of this total, $1,046,111 was received and paid to the State of Michigan towards the unfunded actuarial accrued liability of the Michigan Public School Employees Retirement System and $279,862 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.

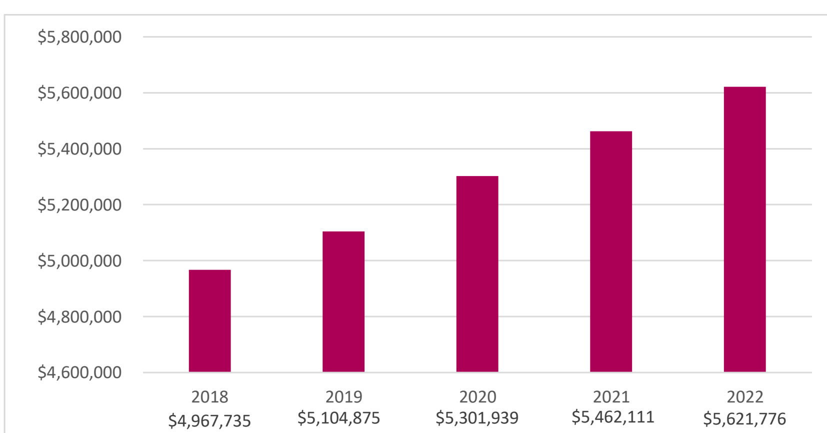
State Appropriations to Jackson College



Property Taxes

Only 12.5% 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 36.27%. No new 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 1.1351 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 2022 and 2021, the overall property tax revenue increased slightly as property values increased.

Property Tax Revenues to Jackson College

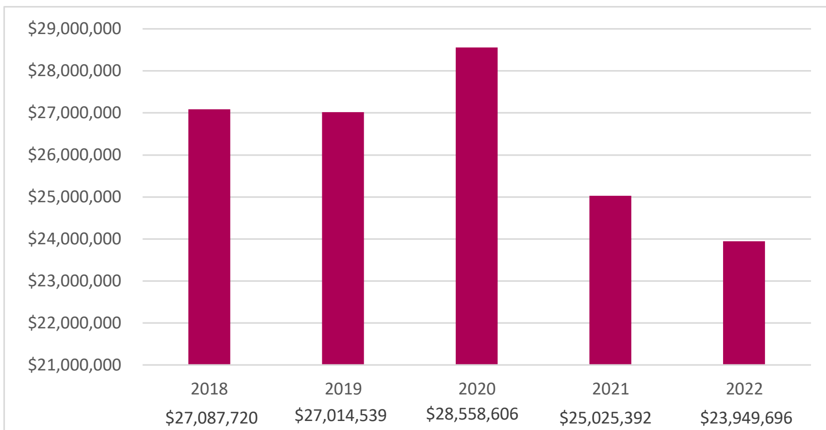


Management's Discussion and Analysis - Unaudited

Tuition and Fees

$15,394,595, $16,425,072 and $14,494,818 of scholarship allowances against tuition and fees represent amounts paid by grants, resulting in a "discount rate" of 64.3%, 65.6% and 50.8% for fiscal 2022, 2021 and 2020, respectively. The bulk of the scholarship allowance is Federal Pell awards which were $7,444,487, $8,350,044 and $9,098,781 for fiscal 2022, 2021 and 2020, respectively. For purposes of this analysis, to show trends over time, the following chart presents gross tuition and fees. The College experienced a decrease of 4.3% from this source of revenue in the current year as compared to fiscal 2021. The scholarship allowances decreased by $1,030,477 or 6.27%. This decrease was due to the Institutional Higher Emergency Education Relief Funds to provide student scholarships for online course fees being removed as the funds were fully expended. The College experienced a decrease of 12.4% from this source of revenue in 2021 as compared to fiscal 2020. The scholarship allowances increased by $1,930,254 or 13.32%. This large increase was due to the College using Institutional Higher Education Emergency Relief Funds to provide student scholarships for online course fees while the College offered mainly online courses as well as new State grant programs for students including Futures for Frontliners.

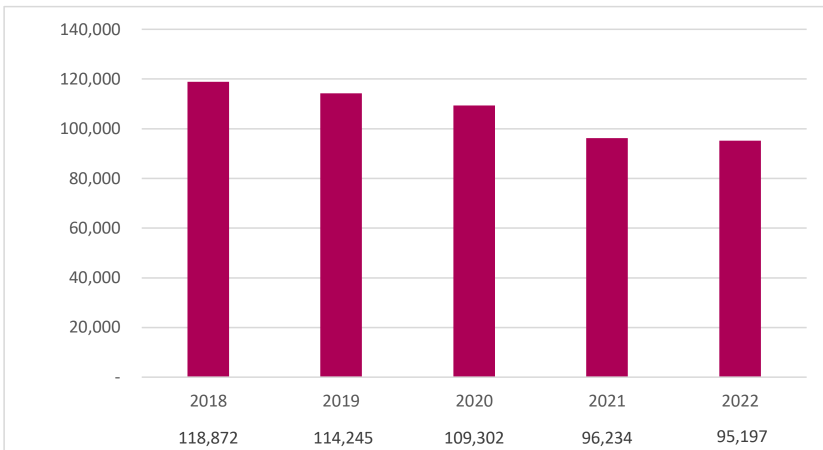
Gross Tuition and Fees Revenues



Management's Discussion and Analysis - Unaudited

There was a 1.08% decrease in the amount of billing contact hours generated in 2022. While this is a decrease, it is 13.6% above the orginally budgeted BCH for fiscal 2022 and ahead of where the College anticipated finishing the year. There was a 11.96% decrease in the amount of billing contact hours generated in 2021. While this was a large decrease, it was close to the orginally budgeted BCH for fiscal 2021 and ahead of where the College anticipated finishing the year. The COVID-19 pandemic contiues to make enrollment projections challenging, but the College remains conservative in our estimates and focused on our efforts in total committment to student success.The COVID-19 pandemic and its residual effects continue to make enrollment projections challenging, but the College remains conservative in our estimates and focused on our efforts in total committment 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 students of color, international students, graduating high school seniors and dual enrolled students.

Total Billing Contact Hours by Fiscal Year



Jackson College Enrollment by Semester and Fiscal Year				
	Billing Hours			
	Fall	Spring	Summer	Total
Fiscal Year				
2022	40,474	37,830	16,893	95,197
2021	41,477	37,384	17,373	96,234
2020	49,362	45,213	14,727	109,302
2019	49,168	46,014	19,063	114,245
2018	52,464	47,651	18,757	118,872

Tuition rates continued to rise, offsetting the small millage rate the local tax payers pay. Increases are detailed below.

Jackson College Hourly Tuition Rates			
	In District	Out of District	Out of State
Fiscal Year			
2022	$ 168.00	$ 190.00	$ 327.00
2021	$ 163.46	$ 245.19	$ 326.91
2020	$ 160.25	$ 240.38	$ 320.50
2019	$ 152.80	$ 229.20	$ 305.60
2018	$ 145.00	$ 217.00	$ 290.00

Other Operating Revenues

Potter Center activities, revenue and expenses, increased as shows and events returned to campus as COVID-19 restrictions were lifted and the pandemic is waning. Housing revenue was increased 18.5% in fiscal 2022 more students returned to campus and in person instruction, after decreasing significantly during fiscal 2021 as the pandemic required the College to limit housing students to maintain social distancing protocols. Contract training revenue increased in fiscal 2022 as the College was able to offer more trainings as the COVID restrictions lifted, while contract training revenue decreased significantly in fiscal year 2021 as the pandemic limited the amount of training that the College was able to offer. In fiscal year 2022, the College moved to take the book store operations in house rather than continuing to contract with an outside vendor and the revenues are recorded in the Bookstore Revenue line. The revenues for hospitality services increased dramatically as the College returned to in-person operations in July of 2021.

Expenses

Compared to statewide averages for the general fund, 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.

The expenses under public service are higher than the statewide average due to the cultural affairs program, which includes the music hall events.

Jackson College Expenses
Compared to State-Wide MPDI Averages

	MPDI	Jackson College		
	2020-2021	2021-2022	2020-2021	2019-2020
Instruction	41.5%	40.9%	41.2%	42.2%
Informational Technology	7.4%	9.0%	8.2%	7.3%
Public Service	1.2%	0.8%	1.6%	2.5%
Academic Support	11.2%	5.8%	5.3%	5.3%
Student Services	13.3%	15.4%	18.1%	17.3%
Administration	13.8%	15.0%	13.9%	12.7%
Plant	11.5%	13.1%	11.7%	12.7%
Total	100.0%	100.0%	100.0%	100.0%

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 ($8,408,723 in 2022 and $9,467,757 in 2021), grants and contracts ($5,387,195 in 2022 and $3,306,872 in 2021), State appropriations ($13,843,541 in 2022 and $11,918,523 in 2021), Federal Higher Education Emergency Relief Fund receipts ($13,373,825 in 2022 and $6,971,943 in 2021), local property taxes ($5,621,776 in 2022 and $5,462,111 in 2021), and Pell grant receipts ($7,444,487 in 2022 and $8,350,044 in 2021). The single, largest type of disbursement was compensation payments to or on behalf of the College’s employees ($26,998,751 in 2022 and $22,265,827 in 2021).

Capital Assets

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

	2022	2021	2020
Land	$ 1,228,765	$ 1,228,765	$ 1,313,765
Infrastructure and land improvements	9,314,401	7,905,352	6,854,555
Buildings and improvements	116,775,923	116,331,108	107,400,338
Leasehold improvements	2,247,106	2,247,106	2,247,106
Artwork	6,366,227	6,366,227	6,366,227
Equipment	17,908,369	18,041,208	17,202,386
Construction in progress	4,848,619	639,139	691,740
Total capital assets	158,689,410	152,758,905	142,076,117
Less accumulated depreciation	79,749,525	75,801,741	71,421,821
Capital assets, net	**$ 78,939,885**	**$ 76,957,164**	**$ 70,654,296**

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.

Factors That Will Affect our Future

The economic position of the College is closely tied to that of the State. The COVID-19 pandemic is having a significant effect on the State's finances, which could have a negative effect on State revenues appropriated to the College. Since COVID-19 and pursuant to a series of Executive Orders, the College ceased face-to-face instruction as of March 23, 2020 and only brought it back on a limited scale in fiscal year 2021 for onsite lab courses, clinical course and resident students. The College began bringing back face-to-face courses for Fall 2021.

The College anticipates that it will be facing continued uncertainty as a result of the COVID-19 pandemic and has planned for modest increases State appropriations and property tax collections in the fiscal year 2022 budget. Enrollment has also been substantially impacted, so the College has budgeted for a reduction in billing contact hours for fiscal 2022. The College remains in a good cash position but expects to continue to consider reductions of expenses to correlate with actual income until the future cash flow impacts caused by the pandemic are known. The COVID-19 pandemic is having a significant effect on the State's finances, which could have a negative effect on State revenues appropriated to the College.

The College continues to make investments in needed infrastructure and housing opportunities for families in our local community. The investments made in the George Potter Center building, both exterior improvements to the south entrance and interior improvements to the Music Hall were completed in fiscal 2022. Improvements to the athletic fields, renovation of the STEAM Factory, and campus signage projects are underway and are expected to be completed in fiscal 2023.

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.

INDEPENDENT AUDITORS' REPORT

November 8, 2022

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, 2022 and 2021, 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, 2022 and 2021, 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 audit. The financial statements of Jackson College Foundation were not audited in accordance with Government Auditing Standards. 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.

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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 8, 2022, 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.

Rehmann Robson LLC

JACKSON COLLEGE

Statements of Net Position

	June 30, 2022	June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 12,054,994	$ 10,599,050
Tuition and other receivables, net	2,217,465	1,462,999
State appropriations receivable	3,052,952	3,086,855
Federal and state grants receivable	5,947,683	3,527,069
Inventories	136,361	28,112
Prepaid expenses and other assets	261,377	525,668
Total current assets	**23,670,832**	**19,229,753**
Noncurrent assets		
Investments	14,198,472	14,434,452
Capital assets not being depreciated	6,077,384	1,867,904
Capital assets being depreciated, net	72,862,501	75,089,260
Total noncurrent assets	**93,138,357**	**91,391,616**
Total assets	**116,809,189**	**110,621,369**
Deferred outflows of resources		
Deferred charge on refunding	292,010	352,978
Deferred pension amounts	3,297,064	5,598,434
Deferred other postemployment benefits amounts	1,264,275	1,826,836
Total deferred outflows of resources	**4,853,349**	**7,778,248**
Liabilities		
Current liabilities		
Accounts payable	3,238,368	2,233,045
Accrued compensation and other benefits	2,508,130	2,704,610
Current portion of long-term liabilities	3,677,470	3,222,472
Accrued interest	129,721	143,529
Unearned revenue	3,303,179	3,432,118
Total current liabilities	**12,856,868**	**11,735,774**
Noncurrent liabilities		
Long-term liabilities, net of current portion	27,822,651	31,500,118
Net pension liability	16,875,266	27,637,401
Net other postemployment benefits liability	1,000,467	4,119,464
Total noncurrent liabilities	**45,698,384**	**63,256,983**
Total liabilities	**58,555,252**	**74,992,757**
Deferred inflows of resources		
Deferred pension amounts	10,224,688	3,778,761
Deferred other postemployment benefits amounts	5,308,397	4,245,327
Total deferred inflows of resources	**15,533,085**	**8,024,088**
Net position		
Net investment in capital assets	47,731,774	42,587,552
Restricted:		
Nonexpendable	34,177	35,147
Expendable	477,120	361,628
Unrestricted deficit (Note 9)	(668,870)	(7,601,555)
Total net position	**$ 47,574,201**	**$ 35,382,772**

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,	
	2022	**2021**
Operating revenues		
Tuition and fees (net of scholarship allowances of $15,394,595 in 2022 and $16,425,072 in 2021)	$ 8,555,101	$ 8,600,320
Federal grants and contracts	2,462,986	2,430,736
State grants and contracts	2,860,005	1,419,010
Housing revenue	696,560	587,861
Potter Center activities	308,072	-
Hospitality services	275,527	-
Bookstore revenue	565,549	-
Contract training	91,806	47,980
Seminars, workshops, and other	2,054,131	2,184,444
Total operating revenues	**17,869,737**	**15,270,351**
Operating expenses		
Instruction	13,021,326	13,881,139
Information technology	3,174,916	2,749,327
Public service	815,188	505,024
Academic support	2,384,254	2,280,615
Student services	12,159,823	9,795,149
Administration	6,969,454	4,938,569
Operation and maintenance of plant	8,141,177	5,571,081
Depreciation and amortization	4,582,763	4,543,139
Total operating expenses	**51,248,901**	**44,264,043**
Operating loss	**(33,379,164)**	**(28,993,692)**
Nonoperating revenues (expenses)		
State appropriations	13,809,638	13,282,008
Local property taxes	5,621,776	5,462,111
Federal Pell grant revenue	7,444,487	8,350,044
Federal Higher Education Emergency Relief Fund grant revenue	15,858,643	10,136,178
Federal Coronavirus Relief Fund grant revenue	-	1,429,600
Private gifts and grants	121,918	318,765
Net investment (loss) income	(231,055)	8,000
Gain on disposal of capital assets	205,789	60,210
Interest expense	(912,584)	(962,056)
Transfer of assets to Jackson College Foundation	(10,000)	(85,000)
Net nonoperating revenues	**41,908,612**	**37,999,860**
Other revenues		
Capital gifts and grants	859,529	301,704
Increase in net position before special item	**9,388,977**	**9,307,872**
Special item (Note 12)	**2,802,452**	-
Increase in net position	**12,191,429**	**9,307,872**
Net position, beginning of year	35,382,772	26,074,900
Net position, end of year	**$ 47,574,201**	**$ 35,382,772**

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

JACKSON COLLEGE

Statements of Cash Flows

	Year Ended June 30,	
	2022	**2021**
Cash flows from operating activities		
Tuition and fees	$ 8,408,723	$ 9,467,757
Housing	696,560	587,861
Hospitality services	275,527	20,462
Grants and contracts	5,387,195	3,306,872
Contract training	74,476	87,658
Payments to vendors	(13,942,472)	(11,289,434)
Payment to or on behalf of employees	(26,998,751)	(22,265,827)
Payments to students	(8,244,415)	(5,352,209)
Potter Center activities	218,892	14,945
Bookstore	565,549	-
Seminars, workshops and other	1,460,763	2,260,366
Net cash used in operating activities	**(32,097,953)**	**(23,161,549)**
Cash flows from noncapital financing activities		
State appropriations	13,843,541	11,918,523
Local property taxes	5,621,776	5,462,111
Pell grant receipts	7,444,487	8,350,044
Federal Higher Education Emergency Relief Fund receipts	13,373,825	6,971,943
Federal Coronavirus Relief Fund receipts	-	1,429,600
Gifts and contributions for other than capital purposes	121,918	320,016
Direct loan program receipts	5,133,284	6,613,830
Direct loan program disbursements	(5,133,284)	(6,613,830)
State scholarship and grant receipts	56,690	67,813
State scholarship and grant disbursements	(56,690)	(67,813)
Insurance proceeds	2,802,452	-
Transfer to Jackson College Foundation	(10,000)	-
Net cash provided by noncapital financing activities	**43,197,999**	**34,452,237**
Cash flows from capital and related financing activities		
Capital gift and grant proceeds	859,529	301,704
Purchases and construction of capital assets	(6,573,247)	(3,028,697)
Proceeds from sale of capital assets	213,552	85,860
Collection of note receivable	-	56,534
Principal paid on capital-asset related debt	(3,222,469)	(3,147,472)
Interest paid on capital-asset related debt	(926,392)	(970,126)
Net cash used in capital and related financing activities	**(9,649,027)**	**(6,702,197)**
Cash flows from investing activities		
Purchase of investments	-	(4,000,000)
Interest and dividends on investments	4,925	2,809
Net cash provided by (used in) investing activities	**4,925**	**(3,997,191)**
Net increase in cash and cash equivalents	1,455,944	591,300
Cash and cash equivalents, beginning of year	10,599,050	10,007,750
Cash and cash equivalents, end of year	**$ 12,054,994**	**$ 10,599,050**

continued…

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

JACKSON COLLEGE

Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (33,379,164)	(28,994,943)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	4,582,763	4,543,139
Changes in operating assets and liabilities that provided (used) cash:		
Tuition and other receivables, net	(754,466)	1,014,750
Federal and state grants receivable	64,204	267,126
Inventories	(108,249)	(682)
Prepaid expenses and other assets	264,291	372,340
Accounts payable	1,005,323	337,403
Accrued compensation and other benefits	(196,480)	(8,789)
Unearned revenue	(128,939)	(496,693)
Change in pension liability	(10,762,135)	(1,178,637)
Change in other postemployment benefits liability	(3,118,997)	(1,986,674)
Change in pension deferred inflows	6,445,927	(371,482)
Change in other postemployment benefits deferred inflows	1,063,070	1,089,364
Change in pension deferred outflows	2,301,370	2,224,361
Change in other postemployment benefits deferred outflows	562,561	(33,100)
Change in deferred bond refunding	60,968	60,968
Net cash used in operating activities	**$ (32,097,953)**	**$ (23,161,549)**

concluded.

Foundation - Statements of Financial Position

	June 30, 2022	June 30, 2021
Assets		
Cash and cash equivalents	$ 827,295	$ 1,489,250
Investments	16,908,965	18,082,980
Accounts receivable, including related party	56,439	274
Beneficial interests in remainder trusts	993,003	1,095,049
Cash surrender value of life insurance	118,000	114,000
Total assets	**$ 18,903,702**	**$ 20,781,553**
Liabilities		
Accounts payable	$ 89,722	$ 306,451
Annuities payable	100,823	104,858
Total liabilities	**190,545**	**411,309**
Net assets		
Without donor restrictions	4,850,973	5,207,426
With donor restrictions	13,862,184	15,162,818
Total net assets	**18,713,157**	**20,370,244**
Total liabilities and net assets	**$ 18,903,702**	**$ 20,781,553**

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

Foundation - Statements of Activities and Changes in Net Assets

	Year Ended June 30, 2022	Year Ended June 30, 2021
Support and revenue		
Gifts	$ 1,822,868	$ 535,988
Net investment (loss) income	(2,176,059)	3,022,914
Other revenue	706,289	711,650
Total support and revenue	**353,098**	**4,270,552**
Grants and expenses		
Grant payments to Jackson College	1,146,678	757,141
Grant payments to Dahlem Conservancy	83,185	71,081
Management and general expenses	676,111	653,556
Total grants and expenses	**1,905,974**	**1,481,778**
Support and revenue (less than) in excess of grants and expenses	**(1,552,876)**	**2,788,774**
Changes in values of interests in remainder trusts and actuarial adjustment of annuities	(109,211)	174,016
Fund transfer from Jackson College	10,000	500,000
Change in carrying value of investment in real estate	(5,000)	(250,000)
(Decrease) increase in net assets	**(1,657,087)**	**3,212,790**
Net assets, beginning of year	20,370,244	17,157,454
Net assets, end of year	**$ 18,713,157**	**$ 20,370,244**

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

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 two affiliated organizations that are evaluated in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus.* These organizations are 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.

Jackson College Dormitories (“JCD”) was a legally separate, tax-exempt not-for-profit organization that was formed at the beginning of fiscal year 2015 to provide financing for the construction of Campus View 3 to provide 202 additional student housing beds for Jackson College. In July 2020, JCD was dissolved and assets of $218,820 transferred to the College. See note 6.

Separate financial statements are issued for the Foundation and are prepared in accordance with the accounting standards established by the Financial 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 M*anual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001.*

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.

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. The extent of the ultimate impact of the pandemic on the College's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on funders, students, employees, and vendors, all of which cannot be reasonably predicted at this time. In response to the pandemic, the College was awarded $21,231,197 during 2021 from the Coronavirus Relief Supplemental Appropriations Act and American Rescue Plan Act and $4,972,721 during 2020 from the Coronavirus Aid, Relief, and Economic Security Act. The College recognized revenue from these awards of $15,858,643 and $10,136,178 during 2022 and 2021, respectively. In July 2020, the College received funding of approximately $1.4 million from the State of Michigan. These restricted CARES Act federal funds were passed through the State as a supplement to help offset the reductions to State general appropriations. The College spent the entire $1.4 million in fiscal year 2021. While management reasonably expects the COVID-19 outbreak to impact the College's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

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 but are not limited to the assumptions based on historical trends and industry standards used in the actuarial valuation of the MPSERS pension and OPEB plans, the accounts receivable allowance for bad debts, and the useful lives of depreciable capital assets.

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. A portion of the investments at MILAF are invested in open market securities, such as commercial paper and US Treasury Notes which are managed by an investment advisor. All of these types of investments are recorded at the initial investment amount plus earned interest and 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, 2022 or 2021. 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.

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 $1,000 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 campus property, plant and equipment 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 statement 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 such as, differences between expected and actual experience, changes in assumptions, changes in proportion and differences between employer contributions and proportionate share of contributions, net difference between projected and actual earnings on pension and OPEB plan investments and certain contributions made to the MPSERS plan subsequent to the measurement date. More detailed information, including the amortization of these amounts can be found in Note 7.

Deferred Inflows of Resources

In addition to liabilities, the statement 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, such as the difference between projected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plan investments, changes in proportion and difference between employer contributions and proportionate share of contributions and State appropriations for pension received subsequent to the measurement dates. More detailed information can be found in Note 7.

Pension and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liabilities, 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

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.

Sabbatical Leaves

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.

Other Compensated Absences

Other compensated absences represent the accumulated liability to be paid under the College's current vacation and terminated leave pay policies. As the amounts are due on demand at the time of employee termination, the liability is classified as current (accrued compensation and other benefits) in the accompanying statements of net position.

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 whose use by the College is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those constraints or that expire by the passage of time. The restricted nonexpendable balance of the College consists of donated endowment funds.

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

Reclassification

Certain amounts as reported in the 2021 financial statements have been reclassified to conform with the 2022 presentation.

Notes to Financial Statements

New Accounting Pronouncement

For 2022, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* . The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of the standard effective July 1, 2021, did not have an impact on the College's basic financial statements or disclosures.

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:

	2022	2021
Cash and cash equivalents	$ 12,054,994	$ 10,599,050
Investments	14,198,472	14,434,452
	$ 26,253,466	**$ 25,033,502**

The above amounts are categorized as follows at June 30:

	2022	2021
Bank deposits (checking, savings, cash sweep accounts and certificates of deposit)	$ 12,050,685	$ 10,596,326
Michigan Liquid Asset Fund	10,423,636	10,416,479
Petty cash	4,309	2,724
Total deposits	22,478,630	21,015,529
Investment in U.S. Government bonds	3,758,042	3,996,960
Investments in equity securities	16,794	21,013
Total	**$ 26,253,466**	**$ 25,033,502**

The College utilizes fair value measurements to record fair value adjustments to their 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, 2022 or 2021.

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, 2022 and 2021. The nationally recognized statistical rating organization (NRSRO) utilized is primarily Moody's Investor Service. At June 30, 2022 and 2021, 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 Aaa and mature on June 30, 2026.

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, 2022, $11,903,928 of the College's bank deposits balance of $12,403,928 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2021, $10,241,351 of the College's bank deposits balance of $10,967,543 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:

	2022	2021
Tuition and fees	$ 2,178,953	$ 2,084,085
Private grants	45,775	10,790
Reimbursements	684,624	57,963
Employees	8,113	10,161
Total	**2,917,465**	**2,162,999**
Less allowances	700,000	700,000
Tuition and other receivables, net	**$ 2,217,465**	**$ 1,462,999**

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:

2022	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	$ 1,228,765	$ -	$ -	$ -	$ 1,228,765
Construction in progress	639,139	4,535,931	-	(326,451)	4,848,619
Subtotal nondepreciable capital assets	**1,867,904**	**4,535,931**	**-**	**(326,451)**	**6,077,384**
Depreciable capital assets					
Infrastructure and land improvements	7,905,352	1,354,481	-	54,568	9,314,401
Buildings and improvements	116,331,108	309,667	(136,735)	271,883	116,775,923
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	18,041,208	373,168	(506,007)	-	17,908,369
Subtotal depreciable capital assets	**150,891,001**	**2,037,316**	**(642,742)**	**326,451**	**152,612,026**
Less accumulated depreciation					
Infrastructure and land improvements	3,449,639	555,849	-	-	4,005,488
Buildings and improvements	47,234,499	2,906,137	(136,735)	-	- 50,003,901
Leasehold improvements	1,984,944	224,711	-	-	2,209,655
Artwork	5,838,255	111,282	-	-	5,949,537
Furniture, fixtures and equipment	17,294,404	784,786	(498,246)	-	17,580,944
Total accumulated depreciation	**75,801,741**	**4,582,765**	**(634,981)**	**-**	**79,749,525**
Subtotal depreciable capital assets, net	**75,089,260**	**(2,545,449)**	**(7,761)**	**326,451**	**72,862,501**
Total capital assets, net	**$ 76,957,164**	**$ 1,990,482**	**$ (7,761)**	**$ -**	**78,939,885**

Notes to Financial Statements

2021	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	$ 1,313,765	$ -	$ (85,000)	$ -	$ 1,228,765
Construction in progress	691,740	252,671	-	(305,272)	639,139
Subtotal nondepreciable capital assets	**2,005,505**	**252,671**	**(85,000)**	**(305,272)**	**1,867,904**
Depreciable capital assets					
Infrastructure and land improvements	6,854,555	745,525	-	305,272	7,905,352
Buildings and improvements	107,400,338	9,108,490	(177,720)	-	116,331,108
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	17,202,386	849,972	(11,150)	-	18,041,208
Subtotal depreciable capital assets	**140,070,612**	**10,703,987**	**(188,870)**	**305,272**	**150,891,001**
Less accumulated depreciation					
Infrastructure and land improvements	3,033,201	416,438	-	-	3,449,639
Buildings and improvements	44,513,693	2,883,714	(162,908)	-	47,234,499
Leasehold improvements	1,760,233	224,711	-	-	1,984,944
Artwork	5,726,973	111,282	-	-	5,838,255
Furniture, fixtures and equipment	16,387,720	906,993	(309)	-	17,294,404
Total accumulated depreciation	**71,421,820**	**4,543,138**	**(163,217)**	**-**	**75,801,741**
Subtotal depreciable capital assets, net	**68,648,792**	**6,160,849**	**(25,653)**	**305,272**	**75,089,260**
Total capital assets, net	**$ 70,654,297**	**$ 6,413,520**	**$ (110,653)**	**$ -**	**76,957,164**

Construction in progress at June 30, 2022 consists primarily of construction costs for improvements to the Athletic facilities, the Steam Factory, housing updates, and other campus projects. The projects under contract are expected to be completed during fiscal year 2023 at an additional cost of approximately $657,000.

Notes to Financial Statements

6. LONG-TERM LIABILITIES AND RELATED PARTY TRANSACTION

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

2022	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2014	$ 7,060,000	$ -	$ 520,000	$ 6,540,000	$ 520,000
General Bonds - 2015	8,070,000	-	435,000	7,635,000	450,000
General Bonds - 2016	5,305,000	-	1,015,000	4,290,000	1,040,000
General Bonds - 2017	2,305,000	-	1,130,000	1,175,000	1,175,000
General Bonds - 2020	11,340,000	-	-	11,340,000	370,000
Total bonds payable	**34,080,000**	**-**	**3,100,000**	**30,980,000**	**3,555,000**
Deferred amounts					
Bond premium	694,689	-	126,191	568,498	126,192
Bond discount	(52,099)	-	(3,722)	(48,377)	(3,722)
Total deferred amounts	**642,590**	**-**	**122,469**	**520,121**	**122,470**
	$ 34,722,590	$ -	$ 3,222,469	31,500,121	**$ 3,677,470**
Less current portion				**3,677,470**	
Long-term liabilities, net of current portion				**$ 27,822,651**	

2021	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2014	$ 7,585,000	$ -	$ 525,000	$ 7,060,000	$ 520,000
General Bonds - 2015	8,485,000	-	415,000	8,070,000	435,000
General Bonds - 2016	6,300,000	-	995,000	5,305,000	1,015,000
General Bonds - 2017	3,395,000	-	1,090,000	2,305,000	1,130,000
General Bonds - 2020	11,340,000	-	-	11,340,000	-
Total bonds payable	**37,105,000**	**-**	**3,025,000**	**34,080,000**	**3,100,000**
Deferred amounts					
Bond premium	820,884	-	126,195	694,689	126,194
Bond discount	(55,822)	-	(3,723)	(52,099)	(3,722)
Total deferred amounts	**765,062**	**-**	**122,472**	**642,590**	**122,472**
	$ 37,870,062	$ -	$ 3,147,472	34,722,590	**$ 3,222,472**
Less current portion				**3,222,472**	
Long-term liabilities, net of current portion				**$ 31,500,118**	

Bonded Debt

$9,280,000 General Refunding Bonds, Series 2014

The College issued $9,280,000 in refunding bonds with an interest rate of 2.00% to 4.25% to refund $9,300,000 of outstanding 2010 Series Bonds with an interest rate of 4.90% to 6.27%, maturing in 2030. The bonds mature at varying amounts through 2030.

$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. The net proceeds of $9,671,752 (after payment of $77,045 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 $1,546,700 and a net present value savings of $1,413,748. As of June 30, 2016, the 2006 Series Bonds in the amount of $9,465,000 are considered defeased and the liability has been removed from the statement of net position.

$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. The bonds mature at varying amounts through 2023. The net proceeds of $8,492,806 (after payment of $112,140 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 $1,500,326 and a net present value savings of $1,117,578. As of June 30, 2017, $2,910,000 of the Series 2007 Bonds and $5,385,000 of the Series 2008 Bonds are considered defeased and the liability has been removed from the statement of net position.

$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. Net proceeds of $9,862,716 (after payment of $269,868 in underwriting fees and other issuance costs) 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 and net proceeds of $2,100,397 were deposited into a construction project account. The refunding resulted in an economic gain of $6,490,401 and a net present value savings of $5,706,164 due to the reduction of the interest rate. As of June 30, 2020, the Jackson College Dormitories Series 2015 Housing Revenue Bonds are considered defeased and the liability has been removed from the statement of financial position of JCD. The College had a receivable from Jackson College Dormitories in the amount of $7,927,960 as of June 30, 2020 equal to the net book value of the Jackson College Dormitories building. In July 2020, title to the building was transferred to the College and Jackson College Dormitories was dissolved.

Scheduled principal and interest requirements of long-term debt for years succeeding June 30, 2022, are summarized below:

Year Ending June 30,	Principal	Interest	Total
2023	$ 3,555,000	$ 905,045	$ 4,460,045
2024	2,645,000	812,495	3,457,495
2025	2,685,000	747,494	3,432,494
2026	2,770,000	663,594	3,433,594
2027	1,860,000	576,944	2,436,944
2028-2032	8,035,000	1,941,534	9,976,534
2033-2037	4,495,000	924,115	5,419,115
2038-2042	2,615,000	492,180	3,107,180
2043-2046	2,320,000	151,688	2,471,688
Totals	$ 30,980,000	$ 7,215,089	$ 38,195,089

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 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 capital leases 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. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

Defined Benefit Plan

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.

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.

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, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2022, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 14.51% - 15.05% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.78% - 20.14%
Member Investment Plan (MIP)	3.00% - 7.00%	19.78% - 20.14%
Pension Plus	3.00% - 6.40%	16.82% - 17.22%
Pension Plus 2	6.20%	19.59% - 19.93%
Defined Contribution	0.00%	13.39% - 13.73%

Required contributions to the pension plan from the College were approximately $2,119,000, $2,155,000 and $2,239,000 for the years ended June 30, 2022, 2021 and 2020.

The table below summarizes OPEB contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% - 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.23% - 7.57%

Required contributions to the OPEB plan from the College were approximately $480,000, $492,000 and $557,000 for the years ended June 30, 2022, 2021 and 2020, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2022:

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%

For the years ended June 30, 2022, 2021, and 2020, required and actual contributions from the College for those members with a defined contribution benefit were $96,440, $91,055 and $95,806, respectively.

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

At June 30, 2022 and 2021, the College reported a liability of $16,875,266 and $27,637,401, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2020 and 2019, 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, 2021, the College's proportion was 0.07128%, which was a decrease of 0.00918% points from its proportion measured as of September 30, 2020 of 0.08046%.

For the year ended June 30, 2022, the College recognized pension expense of $170,060. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 261,405	$ 99,375	$ 162,030
Changes in assumptions	1,063,756	-	1,063,756
Net difference between projected and actual earnings on pension plan investments	-	5,425,344	(5,425,344)
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,620	3,722,689	(3,716,069)
	1,331,781	9,247,408	(7,915,627)
College contributions subsequent to the measurement date	1,965,283	-	1,965,283
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	977,280	(977,280)
Total	$ 3,297,064	$ 10,224,688	$ (6,927,624)

The $1,965,283 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The $977,280 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, 2023. 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
2023	$ (1,923,728)
2024	(2,120,840)
2025	(2,133,503)
2026	(1,737,556)
Total	$ (7,915,627)

For the year ended June 30, 2021, the College recognized pension expense of $2,768,950. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 422,277	$ 58,988	$ 363,289
Changes in assumptions	3,062,491	-	3,062,491
Net difference between projected and actual earnings on pension plan investments	116,120	-	116,120
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,279	2,673,662	(2,664,383)
	3,610,167	2,732,650	877,517
College contributions subsequent to the measurement date	1,988,267	-	1,988,267
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	1,046,111	(1,046,111)
Total	$ 5,598,434	$ 3,778,761	$ 1,819,673

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

At June 30, 2022 and 2021, the College reported a liability of $1,000,467 and $4,119,464, respectively, for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021 and 2020, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020 and 2019, respectively. The College's proportion of the net OPEB liability 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, 2021, the College's proportion was 0.06555%, which was a decrease of 0.01134% points from its proportion measured as of September 30, 2020 of 0.07689%.

For the year ended June 30, 2022, the College recognized a reduction to OPEB expense of $1,013,458. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2022	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Net Deferred Outflows (Inflows) of Resources**
Differences between expected and actual experience	$ -	$ 2,855,763	$ (2,855,763)
Changes in assumptions	836,341	125,148	711,193
Net difference between projected and actual earnings on OPEB plan investments	-	754,070	(754,070)
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,600	1,573,416	(1,558,816)
	850,941	5,308,397	(4,457,456)
College contributions subsequent to the measurement date	413,334	-	413,334
Total	$ 1,264,275	$ 5,308,397	$ (4,044,122)

The $413,334 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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
2023	$ (1,208,286)
2024	(1,090,363)
2025	(931,481)
2026	(839,191)
2027	(343,117)
Thereafter	(45,018)
Total	$ (4,457,456)

For the year ended June 30, 2021, the College recognized a reduction in OPEB expense of $429,326. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ -	$ 3,069,386	$ (3,069,386)
Changes in assumptions	1,358,269	-	1,358,269
Net difference between projected and actual earnings on OPEB plan investments	34,382	-	34,382
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,800	1,175,941	(1,161,141)
	1,407,451	4,245,327	(2,837,876)
College contributions subsequent to the measurement date	419,385	-	419,385
Total	$ 1,826,836	$ 4,245,327	$ (2,418,491)

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.

The total pension and OPEB liabilities in the September 30, 2020 and 2019 actuarial valuations (for the fiscal years ended June 30, 2022 and 2021) 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)	6.80%
Pension Plus plan (hybrid)	6.80%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.95%
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	7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 (7.0% Year 1 graded to 3.5% Year 12 in 2018)
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
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.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2021, are based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4367 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.1312 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 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2020, are based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4892 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.9870 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Long-Term Expected Return on Pension Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target 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 plan's target asset allocation as of September 30, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
International equity pools	15.00%	7.08%	1.06%
Fixed income pools	10.50%	-0.73%	-0.08%
Real estate and infrastructure pools	10.00%	5.12%	0.51%
Absolute return pools	9.00%	2.42%	0.22%
Real return/opportunistic pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	100.00%		5.04%
Inflation			2.00%
Risk adjustment			-0.24%
Investment rate of return			6.80%

2020 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.29%	1.32%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	15.00%	6.98%	1.05%
Fixed income pools	10.50%	0.47%	0.05%
Real estate and infrastructure pools	10.00%	4.62%	0.46%
Absolute return pools	9.00%	3.02%	0.27%
Real return/opportunistic pools	12.50%	6.23%	0.78%
Short-term investment pools	2.00%	-0.09%	0.00%
	100.00%		5.33%
Inflation			2.10%
Risk adjustment			-0.63%
Investment rate of return			6.80%

Long-term Expected Return on OPEB Plan Assets

The long-term expected rate of return on 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 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 OPEB plan's target asset allocation as of September 30, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
International equity pools	15.00%	7.08%	1.06%
Fixed income pools	10.50%	-0.73%	-0.08%
Real estate and infrastructure pools	10.00%	5.12%	0.51%
Absolute return pools	9.00%	2.42%	0.22%
Real return/opportunistic pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	100.00%		5.04%
Inflation			2.00%
Risk adjustment			-0.09%
Investment rate of return			6.95%

2020 Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.29%	1.32%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	15.00%	6.98%	1.05%
Fixed income pools	10.50%	0.47%	0.05%
Real estate and infrastructure pools	10.00%	4.62%	0.46%
Absolute return pools	9.00%	3.02%	0.27%
Real return/opportunistic pools	12.50%	6.23%	0.78%
Short-term investment pools	2.00%	-0.09%	0.00%
	100.00%		5.33%
Inflation			2.10%
Risk adjustment			-0.48%
Investment rate of return			6.95%

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, respectively. For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.37% and 5.24%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan) and 6.95%, respectively. 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 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), 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, 2022:

	1% Decrease (5.80% / 5.80% / 5.00%)	Current Discount Rate (6.80% / 6.80% / 6.00%)	1% Increase (7.80% / 7.80% / 7.00%)
College's proportionate share of the net pension liability	$ 24,127,054	$ 16,875,266	$ 10,863,058

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), 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, 2021:

	1% Decrease (5.80% / 5.80% / 5.00%)	Current Discount Rate (6.80% / 6.80% / 6.00%)	1% Increase (7.80% / 7.80% / 7.00%)
College's proportionate share of the net pension liability	$ 35,771,928	$ 27,637,401	$ 20,895,692

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

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB 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, 2022:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
College's proportionate share of the net OPEB liability	$ 1,859,049	$ 1,000,467	$ 271,838

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB 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, 2021:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
College's proportionate share of the net OPEB liability	$ 5,291,920	$ 4,119,464	$ 3,132,355

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

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB 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, 2022:

	1% Decrease (6.75%)	Current Healthcare Cost Trend Rate (7.75%)	1% Increase (8.75%)
College's proportionate share of the net OPEB liability	$ 243,506	$ 1,000,467	$ 1,852,140

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB 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, 2021:

	1% Decrease (6.0%)	Current Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
College's proportionate share of the net OPEB liability	$ 3,094,560	$ 4,119,464	$ 5,285,166

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, 2022, the College reported a payable of $267,090 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2022. At June 30, 2021, the College reported a payable of $296,307 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2021.

Payable to the OPEB Plan

At June 30, 2022, the College reported a payable of $37,395 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2021. At June 30, 2021, the College reported a payable of $48,574 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2021.

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, 2022 and 2021, the cost of this plan to the College was approximately $1,390,000 and $1,296,000 and participant contributions in the form of payroll deductions were approximately $390,000 and $363,000, respectively.

8. RELATED PARTIES

Jackson College Foundation

The College employs all Foundation staff and these amounts are considered an in-kind contribution by the Foundation. In addition, the College received payments from the Foundation for student scholarships and other support, including capital gifts, totaling $1,146,678 and $757,141 for the years ended June 30, 2022 and 2021, respectively. The College entered into a lease agreement with the Foundation starting on July 1, 2012 related to its W. J. Maher Campus building. This agreement expired in June 2022 and management is determining whether the lease will be renewed. The Foundation charged the College $225,000 in rent for fiscal 2022 and 2021. During fiscal year 2022 and 2021, due to the COVID-19 pandemic, the Foundation transfered $225,000 of this rent back to the College through scholarships and other support.

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.

9. UNRESTRICTED DEFICIT

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

	2022	2021
Major maintenance and equipment replacement	$ 14,893,367	$ 11,413,858
Future operations	12,581,458	12,636,486
Total designated	27,474,825	24,050,344
Pension and OPEB liability fund deficit	(28,847,479)	(32,355,683)
Undesignated	703,784	703,784
Total unrestricted net deficit	$ (668,870)	$ (7,601,555)

10. 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, 2022 and 2021, 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.

11. 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.

12. SPECIAL ITEM

Jackson College received $2,802,452 of insurance proceeds during the year ended June 30, 2022. These proceeds were received as a result of a fire which ocurred in the College's Potter Center in June, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

MPSERS COST-SHARING
MULTIPLE-EMPLOYER PLANS

Required Supplementary Information

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

	Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
College's proportionate share of the net pension liability	$ 16,875,266	$ 27,637,401	$ 28,816,038	$ 27,750,921	$ 25,076,508	$ 25,492,530	$ 25,348,337	$ 31,557,371
College's proportion of the net pension liability	0.07128%	0.08046%	0.08701%	0.09231%	0.09677%	0.10218%	0.10378%	0.14327%
College's covered payroll	$ 5,905,653	$ 6,801,890	$ 7,430,975	$ 7,602,247	$ 8,021,049	$ 8,450,437	$ 9,132,227	$ 9,478,260
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	285.75%	406.32%	387.78%	365.04%	312.63%	301.67%	277.57%	332.94%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Schedule of College Pension Contributions

	Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 2,118,576	$ 2,155,149	$ 2,238,743	$ 2,356,478	$ 2,533,991	$ 2,340,447	$ 2,252,429	$ 3,135,547
Contributions in relation to the statutorily required contribution	(2,118,576)	(2,155,149)	(2,238,743)	(2,356,478)	(2,533,991)	(2,340,447)	(2,252,429)	(3,135,547)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 6,187,090	$ 6,164,630	$ 7,224,684	$ 7,536,546	$ 7,902,364	$ 9,003,990	$ 8,950,325	$ 12,526,015
Contributions as a percentage of covered employee payroll	34.24%	34.96%	30.99%	31.27%	32.07%	25.99%	25.17%	25.03%

See notes to the required supplementary information.

Required Supplementary Information

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

	Year Ended June 30,				
	2022	2021	2020	2019	2018
College's proportionate share of the net OPEB liability	$ 1,000,467	$ 4,119,464	$ 6,106,138	$ 7,097,606	$ 8,648,302
College's proportion of the net OPEB liability	0.06555%	0.07689%	0.08507%	0.08929%	0.09766%
College's covered payroll	$ 5,905,653	$ 6,801,890	$ 7,430,975	$ 7,602,247	$ 8,021,049
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.94%	60.56%	82.17%	93.36%	107.82%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%

Schedule of College Other Postemployment Benefits Contributions

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Statutorily required contribution	$ 479,871	$ 491,560	$ 557,211	$ 560,732	$ 559,662
Contributions in relation to the statutorily required contribution	(479,871)	(491,560)	(557,211)	(560,732)	(559,662)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 6,187,090	$ 6,164,630	$ 7,224,684	$ 7,536,546	$ 7,902,364
Contributions as a percentage of covered payroll	7.76%	7.97%	7.71%	7.44%	7.08%

See notes to the required supplementary information.

Notes to Required Supplementary Information

Pension Information

GASB 68 was implemented in fiscal year 2015. The pension 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 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:

- 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.

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 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:

- 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, 2019 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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SUPPLEMENTARY COMBINING INFORMATION

JACKSON COLLEGE

Combining Statement of Net Position (Unaudited)

June 30, 2022

	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	$ 802,407	$ 357,902	$ (4,457,494)	$ -	$ 136,210	$ 17,383	$ 15,198,586	$ 12,054,994
Tuition and other receivables, net	1,526,530	37,500	45,775	-	3,576	-	604,084	2,217,465
State appropriations receivable	2,525,376	527,576	-	-	-	-	-	3,052,952
Federal and state grants receivable	9,200	-	5,938,483	-	-	-	-	5,947,683
Inventories	29,672	-	-	-	106,689	-	-	136,361
Prepaid expenses and other assets	261,119	83	-	-	175	-	-	261,377
Total current assets	5,154,304	923,061	1,526,764	-	246,650	17,383	15,802,670	23,670,832
Noncurrent assets								
Investments	2,000,000	12,181,678	-	-	-	16,794	-	14,198,472
Capital assets not being depreciated	-	-	-	-	-	-	6,077,384	6,077,384
Capital assets being depreciated, net	-	-	-	-	-	-	72,862,501	72,862,501
Total noncurrent assets	2,000,000	12,181,678	-	-	-	16,794	78,939,885	93,138,357
Total assets	7,154,304	13,104,739	1,526,764	-	246,650	34,177	94,742,555	116,809,189
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	292,010	292,010
Deferred pension amounts	-	-	-	3,297,064	-	-	-	3,297,064
Deferred OPEB amounts	-	-	-	1,264,275	-	-	-	1,264,275
Total deferred outflows of resources	-	-	-	4,561,339	-	-	292,010	4,853,349
Liabilities								
Current liabilities								
Accounts payable	1,585,538	523,281	314,671	-	35,296	-	779,582	3,238,368
Accrued compensation and benefits	2,488,277	-	11,696	-	8,157	-	-	2,508,130
Current portion of long-term liabilities	-	-	-	-	-	-	3,677,470	3,677,470
Accrued interest	-	-	-	-	-	-	129,721	129,721
Unearned revenue	2,376,705	-	723,277	-	203,197	-	-	3,303,179
Total current liabilities	6,450,520	523,281	1,049,644	-	246,650	-	4,586,773	12,856,868
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	27,822,651	27,822,651
Net pension liability	-	-	-	16,875,266	-	-	-	16,875,266
Net OPEB liability	-	-	-	1,000,467	-	-	-	1,000,467
Total noncurrent liabilities	-	-	-	17,875,733	-	-	27,822,651	45,698,384
Total liabilities	6,450,520	523,281	1,049,644	17,875,733	246,650	-	32,409,424	58,555,252
Deferred inflows of resources								
Deferred pension amounts	-	-	-	10,224,688	-	-	-	10,224,688
Deferred OPEB amounts	-	-	-	5,308,397	-	-	-	5,308,397
Total deferred inflows of resources	-	-	-	15,533,085	-	-	-	15,533,085
Net position								
Net investment in capital assets	-	-	-	-	-	-	47,731,774	47,731,774
Restricted:								
Nonexpendable	-	-	-	-	-	34,177	-	34,177
Expendable	-	-	477,120	-	-	-	-	477,120
Unrestricted (deficit)	703,784	12,581,458	-	(28,847,479)	-	-	14,893,367	(668,870)
Total net position (deficit)	$ 703,784	$ 12,581,458	$ 477,120	$ (28,847,479)	$ -	$ 34,177	$ 62,625,141	$ 47,574,201

JACKSON COLLEGE

Combining Statement of Net Position (Unaudited)

June 30, 2021

	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	$ 1,126,595	$ 179,814	$ (2,411,163)	$ -	$ 291,396	$ 14,134	$ 11,398,274	$ 10,599,050
Tuition and other receivables, net	1,425,019	27,150	10,790	-	40	-	-	1,462,999
State appropriations receivable	2,548,656	538,199	-	-	-	-	-	3,086,855
Federal and state grants receivable	6,400	-	3,520,669	-	-	-	-	3,527,069
Inventories	28,112	-	-	-	-	-	-	28,112
Prepaid expenses and other assets	217,855	322	1,652	-	-	-	305,839	525,668
Total current assets	5,352,637	745,485	1,121,948	-	291,436	14,134	11,704,113	19,229,753
Noncurrent assets								
Investments	2,000,000	12,413,439	-	-	-	21,013	-	14,434,452
Capital assets not being depreciated	-	-	-	-	-	-	1,867,904	1,867,904
Capital assets being depreciated, net	-	-	-	-	-	-	75,089,260	75,089,260
Total noncurrent assets	2,000,000	12,413,439	-	-	-	21,013	76,957,164	91,391,616
Total assets	7,352,637	13,158,924	1,121,948	-	291,436	35,147	88,661,277	110,621,369
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	352,978	352,978
Deferred pension amounts	-	-	-	5,598,434	-	-	-	5,598,434
Deferred OPEB amounts	-	-	-	1,826,836	-	-	-	1,826,836
Total deferred outflows of resources	-	-	-	7,425,270	-	-	352,978	7,778,248
Liabilities								
Current liabilities								
Accounts payable	1,475,818	522,438	88,063	-	-	-	146,726	2,233,045
Accrued compensation and benefits	2,691,643	-	12,967	-	-	-	-	2,704,610
Current portion of long-term liabilities	-	-	-	-	-	-	3,222,472	3,222,472
Accrued interest	-	-	-	-	-	-	143,529	143,529
Unearned revenue	2,481,392	-	659,290	-	291,436	-	-	3,432,118
Total current liabilities	6,648,853	522,438	760,320	-	291,436	-	3,512,727	11,735,774
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	31,500,118	31,500,118
Net pension liability	-	-	-	27,637,401	-	-	-	27,637,401
Net OPEB liability	-	-	-	4,119,464	-	-	-	4,119,464
Total noncurrent liabilities	-	-	-	31,756,865	-	-	31,500,118	63,256,983
Total liabilities	6,648,853	522,438	760,320	31,756,865	291,436	-	35,012,845	74,992,757
Deferred inflows of resources								
Deferred pension amounts	-	-	-	3,778,761	-	-	-	3,778,761
Deferred OPEB amounts	-	-	-	4,245,327	-	-	-	4,245,327
Total deferred inflows of resources	-	-	-	8,024,088	-	-	-	8,024,088
Net position								
Net investment in capital assets	-	-	-	-	-	-	42,587,552	42,587,552
Restricted:								
Nonexpendable	-	-	-	-	-	35,147	-	35,147
Expendable	-	-	361,628	-	-	-	-	361,628
Unrestricted (deficit)	703,784	12,636,486	-	(32,355,683)	-	-	11,413,858	(7,601,555)
Total net position (deficit)	$ 703,784	$ 12,636,486	$ 361,628	$ (32,355,683)	$ -	$ 35,147	$ 54,001,410	$ 35,382,772

JACKSON COLLEGE

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2022

	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 $15,394,595)	$ 23,949,696	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,394,595)	$ 8,555,101
Federal grants and contracts	9,200	-	2,453,786	-	-	-	-	-	2,462,986
State grants and contracts	-	-	2,860,005	-	-	-	-	-	2,860,005
Housing revenue	-	-	-	-	696,560	-	-	-	696,560
Potter Center activities	-	-	-	-	308,072	-	-	-	308,072
Hospitality services	-	-	-	-	275,527	-	-	-	275,527
Bookstore activities	-	-	-	-	565,549	-	-	-	565,549
Contract training	91,806	-	-	-	-	-	-	-	91,806
Seminars, workshops, and other	301,325	325,230	1,059,407	-	367,139	-	1,030	-	2,054,131
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	6,545,360	(6,545,360)	-
Total operating revenues	**24,352,027**	**325,230**	**6,373,198**	**-**	**2,212,847**	**-**	**6,546,390**	**(21,939,955)**	**17,869,737**
Operating expenses									
Instruction	14,887,109	-	152,683	(2,018,466)	-	-	-	-	13,021,326
Information technology	3,288,143	-	111,047	(224,274)	-	-	-	-	3,174,916
Public service	305,657	-	-	(134,565)	644,096	-	-	-	815,188
Academic support	2,095,148	-	737,655	(448,549)	-	-	-	-	2,384,254
Student services	5,612,257	189,273	22,050,243	(672,823)	375,468	-	-	(15,394,595)	12,159,823
Administration	5,449,697	-	123,089	(448,549)	1,845,217	-	-	-	6,969,454
Operation and maintenance of plant	4,768,728	-	1,082,253	(538,258)	-	-	9,373,814	(6,545,360)	8,141,177
Depreciation and amortization	-	-	-	-	-	-	4,582,763	-	4,582,763
Total operating expenses	36,406,739	189,273	24,256,970	(4,485,484)	2,864,781	-	13,956,577	(21,939,955)	51,248,901
Operating (loss) income	(12,054,712)	135,957	(17,883,772)	4,485,484	(651,934)	-	(7,410,187)	-	(33,379,164)
Nonoperating revenues (expenses)									
State appropriations	14,786,918	-	-	(977,280)	-	-	-	-	13,809,638
Local property taxes	5,621,776	-	-	-	-	-	-	-	5,621,776
Federal Pell grant revenue	-	-	7,444,487	-	-	-	-	-	7,444,487
Federal Higher Education Emergency Relief Fund grant revenue	-	-	15,858,643	-	-	-	-	-	15,858,643
Private gifts and grants	57,589	50,775	-	-	13,554	-	-	-	121,918
Net investment income (loss)	1,675	(231,760)	-	-	-	(970)	-	-	(231,055)
Gain on disposal of capital assets	-	-	-	-	-	-	205,789	-	205,789
Interest expense	-	-	-	-	-	-	(912,584)	-	(912,584)
Transfer of funds to Jackson College Foundation	-	(10,000)	-	-	-	-	-	-	(10,000)
Net nonoperating revenues (expenses)	20,467,958	(190,985)	23,303,130	(977,280)	13,554	(970)	(706,795)	-	41,908,612
Other revenues									
Capital gifts and grants	-	-	-	-	-	-	859,529	-	859,529
Increase (decrease) in net position	8,413,246	(55,028)	5,419,358	3,508,204	(638,380)	(970)	(7,257,453)	-	9,388,977
Transfers in (out)	(8,413,246)	-	(5,303,866)	-	638,380	-	13,078,732	-	-
Net increase (decrease) in net position before special item	-	(55,028)	115,492	3,508,204	-	(970)	5,821,279	-	9,388,977
Special item (Note 12)	-	-	-	-	-	-	2,802,452	-	2,802,452
Net increase (decrease) in net position	-	(55,028)	115,492	3,508,204	-	(970)	8,623,731	-	12,191,429
Net position (deficit), beginning of year	703,784	12,636,486	361,628	(32,355,683)	-	35,147	54,001,410	-	35,382,772
Net position (deficit), end of year	$ 703,784	$ 12,581,458	$ 477,120	$ (28,847,479)	$ -	$ 34,177	$ 62,625,141	$ -	$ 47,574,201

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2021

	General Fund	Designated Fund	Restricted Fund	CARES Act 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 $16,425,072)	$ 25,025,392	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (16,425,072)	$ 8,600,320
Federal grants and contracts	9,200	-	2,421,536	-	-	-	-	-	-	2,430,736
State grants and contracts	-	-	1,419,010	-	-	-	-	-	-	1,419,010
Housing revenue	-	-	-	-	-	587,861	-	-	-	587,861
Contract training	27,518	-	-	-	-	20,462	-	-	-	47,980
Seminars, workshops, and other	602,022	317,856	1,075,713	-	-	182,275	-	6,578	-	2,184,444
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	-	3,028,698	(3,028,698)	-
Total operating revenues	**25,664,132**	**317,856**	**4,916,259**	**-**	**-**	**790,598**	**-**	**3,035,276**	**(19,453,770)**	**15,270,351**
Operating expenses										
Instruction	14,216,983	-	250,182	-	(586,026)	-	-	-	-	13,881,139
Information technology	2,810,183	-	4,258	-	(65,114)	-	-	-	-	2,749,327
Public Service	273,542	-	9,925	-	(39,068)	260,625	-	-	-	505,024
Academic support	1,836,649	-	574,194	-	(130,228)	-	-	-	-	2,280,615
Student services	5,805,910	91,582	20,093,412	-	(195,342)	424,659	-	-	(16,425,072)	9,795,149
Administration	4,423,666	-	275,409	-	(130,228)	369,722	-	-	-	4,938,569
Operation and maintenance of plant	4,021,202	-	2,014,424	-	(156,273)	-	-	2,720,426	(3,028,698)	5,571,081
Depreciation and amortization	-	-	-	-	-	-	-	4,543,139	-	4,543,139
Total operating expenses	33,388,135	91,582	23,221,804	-	(1,302,279)	1,055,006	-	7,263,565	(19,453,770)	44,264,043
Operating (loss) income	(7,724,003)	226,274	(18,305,545)	-	1,302,279	(264,408)	-	(4,228,289)	-	(28,993,692)
Nonoperating revenues (expenses)										
State appropriations	14,328,119	-	-	-	(1,046,111)	-	-	-	-	13,282,008
Local property taxes	5,462,111	-	-	-	-	-	-	-	-	5,462,111
Federal Pell grant revenue	-	-	8,350,044	-	-	-	-	-	-	8,350,044
Federal Higher Education Emergency Relief Fund grant revenue	-	-	9,325,405	810,773	-	-	-	-	-	10,136,178
Federal Coronavirus Relief Fund grant revenue	-	-	1,135,015	294,585	-	-	-	-	-	1,429,600
Private gifts and grants	290,347	14,726	-	-	-	13,692	-	-	-	318,765
Net investment income	1,021	1,762	-	-	-	-	5,217	-	-	8,000
Loss on disposal of capital assets	-	-	-	-	-	-	-	60,210	-	60,210
Interest expense	-	-	-	-	-	-	-	(962,056)	-	(962,056)
Transfer of funds to Jackson College Foundation	-	-	-	-	-	-	-	(85,000)	-	(85,000)
Total nonoperating revenues (expenses)	20,081,598	16,488	18,810,464	1,105,358	(1,046,111)	13,692	5,217	(986,846)	-	37,999,860
Other revenues										
Capital gifts and grants	-	-	-	-	-	-	-	301,704	-	301,704
Increase (decrease) in net position	12,357,595	242,762	504,919	1,105,358	256,168	(250,716)	5,217	(4,913,431)	-	9,307,872
Transfers in (out)	(12,357,076)	138,466	(524,189)	-	-	250,716	-	12,492,083	-	-
Net increase (decrease) in net position	519	381,228	(19,270)	1,105,358	256,168	-	5,217	7,578,652	-	9,307,872
Net position (deficit), beginning of year	703,265	12,255,258	380,898	(1,105,358)	(32,611,851)	-	29,930	46,422,758	-	26,074,900
Net position (deficit), end of year	$ 703,784	$ 12,636,486	$ 361,628	$ -	$ (32,355,683)	$ -	$ 35,147	$ 54,001,410	$ -	$ 35,382,772