JONES COUNTY JUNIOR COLLEGE
Ellisville, Mississippi
Audited Financial Statements
For the Year Ended June 30, 2022

JONES COUNTY JUNIOR COLLEGE
Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jones County Junior College
Ellisville, Mississippi

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 Jones County Junior College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jones County Junior 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 the business-type activities and the aggregate discretely presented component unit of Jones County Junior College, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jones County Junior College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Jones County Junior College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards.*

Prior Period Financial Statements

The financial statements of Jones County Junior College as of June 30, 2021, were audited by other auditors whose report dated August 22, 2022 expressed an unmodified opinion of those statements.

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 Jones County Junior 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Jones County Junior 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 Jones County Junior College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of the College's Contributions (PERS), the Schedule of the College's Proportionate Share of the Net OPEB Liability, and the Schedule of the College's Contributions (OPEB) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jones County Junior College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 6, 2023, on our consideration of Jones County Junior College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jones County Junior 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 Jones County Junior College's internal control over financial reporting and compliance.

GranthamPoole PLLC
Hattiesburg, Mississippi
March 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Jones County Junior College's (the "College") annual financial report presents our discussion and analysis of the financial performance of the College during the fiscal year ended June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes. A comparative analysis will be presented with figures from fiscal year ended June 30, 2021. The financial statements, notes, and this discussion are the responsibility of management.

Using the Annual Report

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*.

One of the most important questions asked is whether the College as a whole is better or worse off because of the year's activities. The key to understanding this question is the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These Statements present financial information in a form similar to that used by corporations. They are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Reporting the College's Financial Activities

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The College's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one indicator of the College's financial health. Over time, increases or decreases in net position are one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies State appropriations and gifts as non-operating revenues. The College's dependency on State aid and gifts results in an operating deficit. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they mature. The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

The College began complying with GASB 68 in fiscal year 2015. The primary objective of the GASB 68 Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB 68 compliance requires the College to record deferred outflows, deferred inflows, net pension liability, and expenses (GASB adjustment to retirement expense) that distort the College's true activity and financial position. In the MD&A, the GASB 68 impact is eliminated to provide a more useful report on operations and net position. Depreciation and change in compensated absences are also removed, as these are non-budgeted, non-cash expenses.

The College implemented GASB Statement No. 75 in the fiscal year 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a cost-sharing employer is required to recognize a liability for its proportionate share of the net OPEB liability. A cost-sharing employer is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB.

Condensed Statements of Net Position
June 30, 2022 and 2021

	2022	2021	% Change
ASSETS			
Current assets	$ 16,105,619	$ 14,353,533	12.21%
Noncurrent assets	88,887	94,220	-5.66%
Capital assets, net	68,653,543	68,182,751	0.69%
Total Assets	84,848,049	82,630,504	2.68%
DEFERRED OUTFLOWS OF RESOURCES			
Pension	7,805,161	7,605,259	2.63%
OPEB	393,755	478,428	-17.70%
Debt	1,486,278	1,575,445	-5.66%
Total Deferred Outflows of Resources	9,685,194	9,659,132	0.27%
Total Assets and Deferred Outflows of Resources	94,533,243	92,289,636	2.43%
LIABILITIES			
Current liabilities	5,068,032	4,834,520	4.83%
Long-term debt, net of current portion	13,930,480	14,586,808	-4.50%
Net pension liability	44,101,575	60,474,106	-27.07%
Net OPEB liability	1,876,637	2,340,886	-19.83%
Total Liabilities	64,976,724	82,236,320	-20.99%
DEFERRED INFLOWS OF RESOURCES			
Pension	15,423,698	886,935	1638.99%
OPEB	752,133	542,935	38.53%
Total Deferred Inflows of Resources	16,175,831	1,429,870	1031.28%
Total Liabilities and Deferred Inflows of Resources	81,152,555	83,666,190	-3.00%
NET POSITION			
Net investment in capital assets	55,648,228	54,635,608	1.85%
Unrestricted	(42,267,540)	(46,012,162)	8.14%
Total net position	13,380,688	8,623,446	55.17%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 94,533,243	$ 92,289,636	2.43%

Condensed Statements of Net Position
June 30, 2022 and 2021

GASB 68 impact on Net Position	2022	2021	% Change
Total Net Position	$ 13,380,688	$ 8,623,446	55%
Deferred outflows of resources-pension	(7,805,161)	(7,605,259)	3%
Deferred inflows of resources-pension	15,423,698	886,935	1639%
Net pension liability	44,101,575	60,474,106	-27%
Deferred outflows of resources-OPEB pension	(393,755)	(478,428)	-18%
Deferred inflows of resources-OPEB	752,133	542,935	39%
Net OPEB liability	1,956,164	2,435,132	-20%
Total impact on GASB 68 & 75	54,034,654	56,255,421	-4%
Net Position, net of GASB 68 & 75 impact	$ 67,415,342	$ 64,878,867	4%
Less net investment in capital assets	$ 55,648,228	$ 54,635,608	2%
Unrestricted	$ 11,767,114	$ 10,243,259	15%

ASSETS

Current Assets

Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents consist of cash in the College's bank accounts and certificates of deposits. The total amount of cash and cash equivalents reported as current assets on the College's financial statements was $6,854,844 at June 30, 2022, which is a decrease compared to the June 30, 2021 figure of $8,772,450.

Accounts Receivable

Accounts receivable relate to several transactions including local appropriations, student tuition and fees and auxiliary services vendor credits. In addition, receivables arise from grant awards and financial aid revenues. The receivables are shown net of allowance for doubtful accounts. The College receivables totaled $8,051,971 at June 30, 2022, which is an increase compared to the June 30, 2021 figure of $4,867,825.

Inventories

The amount of inventories was $365,542 at June 30, 2022, an increase of $26,522 compared to the June 30, 2021 figure of $339,020.

Prepaid Items

Prepaid items are payments to vendors that reflect costs applicable to future periods. Prepaid items amounted to $833,262 at June 30, 2022, and $374,238 at June 30, 2021.

Noncurrent Assets

Prepaid Bond Insurance Premium, Net

This item represents the portion related to prepaid insurance costs that were paid in conjunction with debt issuance costs. These are recorded as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt. The amount outstanding at June 30, 2022 was $88,887 and at June 30, 2021 was $94,220.

Capital Assets, Net

Capital assets, net, consists of land, improvements other than buildings, buildings, equipment, and construction in progress at June 30, 2022. The amount reported is net of accumulated depreciation, where applicable. Capital assets, net totaled $68,653,543 at June 30, 2022, which is an increase from $68,182,751 at June 30, 2021.

Deferred Outflows of Resources

The College recognized a deferred outflow of resources related to pension in the amount of $7,805,161 at June 30, 2022. The total amount for deferred outflows of resources related to the pension increased from the prior year amount of $7,605,259. The deferred outflow of resources related to pension is a result of GASB 68.

The College recognized a deferred outflow of resources related to the net OPEB liability in the amount of $393,755 at June 30, 2022. The total amount for deferred outflows of resources related to the net OPEB liability decreased from the prior year amount of $478,428. The deferred outflow of resources related to OPEB is a result of GASB 75.

The College recognized a deferred outflow of resources related to the costs of refunding debt in amount of $1,486,278 at June 30, 2022. The total amount for deferred outflows of resources related to the costs of refunding debt decreased from the prior year amount of $1,575,445.

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent amounts due at June 30, 2022 for goods and services received before the end of the fiscal year. The accounts payable and accrued expenses totaled $3,295,832 at June 30, 2022, a decrease of $321,497 over the balance of $3,617,329 at June 30, 2021.

Compensated Absences

The amount of compensated absences at year-end amounted to $529,512, compared to the amount for the previous fiscal year of $492,945.

Unearned Revenues

The amount of unearned tuition revenue at year-end was $418,978, compared to the previous fiscal year of $0. The amount of unearned revenues from grants at year-end was $94,183, compared to the amount for the previous year of $0.

Long-Term Liabilities – Current Portion

Long-term liabilities – current portion represents the portion of long-term debt that would be payable by the end of the June 30, 2023 fiscal year. The amount of the current portion of long-term debt at June 30, 2022 was $650,000 an increase of $20,000 over the balance on June 30, 2021 of $630,000.

Noncurrent Liabilities

Long-Term Liabilities – Net of Current Portion

This liability consists of long-term debt for outstanding bonds and notes. The total amount of the noncurrent portion of long-term debt was $13,825,000 at June 30, 2022. This is a decrease from the balance of $14,475,000 (excluding premium), at June 30, 2021.

Bond Premiums

Bond premiums net of amortization totaled $105,480 for 2022. This is a decrease from the balance of $111,808 reported as of June 30, 2021.

Net Pension Liability

The net pension liability for June 30, 2022 is $44,101,575, which is a decrease from the balance of $60,474,106 reported at June 30, 2021. The net pension liability represents the College's proportionate share of the collective net pension liability reported in the Public Employees' Retirement System of Mississippi for the year ended June 30, 2022. See Note 8 for further information regarding the College's policies for recognizing liabilities, expenses, and deferred outflows and inflows related to pensions.

Net OPEB Liability

The net OPEB liability for June 30, 2022 is $1,956,164, which is a decrease from the balance of $2,435,132. The net OPEB liability represents the College's proportionate share of the collective net OPEB liability reported in the Schedule of Employers Allocations in the State of Mississippi State and School Employees' Life and Health Insurance Plan (OPEB Plan) for the year ended June 30, 2022. See Note 9 for further information regarding the College's policies for recognizing liabilities, expenses, and deferred outflows and inflows related to OPEB.

Deferred Inflows of Resources

The College recognized a deferred inflow of resources related to pension in the amount of $15,423,698 at June 30, 2022, which is an increase from $886,935 at June 30, 2021.

The College also recognized a deferred inflow of resources related to OPEB in the amount of $752,133 at June 30, 2022. The total amount for deferred inflows of resources related to OPEB increased from the prior year amount of $542,935. The deferred inflow of resources related to OPEB is a result of GASB 75.

NET POSITION

Net position represents the difference between the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Total net position at June 30, 2022 was $13,380,688 which is an increase of $4,757,242 from the balance of $8,623,446 at June 30, 2021.

Analysis of Net Position

Restricted expendable net position consists of scholarships and fellowships and College program support and expenses.

Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College such as donors or grant agencies. This includes funds that are normal working capital balances maintained for departmental and auxiliary enterprise activities, such as housing and meal plans.

The following is a breakdown of the unrestricted net position with comparative figures:

Unrestricted net position	**2022**	**2021**
	$ (42,267,540)	$ (46,012,162)

In connection with the application of standards on accounting and financial reporting for pensions and OPEB, management represents the following additional information:

Total unrestricted net position (deficit)	$ (42,267,540)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability, including the related deferred outflows and deferred inflows related to pensions and OPEB	54,034,654
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	$ 11,767,114

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
Operating revenues		
Tuition and fees	$ 4,439,748	$ 2,552,697
(Net of scholarship allowances)		
Grants and contracts	28,826,138	23,413,240
Sales and services	94,865	94,252
Auxiliary enterprises	3,988,885	3,147,857
(Net of scholarship allowances)		
Other operating revenue	964,144	869,349
Total operating revenues	38,313,780	30,077,395
Operating expenses	58,797,271	53,595,138
Net operating loss	(20,483,491)	(23,517,743)
Nonoperating revenues (expenses)		
State and local appropriations	19,323,721	18,978,440
Investment income	4,971	3,760
Interest expense	(580,302)	(592,735)
Gains and loss on sale of capital assets	16,064	(23,700)
Recovery of bad debt	1,812,548	-
Other nonoperating income (expense)	(5,333)	(5,333)
Total nonoperating revenues, net	20,571,669	18,360,432
Income (loss) before capital appropriations	88,178	(5,157,311)
Capital appropriations	5,088,042	4,425,838
Change in net position	5,176,220	(731,473)
Net Position - Beginning, As Previously Reported	8,623,446	9,354,919
Prior Period Adjustment	(418,978)	-
Net Position - Beginning of Year, Restated	8,204,468	9,354,919
Net Position - Ending	$ 13,380,688	$ 8,623,446

GASB 68 and other non cash items impact on the Change of Net Position

	2022	2021
Change in Net Position	$ 5,176,220	$ (731,473)
GASB 68 impact	(2,035,670)	2,553,338
GASB 75 impact	185,097	(26,834)
Depreciation	3,258,592	3,208,143
Change in compensated absences	36,567	14,947
Change in Net Position after GASB 68 and other non cash items	$ 6,620,806	$ 5,018,121

A few items that had an impact on net position were:

- Increase in net capital assets in the amount of $470,792.
- The principal retirement of $630,000 of long-term debt.
- Decrease in net pension liability in the amount of $16,372,531.
- Decrease in the net OPEB liability in the amount of $478,968.

Net operating loss for the fiscal year 2022 was $(20,483,491), a decrease of $3,034,252 over the net operating loss for fiscal year 2021 in the amount of $(23,517,743). Since the State of Mississippi appropriation is not included within operating revenue per GASB No. 35, beginning in fiscal year 2003 and going forward, the College has shown a significant operating loss.

The sources of operating revenue for the College are tuition and fees, grants and contracts, auxiliary services and other operating revenues.

The College strives to provide students with the opportunity to obtain a quality education. Future enrollments at the College may be affected by a number of factors including any material increases in tuition and other mandatory charges stemming from any material decrease in appropriation funding from the State of Mississippi.

Total operating revenues for fiscal year 2022 were $38,313,780. Tuition and fees were $4,439,748. The tuition allowance was $11,069,472. Operating expenses, including depreciation of $3,258,592, totaled $58,797,271.

REVENUES

Operating Revenues

Tuition and Fees

This category includes all tuition and fees assessed for educational purposes totaling $4,439,748. The tuition allowance for the 2022 fiscal year was $11,069,472.

Grants and Contracts

This includes all restricted revenues made available by government agencies as well as private agencies. Grant revenues are recorded only to the extent that the funds have been expended for exchange transactions. Nonexchange revenues are recorded when received or when eligibility criteria have been met.

The following table details the College's grant and contract awards for the fiscal year ended June 30, 2022, with prior year figures:

	June 30, 2022	June 30, 2021
Federal	$ 24,462,123	$ 16,027,040
State	3,889,386	7,014,927
Nongovernmental	474,629	371,273
Total All Sources	$ 28,826,138	$ 23,413,240

Sales and Services of Educational Departments

Other operating revenues consist of income from educational activities that totaled $94,865 for the 2022 fiscal year, an increase of $613 compared to fiscal year 2021 of $94,252.

Auxiliary Enterprises, Net

Auxiliary Enterprises consist of bookstore and meal plans.

Operating Expenses

Operating expenses totaling $58,797,271, including salaries and benefits of $26,581,673, utilities of $1,470,018, commodities of $5,610,523, contractual services of $6,479,917, scholarships and fellowships, net, of $2,431,280, and depreciation of $3,258,592, and other operating expenses of $12,609,349.

During FY 2023, Jones College applied $12.3 million of HEERF funds to discharge student debt and unpaid account balances. These awards were reported as an other expense.

Operating Expenses by Function with Prior Year Figures and Changes

	June 30, 2022	June 30, 2021	Increase (Decrease)
Instruction	$ 20,394,131	$ 21,914,839	$ (1,520,708)
Academic support	738,501	804,676	(66,175)
Student services	2,791,312	2,417,899	373,413
Athletics	2,862,316	2,552,657	309,659
Institutional support	4,385,502	10,235,764	(5,850,262)
Operations and maintenance of plant	5,530,720	4,678,087	852,633
Student financial aid	14,397,809	3,857,616	10,540,193
(net of scholarship allowance)			
Auxiliary enterprises	4,438,388	3,925,457	512,931
Depreciation	3,258,592	3,208,143	50,449
Total operating expenses by function	$ 58,797,271	$ 53,595,138	$ 5,202,133
Effect of GASB 68	$ 2,035,670	$ (2,553,338)	$ 4,589,008
Effect of GASB 75	(185,097)	26,834	(211,931)
Less change in compensated absences	(36,567)	(14,947)	(21,620)
Less depreciation	(3,258,592)	(3,208,143)	(50,449)
Total expense after adjustments	$ 57,352,685	$ 47,845,544	$ 9,507,141

Operating Expenses by Object with Prior Year Figures and Changes

	June 30, 2022	June 30, 2021	Increase (Decrease)
Salaries and wages	$ 21,671,982	$ 20,229,487	$ 1,442,495
Fringe benefits	4,909,691	9,073,825	(4,164,134)
Travel	355,919	237,487	118,432
Contractual services	6,479,917	7,341,696	(861,779)
Utilities	1,470,018	1,159,105	310,913
Scholarships and fellowships	2,431,280	4,299,480	(1,868,200)
Commodities	5,610,523	6,577,301	(966,778)
Other	12,609,349	1,468,614	11,140,735
Depreciation	3,258,592	3,208,143	50,449
Total operating expenses by object	$ 58,797,271	$ 53,595,138	$ 5,202,133
Effect of GASB 68	$ 2,035,670	$ (2,553,338)	$ 4,589,008
Effect of GASB 75	(185,097)	26,834	(211,931)
Less change in compensated absences	(36,567)	(14,947)	(21,620)
Less depreciation	(3,258,592)	(3,208,143)	(50,449)
Total expense after adjustments	$ 57,352,685	$ 47,845,544	$ 9,507,141

Nonoperating Revenues (Expenses)

State Appropriations

The College's largest source of nonoperating revenue is the State of Mississippi's appropriation. The College received $15,801,340 for fiscal year ended June 30, 2022. This represents an increase of $761,286 from $15,040,054 for the year ended June 30, 2021.

Local Appropriations

The College also receives revenue from the counties that make up its local district. They include Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne Counties. The College received $3,522,381 in the fiscal year 2022 and $3,938,386 for the 2021 fiscal year, which is a decrease of $416,005 over the amount received in the previous fiscal year.

Investment Income

This includes the interest income from the cash in the bank accounts. $4,971 was earned during the 2022 fiscal year versus the $3,760 earned in the 2021 fiscal year.

Interest Expense

The amount of interest expense for the fiscal year under audit (2022) was $580,302 and $592,735 in the prior year.

Gain on Sale of Capital Assets

Gain on sale of capital assets for the fiscal year totaled $16,064.

Other Nonoperating Expenses

Other nonoperating expenses for fiscal years 2022 and 2021 totaled $(5,333).

Other Revenues

Local Appropriations for Capital Purposes

This includes revenue received from the Clarke, Jasper, Perry, Smith, Wayne, Covington, and Jones counties support districts for capital projects or retirement of debt during the fiscal year. The amount of this revenue totaled $2,608,912 for the 2022 fiscal year, which is a decrease of $281,888 over the $2,890,800 for the 2021 fiscal year.

State Appropriations for Capital Purposes

This is the amount of revenue received from the State of Mississippi to purchase, construct, renovate or repair capital assets during the fiscal year. The College received $2,479,130 in the fiscal year end 2022.

Recovery of Bad Debt

This is the amount of delinquent student accounts receivable recovered during the fiscal year. The amount of this revenue was $1,812,548 for the 2022 fiscal year, which was an increase of $1,812,548 over the 2021 fiscal year.

Condensed Statements of Cash Flows (Direct Method)
For the Fiscal Years Ended June 30, 2022 and 2021

Statement 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 relevant information about the cash receipts and cash payments of the College during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future net cash flows,
- The ability to meet obligations as they come due, and
- A need for external financing.

	June 30, 2022	June 30, 2021	Increase (Decrease)
Cash and cash (used) by			
Operating activities	$ (23,211,605)	$(18,275,622)	$ (4,935,983)
Noncapital financing activities	21,130,936	18,978,440	2,152,496
Capital and related financing activities	158,092	559,462	(401,370)
Investing activities	4,971	(588,975)	593,946
Net increase (decrease) in cash and cash equivalents	(1,917,606)	673,305	(2,590,911)
Cash and cash equivalents-beginning of year	8,772,450	8,099,145	673,305
Cash and cash equivalents-end of year	$ 6,854,844	$ 8,772,450	$ (1,917,606)

The major source of funds included in operating activities include cash received from grants and contracts in the amount of $21,277,977. The major uses of funds were: payments made to employees, ($36,966,514); to suppliers for goods and services, ($16,656,584).

The inflows of cash in the noncapital financing activities are the State and local appropriation of $19,323,721 and recovery of bad debt in the amount of $1,812,548.

The major uses of funds for investing activities are from the payment of interest.

Capital Assets

At June 30, 2022, the College had $132,492,543 in capital assets. This includes land, construction in progress, buildings, improvements other than buildings, and equipment. This amount was an increase of $3,435,892 from the 2021 amount of $129,056,651. Total accumulated depreciation as of June 30, 2022, was $63,839,000, and total depreciation expense for the year was $3,258,592 resulting in total net capital assets of $68,653,543.

Capital Assets, Net Accumulated Depreciation

	June 30, 2022	June 30, 2021	Percentage Change
Land	$ 529,050	$ 529,050	0%
Construction in progress	2,429,450	2,176,416	12%
Buildings	56,578,000	56,757,122	0%
Improvements other than buildings	6,851,836	6,491,539	6%
Equipment	2,265,207	2,228,624	2%
Total	$ 68,653,543	$ 68,182,751	1%

Long-Term Debt

At June 30, 2022, the College had $14,580,480 in outstanding long-term debt, of which $650,000 is due within the one year. The liability for compensated absences increased $36,567 from the prior year.

Outstanding Long-Term Debt

	June 30, 2022	June 30, 2021	Percentage Change
Special obligation bonds payable	$ 14,475,000	$ 15,105,000	-4%
Premium	105,480	111,808	-6%
Total	$ 14,580,480	$ 15,216,808	-4%

Contact Information

This financial report is designed to provide a general overview of the College's finances for all those with interest. Questions concerning any of the information contained in this report or requests for any additional information should be addressed to the Vice President of Business Affairs, Christy Holifield, at Jones County Junior College, 900 South Court Street, Ellisville, Mississippi 39437.

FINANCIAL STATEMENTS

JONES COUNTY JUNIOR COLLEGE
Statement of Net Position
June 30, 2022

Exhibit 1

Assets		
Current assets:		
Cash and cash equivalents	$	6,854,844
Accounts receivable, net of allowance of $941,251		8,051,971
Inventories		365,542
Prepaid items		833,262
Total Current Assets		16,105,619
Non-current assets:		
Prepaid bond insurance premiums		88,887
Nondepreciable capital assets		2,958,500
Depreciable capital assets, net		65,695,043
Total Non-current Assets		68,742,430
Deferred Outflows of Resources		
Pension		7,805,161
OPEB		393,755
Deferred costs of refunding debt		1,486,278
Total Deferred Outflows of Resources		9,685,194
Total Current Assets, Non-current Assets and Deferred Outflows of Resources	$	94,533,243

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Statement of Net Position
June 30, 2022

page 2
Exhibit 1

Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	$	336,122
Accrued liabilities		2,959,710
Unearned revenues		513,161
Compensated absences		529,512
Long-term debt - current portion		650,000
Net OPEB liability - current portion		79,527
Total Current Liabilities		5,068,032
Non-current Liabilities:		
Long-term debt, net of current portion		13,825,000
Bond premium, net of amortization		105,480
Net pension liability		44,101,575
Net OPEB liability		1,876,637
Total Non-current Liabilities		59,908,692
Total Liabilities		64,976,724
Deferred Inflows of Resources		
Pension		15,423,698
OPEB		752,133
Total Deferred Inflows of Resources		16,175,831
Total Liabilities and Deferred Inflows of Resources		81,152,555
Net Position		
Net investment in capital assets		55,648,228
Unrestricted		(42,267,540)
Total Net Position		13,380,688
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	94,533,243

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

Exhibit 2

Operating Revenues:	
Tuition and fees (net of scholarship allowances of $11,069,472)	$ 4,439,748
Federal grants and contract	24,462,123
State grants and contracts	3,889,386
Nongovernmental grants and contracts	474,629
Sales and services of educational departments	94,865
Auxiliary enterprises:	
Student housing (net of scholarship allowances of $811,800)	568,884
Food Services (net of scholarship allowances of $1,120,908)	882,704
Bookstore (net of scholarship allowances of $45,701)	2,537,297
Other operating revenues	964,144
Total Operating Revenues	38,313,780
Operating Expenses:	
Salaries and wages	21,671,982
Fringe benefits	4,909,691
Travel	355,919
Contractual services	6,479,917
Utilities	1,470,018
Scholarships and fellowships (net of scholarship allowances of $13,047,881)	2,431,280
Commodities	5,610,523
Depreciation expense	3,258,592
Other operating expense	12,609,349
Total Operating Expenses	58,797,271
Operating (Loss)	(20,483,491)

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

page 2
Exhibit 2

Non-operating Revenues (Expenses)		
State appropriations	$	15,801,340
County appropriations		3,522,381
Investment income		4,971
Interest expense on capital asset-related debt		(580,302)
Gain on sale of fixed assets		16,064
Recovery of bad debt		1,812,548
Other non-operating expenses		(5,333)
Total Net Non-operating Revenues		20,571,669
Income before capital appropriations		88,178
Local Capital Appropriations restricted for capital		2,608,912
State Capital Appropriations restricted for capital		2,479,130
Total Other Revenues		5,088,042
Change in Net Position		5,176,220
Net Position:		
Net Position - Beginning of Year, As Previously Reported		8,623,446
Prior Period Adjustment		(418,978)
Net Position - Beginning of Year, Restated		8,204,468
Net Position - End of Year	$	13,380,688

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2022

		Exhibit 3
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	4,439,748
Cash received from grants		21,277,977
Sales and services of auxiliary enterprises		3,988,885
Cash payments to employees		(36,966,514)
Cash payments to suppliers for goods and services		(16,656,584)
Cash payments to others		(259,261)
Other receipts		964,144
Net Cash (Used) By Operating Activities		(23,211,605)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Appropriations		19,323,721
Recovery of bad debt		1,812,548
Other non-operating expenses		(5,333)
Net Cash Provided By Non-capital Financing Activities		21,130,936
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal and interest paid		(1,216,630)
Acquisition of capital assets		(3,751,040)
Proceeds from sale of capital assets		37,720
Appropriations		5,088,042
Net Cash Provided By Capital and Related Financing Activities		158,092
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest		4,971
Net Cash Provided By Investing Activities		4,971
(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,917,606)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		8,772,450
CASH AND CASH EQUIVALENTS, END OF YEAR	$	6,854,844

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2022

page 2
Exhibit 3

RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) BY OPERATING ACTIVITIES		
Operating (Loss)	$	(20,483,491)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation		3,258,592
Changes in assets, deferred outflows, liabilities and deferred inflows of resources:		
Accounts receivable, net		(3,184,146)
Inventories		(26,522)
Prepaid expenses		(453,691)
Deferred outflows		(26,062)
Accounts payable and accrued expenses		(321,497)
Net pension liability		(16,372,531)
Net OPEB liability		(478,968)
Deferred inflows		14,840,144
Compensated absences		36,567
Total Adjustments		(2,728,114)
Net Cash (Used) By Operating Activities	$	(23,211,605)

The notes to the financial statements are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE FOUNDATION, INC.
FINANCIAL STATEMENTS

Jones County College Foundation, Inc.
(A component unit of Jones County Junior College)
Statements of Financial Position
June 30, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 322,793	$ 2,172,046	$ 2,494,839
Contributions Receivable, Net	-	1,250	1,250
Prepaid Expenses	904	2,049	2,953
Investments	-	12,284,768	12,284,768
Cash Surrender Value of Insurance Policies	168,189	-	168,189
Total Current Assets	491,886	14,460,113	14,951,999
Non-current Assets:			
Land	201,999	-	201,999
Total Assets	693,885	14,460,113	15,153,998
Liabilities			
Current Liabilities:			
Accounts Payable	175	9,678	9,853
Total Current Liabilities	175	9,678	9,853
Net Assets			
Without Donor Restrictions			
Net Investment in Capital Assets	201,999	-	201,999
Undesignated	491,711	-	491,711
With Donor Restrictions			
Purpose Restrictions	-	5,790,591	5,790,591
Perpetual in Nature	-	8,659,844	8,659,844
Total Net Assets	693,710	14,450,435	15,144,145
Total Liabilities and Net Assets	$ 693,885	$ 14,460,113	$ 15,153,998

The accompanying notes are an integral part of this statement.

Jones County College Foundation, Inc.
(A component unit of Jones County Junior College)
Statements of Financial Position
June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 340,846	$ 517,869	$ 858,715
Contributions Receivable, Net	80	1,250	1,330
Investments	13,768	15,324,393	15,338,161
Cash Surrender Value of Insurance Policies	168,189	-	168,189
Total Current Assets	522,883	15,843,512	16,366,395
Non-current Assets:			
Land	201,999	-	201,999
Total Assets	724,882	15,843,512	16,568,394
Liabilities			
Current Liabilities:			
Accounts Payable	6,118	425	6,543
Total Current Liabilities	6,118	425	6,543
Net Assets			
Without Donor Restrictions			
Net Investment in Capital Assets	201,999	-	201,999
Undesignated	516,765	-	516,765
With Donor Restrictions			
Purpose Restrictions	-	7,324,583	7,324,583
Perpetual in Nature	-	8,518,504	8,518,504
Total Net Assets	718,764	15,843,087	16,561,851
Total Liabilities and Net Assets	$ 724,882	$ 15,843,512	$ 16,568,394

The accompanying notes are an integral part of this statement.

Jones County College Foundation, Inc.
(A component unit of Jones County Junior College)
Statement of Activities
For the Year Ended June 30, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Support			
Contributions	$ 61,087	$ 1,156,243	$ 1,217,330
In-kind Revenues	144,510	-	144,510
Interest and Dividend Income	-	302,332	302,332
Net Investment Return	(38,471)	(1,709,082)	(1,747,553)
Net Assets Released from			
Restrictions (see Note 6)	1,124,371	(1,124,371)	-
Total Revenues, Gains and Support	1,291,497	(1,374,878)	(83,381)
Expenses			
Program Services			
Scholarships	406,272	-	406,272
College Support	716,763	-	716,763
Total Program Services	1,123,035	-	1,123,035
Supporting Services			
Salaries, Wages and Benefits	126,150	-	126,150
Office Occupancy and Other	85,140	-	85,140
Total Supporting Services	211,290	-	211,290
Total Expenses (see Note 11)	1,334,325	-	1,334,325
Other Income and Expenses:			
Transfers	17,774	(17,774)	-
Total Other Income and Expenses	17,774	(17,774)	-
Change in Net Assets	(25,054)	(1,392,652)	(1,417,706)
Net Assets at Beginning of Year	718,764	15,843,087	16,561,851
Net Assets at End of Year	$ 693,710	$ 14,450,435	$ 15,144,145

The accompanying notes are an integral part of this statement.

Jones County College Foundation, Inc.
(A component unit of Jones County Junior College)
Statement of Activities
For the Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Support			
Contributions	$ 29,133	$ 806,402	$ 835,535
In-kind Revenues	145,723	3,610	149,333
Gross Event Revenue	12,313	38,982	51,295
Less Direct Event Cost	(18,990)	-	(18,990)
Net Special Event Revenue	(6,677)	38,982	32,305
Change in Cash Surrender Value of Insurance Policies	3,369	-	3,369
Interest Income	460	360,964	361,424
Net Investment Return	80,074	2,698,888	2,778,962
Net Assets Released from Restrictions (see Note 6)	754,151	(754,151)	-
Total Revenues, Gains and Support	1,006,233	3,154,695	4,160,928
Expenses			
Program Services			
Scholarships	365,326	-	365,326
College Support	366,796	-	366,796
Total Program Services	732,122	-	732,122
Supporting Services			
Salaries, Wages and Benefits	127,713	-	127,713
Office Occupancy and Other	116,146	-	116,146
Total Supporting Services	243,859	-	243,859
Total Expenses (see Note 11)	975,981	-	975,981
Change in Net Assets	30,252	3,154,695	3,184,947
Net Assets at Beginning of Year	688,512	12,688,392	13,376,904
Net Assets at End of Year	$ 718,764	$ 15,843,087	$ 16,561,851

The accompanying notes are an integral part of this statement.

Jones County College Foundation, Inc.
(A component unit of Jones County Junior College)
Statements of Cash Flows
For the Years Ended June 30, 2022 and June 30, 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in Net Assets	$ (1,417,706)	$ 3,184,947
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Net unrealized and realized (gains) on investments	1,445,221	(3,139,926)
Change in prepaid expenses	(2,953)	-
Change in cash surrender value of insurance policies	-	(3,369)
Change in contributions receivable	80	336
Changes in accounts payable	3,310	(24,361)
Net cash provided by operating activities	27,952	17,627
Cash Flows from Investing Activities:		
Purchase of investments	(5,278,724)	(4,646,670)
Sale of investments	6,886,896	4,640,820
Net cash provided (used) by investing activities	1,608,172	(5,850)
Net change in cash	1,636,124	11,777
Cash and cash equivalents at beginning of year	858,715	846,938
Cash and cash equivalents at end of year	$ 2,494,839	$ 858,715

The accompanying notes are an integral part of this statement.

JONES COUNTY JUNIOR COLLEGE
Notes to the Financial Statements
For the Year Ended June 30, 2022

JONES COUNTY JUNIOR COLLEGE
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Jones County Junior College (the "College") was founded in 1911 and is one of Mississippi's 15 public community colleges. The legal authority for the establishment of the College is found in Section 37-29-31, Miss. Code Ann. (1972).

The College is governed by a 21-member Board of Trustees, selected by the Board of Supervisors of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne counties who support the college through locally assessed ad valorem tax millage. One of the trustees from each of the supporting counties must be the Superintendent of Education, unless the superintendent chooses not to serve, in which case the county Board of Supervisors shall fill the vacancy in accordance with Section 37-29-65, Miss. Code Ann. (1972). Each board member is appointed for a 5-year term. In addition, the College works jointly with the Mississippi Community College Board, which coordinates the efforts of all community colleges as they serve the taxpayers of the State of Mississippi.

Jones County Junior College Foundation, Inc. (the "Foundation") is a not-for-profit that is a fund-raising arm of the College. Its purpose is to receive funds for the sole benefit of the College. The Foundation uses the economic resources measurement focus and accrual basis of accounting. It follows the Financial Accounting Standards Board (FASB) standards of accounting and financial reporting for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial report for these differences. The Foundation is not required to report cash flows based upon the direct method of accounting under FASB standards. The separately issued audited financial statements of the Foundation are available through the business department at the College.

Amounts representing services and facilities contributed to the Foundation by the College for the year ended June 30, 2022 were as follows:

Salaries wages and benefits	$	126,150
Office and occupancy		18,359
Total	$	144,509

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the Unites States of America as prescribed by the Governmental Accounting Standards Board ("GASB"), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis - for Public College and Universities*, issued in June and November 1999, respectively. The College follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive look at the College's financial activities.

Note 1. Summary of Significant Accounting Policies-continued

Basis of Accounting

The basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay, which is in accordance with accounting principles generally accepted in the United States of America.

Revenues, expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange activities are generally recognized when all applicable eligibility requirements, including timing requirements, are met.

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expense is recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Property taxes, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the College are charges to students for tuition, sales, and services, and grants and contracts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

The College considers all cash on hand and demand deposits with financial institutions with an original maturity of three months or less to be cash and cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as restricted cash and cash equivalents on the statement of net position.

Accounts Receivables, Net

Accounts receivables consist of tuition and fees charged to students, state appropriations, amounts due from state and federal grants and contracts, local governments and credits due to the College from vendors. Accounts receivable is recorded net of an allowance for doubtful accounts, which is based on historical losses and an analysis of currently outstanding amounts. Accounts without activity for more than one year are written off on an annual basis.

Note 1. Summary of Significant Accounting Policies-continued

Inventories and Prepaid Items

Inventories consist of bookstore and printing supplies. These inventories are valued at the lower of cost or market, on the first-in, first-out (FIFO) basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Prepaid Bond Insurance Premium, Net

This item represents the portion related to prepaid insurance costs that were paid in conjunction with debt issuance costs. These are recorded as an asset and recognized net of amortization, which is an expense recognized in a systematic and rational manner over the duration of the related debt.

Capital Assets, Net of Accumulated Depreciation

Capital assets are recorded at historical cost at the day of acquisition, or if donated, at fair market value at the date of donation. Renovations to buildings and improvements other than buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance costs are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. Expenses for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose.

The following useful lives, salvage values, and capitalization thresholds are used to compute depreciation:

	Estimated Useful Lives	Salvage Value	Capitalization Threshold
Buildings	40 years	20%	$ 50,000
Building improvements	20 years	20%	$ 25,000
Improvements other than buildings	20 years	20%	$ 25,000
Equipment	3-10 years	1-10%	$ 5,000

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Reserves* ("GASB No. 42"), management evaluates assets for potential impairment when a significant, unexpected decline in the service utility of a capital assets occurs.

Deferred Outflows and Inflows 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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College has a deferred outflow which is presented as a deferred outflow for pension, OPEB and for refunding of debt.

Note 1. Summary of Significant Accounting Policies-continued

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The College has a deferred inflow which is presented as deferred inflow for OPEB and pension.

Deferred outflows and inflows of resources related to the pension plan are further described in Note 8 and those related to the net OPEB liability are described in Note 9.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at June 30, 2022, for goods and services received before the end of the fiscal year.

Compensated Absences

Full-time employees earn monthly vacation leave at a rate of 6.67 hours for employees scheduled for 8 hours per day; 6.25 hours for employees scheduled for 7.50 hours per day; 6.04 hours for employees scheduled for 7.25 hours per day; 5.83 hours for employees scheduled for 7.00 hours per day; 5.42 hours for employees scheduled for 6.50 hours per day; 5.21 hours for employees scheduled for 6.25 per day; and 5.00 hours for employees scheduled for 6.00 hours per day. There is no requirement that annual leave be taken, and there is no maximum accumulation. At termination, these employees are paid for up to ten days of accumulated annual leave.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Bond Premiums

In the financial statements, bond premiums are amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Net Position

Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balance of any related debt that is attributable to the acquisition of the capital assets. Nonexpendable restricted net position represents gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been gifted for specific purposes and funds held in federal loan programs. Unrestricted net position consists of all other components of net position that do not meet any of the previous criteria.

The College reported a deficit for unrestricted net position of $(42,267,540). This deficit can be attributed to the full recognition of the net pension liability in the amount of $44,101,575.

Note 1. Summary of Significant Accounting Policies-continued

Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

> Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition, net of scholarship discounts and allowance, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowance and (3) most federal and state grants and contracts and (4) interest on institutional student loans.
>
> Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as state and local appropriations and investment income.

State and Local Appropriations

The College receives funds from the State of Mississippi based on the number of students actually enrolled and in attendance on the last day of the sixth week of the fall semester of the previous year, counting only those students who reside within the State of Mississippi. The funding calculation is based on the number of full-time equivalents which is based on total credit hours generated by all students with special consideration given only to high-cost programs.

Scholarship Discounts and Allowance

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers ("NACUBO"). Certain aid, such as loans, funds provided to students as awarded by third-parties and Federal Direct Lending, is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition, housing, food services and books. Under the alternative method, these amounts are computed on a college-wide basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Cost of Borrowing

Costs incurred in connection with obtaining financing are expensed in the period the debt is issued.

Pension

In the statement of net position, a liability is recognized for the College's proportionate share of the net pension liability reported by the Mississippi Public Employees' Retirement System (PERS). For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflow of resources related to the pension, and pension expense, information about the fiduciary net position of the PERS defined benefit plan and additions to/deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

Note 1. Summary of Significant Accounting Policies-continued

Other Postemployment Benefits Other than Pension (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the state.

Accounting Standards Update

GASB 87, Leases, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. The College did not report any leases at June 30, 2022.

Note 2. Prior Period Adjustment

Exhibit 2 - Statement of Revenues, Expenses, and Changes in Net Position

Explanation		Amount
To record restatement of prior year ending net position		
due to deferred tuition revenue	$	(418,978)

Note 3. Cash and Cash Equivalents

Policies

As set forth by policy and state statute, the College is authorized to invest in demand deposits and interest-bearing time deposits such as savings accounts, certificates of deposit, money market funds, U.S. Treasury bills and notes, and repurchase agreements.

In 2022, the carrying amount of unrestricted deposits as of June 30th was $6,854,844.

Custodial Credit Risk – Deposits

Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the College will not be able to recover deposits or collateral securities that are in the possession of an outside party. The College does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the College. As of June 30, 2022, none of the College's bank balance of $7,330,670 was exposed to custodial credit risk.

Note 4. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2022:

Student tuition	$ 905,378
Auxiliary enterprises and other operating acitivites	1,702,490
Federal, state, and private grants and contracts	4,798,574
State appropriations	1,584,664
Other	2,116
Total accounts receivable	8,993,222
Less: allowance for doubtful accounts	(941,251)
Net accounts receivable	$ 8,051,971

Note 5. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2022, is presented as follows:

	Balance 7/1/2021	Additions	Retirements	Completed Construction	Balance 6/30/2022
Non-depreciable capital assets:					
Land	$ 529,050	$ -	$ -	$ -	$ 529,050
Construction in progress	2,176,416	2,968,633	-	(2,715,599)	2,429,450
Total non-depreciable capital assets	2,705,466	2,968,633	-	(2,715,599)	2,958,500
Depreciable capital assets:					
Buildings	102,901,549	39,938	-	1,993,854	104,935,341
Improvements other than buildings	13,955,897	98,471	-	692,321	14,746,689
Equipment	9,493,739	643,998	(315,148)	29,424	9,852,013
Total depreciable capital assets	126,351,185	782,407	(315,148)	2,715,599	129,534,043
Less accumulated depreciation for:					
Buildings	46,144,427	2,212,914	-	-	48,357,341
Improvements other than buildings	7,464,358	431,671	(1,176)	-	7,894,853
Equipment	7,265,115	614,007	(292,316)	-	7,586,806
Total accumulated depreciation	60,873,900	3,258,592	(293,492)	-	63,839,000
Total depreciable capital assets, net	65,477,285	(2,476,185)	(21,656)	2,715,599	65,695,043
Total capital assists, net	$ 68,182,751	$ 492,448	$ (21,656)	$ -	$ 68,653,543

Note 5. Capital Assets-continued

The details of construction-in-progress are as follows:

Project	Balance at 6/30/2022	Costs to Complete
Humanities (BOB)	49,675	$ 2,450,325
Sports Performance	92,051	Project on hold
Physical Plant	63,488	Project on hold
Soccer Pathway (MDOT)	54,394	694,916
Student Union Waterproof (BOB)	1,237,575	2,078,912
Outdoor Volleyball Court	4,014	23,075
Library Renovation	31,236	5,636
AB Howard Gym Renovation	61,520	213,007
Starbucks	7,535	800,000
Paving and Drainage	529,003	50,000
Sewer Line Replacement	14,006	405,398
Fine Arts Waterproof	284,953	-
	$ 2,429,450	

Note 6. Long-Term Debt

The long-term liabilities as of June 30, 2022 are as follows:

	Beginning Balances	Deletions	Ending Balances	Due Within One Year
Special obligation bonds, Series 2016	$ 15,105,000	$ (630,000)	$ 14,475,000	$ 650,000
Premium	111,808	(6,328)	105,480	-
Total Long-Term Liabilities	$ 15,216,808	$ (636,328)	$ 14,580,480	$ 650,000

Note 6. Long-Term Debt-continued

The Mississippi Development Bank Special Obligation Refunding Bonds, Series 2016, were issued in the amount of $16,765,000 to advance refund the Mississippi Development Bank Special Obligation Bonds, Series 2009, maturing March 1, 2020, through March 1, 2039. The Series 2016 bonds mature annually May 1st with final maturity March 1, 2039. Interest is payable semi-annually on November 1 and May 1 at interest rates ranging from 2.00 percent to 3.62 percent. The bonds are secured by a trust indenture which include a loan agreement and note between the Bank and the College with similar debt service requirements. The principal and interest on the note is secured by a pledge of all legally available revenues of the College, including, without limitation, the county tax. All bonds maturing on or after May 1, 2027, are subject to redemption at par value plus accrued interest at the option of the College.

The debt service requirements as of June 30, 2022 are as follows:

Special Obligation Bonds

Year Ending June 30	Principal	Interest	Total
2023	$ 650,000	$ 486,962	$ 1,136,962
2024	670,000	467,462	1,137,462
2025	690,000	447,362	1,137,362
2026	710,000	426,662	1,136,662
2027	725,000	408,913	1,133,913
2028-2032	4,035,000	1,667,465	5,702,465
2033-2037	4,810,000	924,221	5,734,221
2038-2039	2,185,000	112,888	2,297,888
Total	$ 14,475,000	$ 4,941,935	$ 19,416,935

Note 7. Functional Classification of Expenses

The College's operating expenses by functional classification were as follows for the year ended June 30, 2022:

	Salaries and Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Scholarships and Fellowships	Commodities	Depreciation Expense	Other	Balance
Instruction	$ 12,438,961	$ 3,906,591	$ 70,651	$ 737,021	$ 223,375	$ 384,881	$ 2,439,378	$ -	$ 193,273	$ 20,394,131
Academic support	350,453	112,183	874	198,706	-	-	76,285	-	-	738,501
Student services	1,874,423	627,994	26,872	187,674	-	-	74,349	-	-	2,791,312
Athletics	1,638,916	524,339	237,890	266,255	-	-	194,916	-	-	2,862,316
Institutional support	3,434,370	(935,972)	19,221	1,714,390	-	(1,047)	94,152	-	60,388	4,385,502
Operation of plant	1,449,247	568,603	336	1,041,294	1,244,246	-	1,221,394	-	5,600	5,530,720
Student aid	-	-	75	200	-	2,047,446	-	-	12,350,088	14,397,809
Auxiliary enterprises	485,612	105,953	-	2,334,377	2,397	-	1,510,049	-	-	4,438,388
Depreciation	-	-	-	-	-	-	-	3,258,592	-	3,258,592
Total operating expense	$ 21,671,982	$ 4,909,691	$ 355,919	$ 6,479,917	$1,470,018	$ 2,431,280	$5,610,523	$3,258,592	$ 12,609,349	$ 58,797,271

Note 8. Pension Plan Obligations

General Information about the Pension Plan

Plan Description

The College contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et. seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS and by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions

At June 30, 2022, PERS members were required to contributed 9% of their annual covered salary, and the College is required to contribute at an actuarially determined rate. The employer's rate at June 30, 2022, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The College's contributions (employer share only) to PERS for the years ending June 30, 2022, 2021 and 2020 were $3,682,443, $3,451,826 and $3,619,364, respectively, equal to the required contributions for each year.

Note 8. Pension Plan Obligations-continued

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

At June 30, 2022, the Jones County Junior Community College reported a liability of $44,101,575 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to projected contributions of all participating entities, actuarially determined.

The College's proportionate share used to calculate the June 30, 2022 net pension liability was .298378 percent which was based on a measurement date of June 30, 2021. This was a decrease of 0.0140 percent from its proportionate share used to calculate the June 30, 2021 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended June 30, 2022, the College, recognized pension expense of $2,035,669. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 719,444	$ -
Change of assumptions	3,403,274	-
Net difference between projected and actual earnings on pension plan investments	-	13,148,779
Changes in proportion and differences between College contributions and proportionate share of contributions	-	2,274,919
College contributions subsequent to the measurement date	3,682,443	-
	$ 7,805,161	$ 15,423,698

Note 8. Pension Plan Obligations-continued

$3,682,443 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in 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 Ending June 30		Amount
2023	$	(231,387)
2024		981,468
2025		2,165,793
2026		(14,216,854)
Total	$	(11,300,980)

Actuarial Assumptions

The total pension liability as of June 30, 2021, was determined by actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65%-17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the TPL were based on the results of an actuarial experience study for the period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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.

Note 8. Pension Plan Obligations-continued

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation Percentage	Long-term Expected Real Rate of Return
Domestic equity	27.00 %	4.60 %
International equity	22.00	4.50
Global equity	12.00	4.80
Fixed income	20.00	(0.25)
Real estate	10.00	3.75
Private equity	8.00	6.00
Cash equivalents	1.00	(1.00)
	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate (9.00%) and that participating employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate.

The College's proportionate share of the net pension liability has been calculated using a discount rate of 7.55%. The following presents the College's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate.

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
College's Proportionate share of the net pension liability	$ 62,458,166	$ 44,101,575	$ 28,974,279

Pension Plan Fiduciary Net Position

Detailed information about the pension's plan fiduciary net position is available in the separately issued PERS financial report.

Note 9. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB Plan. The plan issues a publicly available financial report that can be obtained at hhttp://knowyourbenefits.dfa.ms.gov/.

Benefits Provided

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who were initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who were initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the Plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB Plan from the College were $62,867 for the year ended June 30, 2022.

Note 9. Other Postemployment Benefits (OPEB) continued

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

At June 30, 2022, the College reported a liability of $1,956,164 for its proportionate share of the net OPEB liability. The net OPEB was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as that date. The basis for the College's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2021, the College's proportion was .30390224 percent. This was a decrease of 0.009013 percent from the proportionate share as of the measurement date of June 30, 2020.

For the year ended June 30, 2022, the College recognized OPEB expense of $(122,255). At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,127	$ 611,667
Change of assumptions	316,815	66,160
Net difference between projected and actual earnings on OPEB plan investments	91	-
Changes in proportion and differences between College contributions and proportionate share of contributions	11,855	74,306
College contributions subsequent to the measurement date	62,867	-
	$ 393,755	$ 752,133

Note 9. Other Postemployment Benefits (OPEB) continued

$62,867 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date, will be recognized as a reduction to the net OPEB liability in the year ended 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 Ending June 30		Amount
2023	$	(100,094)
2024		(95,625)
2025		(77,457)
2026		(89,728)
2027		(58,341)
Total	$	(421,245)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following key actuarial assumptions and other inputs:

Inflation	2.40 percent
Salary Increases	2.65-17.90 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.13 percent
Prior Measurement Date	2.19 percent
Year FNP is Projected to be Depleted	
Measurement Date	2021
Prior Measurement Date	2020
Single Equivalent Interest Rate, net of OPEB Plan Investment Expense, Including Inflation	
Measurement Date	2.13 percent
Prior Measurement Date	2.19 percent
Health Care Cost Trends	
Medicare Supplement Claims	6.50 percent for 2022 decreasing to an
Pre-Medicare	ultimate rate of 4.50 percent by 2030

Note 9. Other Postemployment Benefits (OPEB) continued

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in June 30, 2021 valuation were based on the results of an actuarial experience study dated April 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

The long-term expected rate of return on OPEB plan investments is 4.50%.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.13%. Since the Prior Measurement Date, the Discount Rate has changed from 2.19% to 2.13%.

The trust was established on June 28, 2018 with an initial contribution of $1,000,000. As of June 30, 2021, the trust has $1,044,424. The fiduciary net position is projected to be depleted immediately. Therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2021 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the 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, 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 (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current discount rate:

	1% Decrease (1.13%)	Discount Rate (2.13%)	1% Increase (3.13%)
Net OPEB liability	$ 2,165,194	$ 1,956,164	$ 1,777,934

Note 9. Other Postemployment Benefits (OPEB) continued

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB liability	$ 1,811,914	$ 1,956,164	$ 2,119,408

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in a separately issued report that can be found at http://knowyourbenefits.dfa.ms.gov/.

Note 10. Other Commitments

Commitments under construction contracts are described in Note 5.

Note 11. Contingencies

Federal Grants – The College has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to those resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the College.

Litigation – The College is party to legal proceedings, many of which occur in the normal course of operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the College with respect to the various proceedings. However, the College's legal counsel believes that the ultimate liability resulting from these lawsuits will not have a material adverse effect of the financial position of the College.

Note 12. 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 or students; and natural disasters. The College carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13. Effect of Deferred amounts on Net Position

The unrestricted net position amount of $(42,267,540) includes the effect of deferred inflows/outflows of resources related to pensions and OPEB. A portion of the deferred outflow of resources related to pension in the amount of $3,682,443 and OPEB in the amount of $62,867 resulting from the College contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability and net OPEB liability in the year ended June 30, 2023. The $4,122,718 balance of the deferred outflow of resources related to pension at June 30, 2022, will be recognized in pension expense over the next three years. The $330,888 balance of the deferred outflow of resources related to OPEB at June 30, 2022, will be recognized in expense over the next five years. The $15,423,698 balance of the deferred inflow of resources related to pension at June 30, 2022, will be recognized in revenue over the next four years. The $752,133 balance of deferred inflow of resources related to OPEB will be recognized in revenue over the next five years.

The net investment in capital assets net position amount of $55,648,228 includes the effect of deferring the recognition expenses resulting from a deferred outflow on refunding of College debt. The $1,486,278, balance of the deferred outflow of resources at June 30, 2022 will be recognized as an expense and decrease the net investment in capital assets net position in the next four years.

Note 14. Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the College evaluated the activity of the College through March 6, 2023 (the date the financial statements were available to be issued), and determined that no subsequent events require disclosure in the notes to the financial statements.

Jones County Junior College Foundation, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

Jones County Junior College Foundation, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

Statement of Organizational Activities
Jones County Junior College Foundation, Inc. (The Foundation) was organized May 12, 1988, and incorporated under the laws of Mississippi as a non-stock corporation. The mission of the Foundation is to support and advance Jones County Junior College (the "College") and its students through resource and relationship development with alumni, friends and community partnerships. The foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

Basis of Presentation
The foundation prepares its financial statements on the accrual basis of accounting. The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The Foundation follows FASB Accounting Standards Update 2016-14 (Topic 958) *Presentation of Financial Statements of Not-for-Profits Entities*, Not-For-Profit Entities. This standard requires net assets to be classified on the statement of financial position as net assets with donor restrictions and net assets without donor restrictions, based on the absence or existence and type of donor-imposed restrictions.

Net Assets with Donor Restrictions
The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). A donor-imposed restriction is a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: (a) the nature of the not-for-profit entity (NFP), (b) the environment in which it operates, (c) the purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association. Some donors impose restrictions that are temporary in nature for example, stipulating that resources be used after a specific date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Net Assets without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors. Net assets without donor restrictions are subject to self-imposed limits by action of governing board. Board designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses.

Income Taxes
The Jones County Junior College Foundation, Inc. is organized as a nonprofit corporation and has been recognized by the IRS as exempt from federal income tax. Section 501 of U.S. tax code that outlines which types of not-for-profit organization are tax exempt. The Section of this code that provides for exemption is (a), which states that organizations are exempt from some federal income taxes if they fall under Sections 501(c), 501(d) or Section 401 (a). Jones County Junior College Foundation, Inc. is a Section 501(c)(3) organization and qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that derived from business activities that are unrelated to their exempt purpose. As of June 30, 2022, the Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Note 1. Summary of Significant Accounting Policies-continued

Donated Assets
Material noncash donations are recorded as contributions at their estimated fair values at the date of donation. Any donated assets used in program services are recorded as functional expenses at their donated fair value.

Donated Services and Facilities

The Foundation receives a substantial amount of services donated by citizens interested in the Foundation's programs. Because of the difficulty in assigning values for such services, these items are generally not reflected in the accompanying financial statements.

Investments
The Foundation follows FASB Accounting Standards Codification Subtopic 958-320, Not-For-Profit Entities-Investments-Debt and Equity Securities. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increase in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investment in Life Insurance Policies
The life insurance policies are recorded at fair value. The value of life insurance policies is based on the contractual surrender value of the policies.

Cash and Cash Equivalents
Cash and cash equivalents are considered to be all highly liquid investments with maturities of three months or less at the time of acquisition. Cash and cash equivalents include cash on hand, demand deposit accounts, savings account, and certificate of deposits.

Contributions Receivable
Unconditional promises to give, that are expected to be collected within one year, are recorded at net realizable value which approximates fair value at the date of the pledge. Unconditional promises to give in future periods are initially recorded at estimated fair value determined using the discounted present value of expected cash flows and subsequently amortized over the expected payment period, net of an allowance for uncollectible pledges. The discount rates are determined at the time the unconditional promise to give is initially received. Contributions to be received in future years are discounted using a risk-free rate of approximately 3.25 percent for the years ended June 30, 2022 and 2021. Contributions receivable are written off on an annual basis when determined by management to be uncollectible. Management determines that a contribution receivable is uncollectible based on the length of time that has passed since the last contribution has been received from that donor, which is usually in excess of one year. The foundation's contributions receivable for the fiscal years ended June 30, 2022 and 2021 were $1,250 and $1,330, respectively.

Estimates
The preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1. Summary of Significant Accounting Policies-continued

Contributions
All donor-restricted support is reported as with donor restrictions or without donor restrictions net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts of long-lived assets such as land, buildings or equipment are reported as net assets without donor restrictions support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions support. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Foundation and the College are financially interrelated organizations. Therefore, any contributions that are received by the Foundation specifically for the College are recorded as net assets without donor restrictions or net assets with donor restrictions contribution revenue, depending on the donors' specific instructions. These contributions are recorded by the Foundation only.

Revenue Recognition
All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions support and increase the respective class of net assets.

Planned Giving
Planned giving, which includes wills, trusts and estates, are not accrued as it represents a conditional promise to give which constitutes a future and uncertain event.

Operating Measure
The Statement of Activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing service and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be a more unusual or nonrecurring nature.

Functional Allocation of Expenses
The costs of providing various programs and related supporting services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated to the appropriate programs and supporting services.

Reclassifications
Certain prior year amounts have been reclassified to conform to current year presentation.

Note 2. Contributions Receivable, Net

The amounts of contributions receivable as of June 30, 2022 and 2021 are as follows:

	2022	2021
Contributions receivable		
Less allowance for uncollectable promises to give		
Contributions receivable, net	$ 1,250	$ 1,330
	$ 1,250	$ 1,330

Note 3. Cash and Investments

Concentrations of Credit Risk
Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable. The Foundation places its cash and temporary investments with creditworthy, high quality financial institutions. Cash deposits in excess of $250,000 are not insured by the FDIC.

The Foundation's total cash and cash equivalents for the fiscal years ended June 30, 2022 and June 30, 2021 were $2,494,839 and $858,715, respectively.

The Foundation has significant investments in equity and debt securities and is therefore subject to concentrations of credit risk. Investments are managed by investment managers who are supervised by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Board believes that the investment policy is prudent for the long-term welfare of the Foundation.

Credit risk with respect to contributions receivable is limited due to the credit worthiness of the individual who has made the pledge.

The Foundation receives a substantial amount of support from Jones County Junior College. A significant reduction in the level of this support, if it were to occur, would have an effect on the Foundation's programs and activities.

Investments
The FASB Accounting Standards Codification Topic ('ASC") 820, Fair Value Measurement, prescribes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Note 3. Cash and Investments-continued

The three levels of the fair value hierarchy are as follows:

Level 1- Inputs are quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes to the methodologies used at June 30, 2022 and 2021:

- *Equity securities and mutual funds:* Valued at quoted market prices in active markets on which the individual securities are traded, which for mutual funds represents the net asset value of shares held by the Foundation at year-end.

- *Bonds:* Valued based upon quotes from independent pricing vendors based upon independent pricing models or other model-based valuation techniques such as the present value of the stream of expected cash flows adjusted for the security's credit rating and other factors such as credit loss assumptions.

- *Certificates of Deposit:* Valued at estimates based upon matrix or model pricing methodology provided by an independent third party.

- *Cash value of life insurance:* Values are based on the contractual cash surrender value of the policy.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date, and any differences may be material.

Long-lived assets are measured at fair value on a nonrecurring basis based upon inputs that are derived principally from, or corroborated by appraisals, comparable market data by correlation or other means only when there is evidence of impairment. The only asset measured at fair value, on a nonrecurring basis is the land held for use reported in the amount of $201,999 at June 30, 2022 and 2021 as a Level 3 asset.

Note 3. Cash and Investments-continued

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. The Foundation maintains cash accounts at various financial institutions. As of June 30, 2022 and 2021, these accounts exceeded FDIC limits by $32,201 and $38,006. Cash deposits in the amounts of $2,068,335 and $461,173, which are held by the Foundation's investment broker as of June 30, 2022 and 2021, respectively, are not covered by the FDIC. However, these amounts are covered by the Securities Investor Protection Corporation (SIPC) up to $500,000. As of June 30, 2022 these funds exceeded the SIPC limits by $1,568,335.

As of June 30, 2022 and 2021, the Foundation maintained $12,284,768 and $15,338,161, respectively, of securities in its investment portfolio. Although these funds reduce risk through diversification of investment holdings and are held with reputable brokers, they are exposed to custodial risk. Certificates of deposit included in the portfolio in the amount of $0 and $0 as of June 30, 2022 and 2021, are covered by FDIC insurance; however, $12,284,768 and $15,338,161, respectively, of the remaining investments are not covered by the Securities Investor Protection Corporation (SIPC), subjecting the Foundation to the risk of uninsured losses.

The following table presents the financial assets carried at fair value by level within the valuation hierarchy at June 30, 2022 and 2021.

Description	Fair Value	Level 1	Level 2
June 30, 2022			
Mutual stock funds	$ 2,857,937	$ 2,857,937	$ -
Mutual bond funds	1,741,233	1,741,233	-
Exchange traded products	2,312,513	2,312,513	-
Common stock	1,902,951	1,902,951	-
Preferred stock	210,938	210,938	-
Asset backed securities	291,215	-	291,215
Corporate bonds	1,585,964	-	1,585,964
Municipal bonds	152,466	-	152,466
US Treasury/Agency Securities	1,202,935	1,202,935	-
Certificate of deposit and other	26,616	-	26,616
Cash surrender value of life insurance	168,189	-	168,189
Total	$ 12,452,957	$ 10,228,507	$ 2,224,450

Note 3. Cash and Investments-continued

Description	Fair Value	Level 1	Level 2
June 30, 2021			
Mutual stock funds	$ 3,857,282	$ 3,857,282	$ -
Mutual bond funds	1,694,935	1,694,935	-
Exchange traded products	4,374,497	4,374,497	-
Common stock	2,854,835	2,854,835	-
Preferred stock	340,097	340,097	-
Asset backed securities	347,571	-	347,571
Municipal bonds	238,273	-	238,273
US Treasury/Agency Securities	1,598,098	1,598,098	-
Certificate of deposit and other	32,573	-	32,573
Cash surrender value of life insurance	168,189	-	168,189
Total	$ 15,506,350	$ 14,719,744	$ 786,606

The following schedule summarizes the investment return in the statement of activities:

	2022	2021
Interest and dividends	$ 302,332	$ 361,424
Investment returns	(1,747,553)	2,778,962
Net change in cash surrender value of life insurance	-	3,369
Total	$ (1,445,221)	$ 3,143,755

Interest and dividend income is included in investment income on the statement of activities.

The net change in cash surrender value of life insurance is the amount of proceeds received from life insurance contrasts in excess of fair value reported in the prior period, plus the increase in the fair value of life insurance contrasts in excess of insurance premiums paid during the year.

The Foundation invests in a variety of investments which are generally subject to various risks and uncertainties such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported.

Note 3. Cash and Investments-continued

Overall Investment Objective

The Foundation's investment committee is responsible for investment policies, return objectives and risk parameters for the endowment funds. Currently the endowments' return objectives are preservation of principal with enough investment return to exceed bank deposit returns. The nature of the Foundation's investment strategy is balanced with an approximately 65% to 35% equity to fixed income ratio. Appropriations for expenditures from the endowment funds are periodically made as financial needs arise to fund support and expenses of the College, from amounts classified as net assets without donor restrictions.

Note 4. Availability and Liquidity

The following represents the Foundation's financial assets at June 30, 2022 and 2021.

	2022	2021
Cash and cash equivalents	$ 2,494,839	$ 858,715
Investments	12,284,768	15,338,161
Cash surrender value of insurance policies	168,189	168,189
Total financial assets	14,947,796	16,365,065
Less amounts not available to be used within one year		
Net Assets with donor restrictions	(14,450,435)	(15,843,087)
	(14,450,435)	(15,843,087)
Financial assets available to meet general expenditures	497,361	521,978

Our endowment funds consist of donor restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. As part of the Foundation's liquidity management plan, cash in excess of daily requirements is invested in Fidelity investment account.

Note 5. Endowments

The Foundation's endowment consists of approximately 284 individual donor-restricted endowment funds established for a variety of purposes. Donor-restricted endowment funds are not available for general expenditures. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Mississippi enacted the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) effective July 2012. The act requires the prudent spending of donor-restricted endowment funds absent explicit donor stipulations to the contrary. In accordance with UPMIFA, the Board may expend so much an endowment fund's net appreciation as the Board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the long-term purchasing power of the endowment fund.

Note 5. Endowments-continued

The following is a summary of the foundation's endowment net asset composition by type of fund as of June 30, 2022 and 2021:

	2022
	With Donor Restrictions
Donor restricted:	
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	$ 8,659,844

	2021
	With Donor Restrictions
Donor restricted:	
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	$ 8,518,504

Note 5. Endowments-continued

Changes in the Foundation's endowment net assets for the years June 30, 2022 and 2021 are as follows:

	2022
	With Donor Restrictions
Endowment net assets, beginning of year	$ 8,518,504
Contributions	141,340
Endowment net assets, end of year	$ 8,659,844

	2021
	With Donor Restrictions
Endowment net assets, beginning of year	$ 8,393,601
Contributions	124,903
Endowment net assets, end of year	$ 8,518,504

From time to time, certain donor restricted endowment funds may have fair value less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2022, funds with original gift value of $5,000, fair value of $(13,678) and deficiencies of $8,678 were reported in net assets with donor restrictions.

Note 6. Net Assets

Net assets with donor restrictions were as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Subject to expenditure for specific purpose		
College, Scholarship, and Athletic clubs support	$ 5,790,591	$ 7,324,583
Endowments		
Subject to Not-For-Profit (NFP) endowment spending policy and appropriation:		
Scholarships	8,457,386	8,321,300
General support	202,458	197,204
Total Endowments	8,659,844	8,518,504
Total	$ 14,450,435	$ 15,843,087

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by other events specified by the donors as follows for the years ended June 30 2022 and 2021:

	2022	2021
Satisfaction of purpose restrictions institutional support	$ 716,763	$ 366,030
Restricted-purpose spending rate		
Scholarships	405,772	364,826
General support	1,836	23,295
	407,608	388,121
Total	$ 1,124,371	$ 754,151

Note 7. Related Party Transactions

Amounts representing services and facilities contributed to the Foundation by the College for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Salaries, wages, and benefits	$ 126,150	$ 127,713
Office, occupancy, and other	18,359	18,010
Total	$ 144,509	$ 145,723

Amounts paid on behalf of the College for	2022	2021
Scholarships	$ 406,272	$ 365,326
Supplies and other support	716,763	366,796
Total	$ 1,123,035	$ 732,122

Board members contributed $23,764 and $24,612 to the Foundation for the years ended June 30, 2022 and 2021, respectively.

Note 8. Donor-Designated Endowment

The Foundation has received donations to establish permanent endowment funds to provide ongoing scholarship assistance for worthy and deserving individuals enrolled at the College. Terms of the donation require the funds to be segregated from other Foundation funds. The donor-designated endowment funds are included in net assets with donor restrictions.

Note 9. Uncertainty in Income Taxes

Management has evaluated the Foundation's tax positions and concluded that the Foundation has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2017.

Note10. Support for Jones County Junior College

	2022	2021
Athletic	$ 565,429	$ 318,167
Student awards	60,235	16,587
Academic program support	3,356	5,240
Learning equipment, supplies and facilities	38,863	4,326
Other educational support	48,880	22,476
Total	$ 716,763	$ 366,796

Jones County Junior College Foundation, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 11. Statement of Functional Expenses

Statement of Functional Expenses for the fiscal year 2022 consisted of:

		Supporting Service		
	Program Service	Management and General	Fundraising	Total
Administrative expenses	$ -	$ 66,780	$ -	$ 66,780
Employee benefits	-	21,734	-	21,734
Occupancy	-	10,150	-	10,150
Office supplies	-	8,209	-	8,209
Payroll taxes	-	7,420	-	7,420
Salaries and wages	-	96,997	-	96,997
Scholarships	406,272	-	-	406,272
Support of college	716,763	-	-	716,763
Total	$ 1,123,035	$ 211,290	$ -	$ 1,334,325

	Fundraising	Total
Less expenses included in revenues on the statement of activities	$ -	$ -
Total expenses included in the expense section on the statement of activities	$ -	$ 1,334,325

Note 11. Statement of Functional Expenses-continued

Statement of Functional Expenses for the fiscal year 2021 consisted of:

		Supporting Service		
	Programs Service	Management and General	Fundraising	Total
Accounting fees	$ -	$ 9,850	$ -	$ 9,850
Administrative expenses	-	88,285	-	88,285
Employee benefits	-	22,884	-	22,884
Event expenses	-	-	18,990	18,990
Occupancy	-	10,150	-	10,150
Office supplies	-	7,860	-	7,860
Payroll taxes	-	7,450	-	7,450
Salaries and wages	-	97,380	-	97,380
Scholarships	365,326	-	-	365,326
Support of college	366,796	-	-	366,796
Total	$ 732,122	$ 243,859	$ 18,990	$ 994,971

	Fundraising	Total
Less expenses included in revenues on the statement of activities	$ (18,990)	$ (18,990)
Total expenses included in the expense section on the statement of activities	$ -	$ 975,981

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort determines by management. The percentages for the fiscal years ended 2022 and 2021 are:

	2022	2021
Program	84%	74%
Management and General	16%	24%
Fundraising	0%	2%
Total	100%	100%

Note 12. Subsequent Events

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of the Foundation evaluated the activity of the Foundation through March 6, 2023, and determined that no subsequent events require disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JONES COUNTY JUNIOR COLLEGE
Schedule of the College's Proportionate Share of the Net Pension Liability-Unaudited
PERS
Last 10 fiscal Years*
For the Years Ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability (asset)	0.298378%	0.312385%	0.319088%	0.309342%	0.308450%	0.299865%	0.302200%	0.288979%
College's proportionate share of the net pension liability (asset)	$ 44,101,575	$ 60,474,106	$ 56,133,875	$ 51,452,765	$ 51,274,859	$ 53,563,377	$ 46,714,161	$ 35,076,759
College's covered payroll	$ 19,838,076	$ 20,800,943	$ 20,781,371	$ 19,754,457	$ 19,787,244	$ 19,183,111	$ 18,879,708	$ 17,650,032
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.31%	290.73%	270.12%	260.46%	259.13%	279.22%	247.43%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

Information above is presented as of the measurement date of June 30 of the prior fiscal year.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented in FYE 6/30/15, and until a full 10-year trend is compiled, College has only presented information for the years in which information is available.

Notes to the required supplementary information are an integral part of this schedule.

JONES COUNTY JUNIOR COLLEGE
Schedule of the College's Contributions - Unaudited
PERS
Last 10 fiscal Years*
For the Years Ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,682,443	$ 3,451,826	$ 3,619,364	$ 3,273,066	$ 3,111,327	$ 3,116,491	$ 3,021,340	$ 2,973,554
Contributions in relation to the contractually required contribution	(3,682,443)	(3,451,826)	(3,619,364)	(3,273,066)	(3,111,327)	(3,116,491)	(3,021,340)	(2,973,554)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 21,163,462	$ 19,838,076	$ 20,800,943	$ 20,781,371	$ 19,754,457	$ 19,787,244	$ 19,183,111	$ 18,879,708
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

Information above is presented as of the College's fiscal year.

*The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statements No. 68 was implemented in FYE 6/30/15, and until a full 10-year trend is compiled, the College has only presented information for the years in which information is available.

Notes to the required supplementary information are an integral part of this schedule.

JONES COUNTY JUNIOR COLLEGE
Schedule of the College's Proportionate Share of the Net OPEB Liability-Unaudited
Last 10 Fiscal Years*
For the Years 2022, 2021, 2020, 2019, and 2018

	2022	2021	2020	2019	2018	
College's proportion of the net OPEB liability	0.30390224%	0.31291530%	0.31458951%	0.31437034%	0.31540469%	
College's proportionate share of the net OPEB liability	$ 1,956,164	$ 2,435,132	$ 2,669,421	$ 2,431,812	$ 2,474,694	
College's covered employee payroll	$ 19,838,076	$ 20,800,943	$ 20,781,371	$ 19,754,457	$ 19,787,244	**
College's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	9.86%	11.71%	12.85%	12.31%	12.51%	
Plan fiduciary net position as a percentage of the Total OPEB liability	0.16%	0.13%	0.12%	0.13%	0.00%	

*The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

**The amount used to calculate this figure was based on the Implicit Rate Subsidy at measurement date as it relates to contributions.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 6/30/2018, and until a full 10-year trend is compiled, the College has only presented information for the years in which information is available.

Notes to the required supplementary information are an integral part of this schedule.

JONES COUNTY JUNIOR COLLEGE
Schedule of College Contributions-OPEB-Unaudited
Last 10 Fiscal Years*
For the Years 2022, 2021, 2020, 2019, and 2018

	2022	2021	2020	2019	2018	
Actuarially determined contribution	$ 62,867	$ 78,625	$ 97,113	$ 106,999	$ 105,500	**
Contributions in relation to the actuarially determined contribution	(62,867)	(78,625)	(97,113)	(106,999)	(105,500)	**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	
College's covered employee payroll	$ 21,163,462	$ 19,838,076	$ 20,800,943	$ 20,781,371	$ 19,754,457	
Contributions as a percentage of covered employee payroll	0.30%	0.40%	0.47%	0.51%	0.54%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 6/30/2018, and, until a full 10-year trend is compiled, the College has only presented information for the years in which information is available. Prior year information is based off historical amounts reported in prior year audit reports.

**The amount used to calculate this figure was based on the Implicit Rate Subsidy at measurement date as it relates to contributions.

Notes to the required supplementary information are an integral part of this schedule.

A. Pension Schedules.

Changes of Assumptions.

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
  For females, 84% of female rates up to age 72, 100% for ages above 76.
  Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

- The expectation of disabled mortality was changed to the PubG.H-2010 Disabled Table with the following adjustments:
  For males, 134% of male rates at all ages.
  For females, 121% of female rates at all ages.
  Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  For males, 97% of male rates at all ages.
  For females, 110% of female rates at all ages.
  Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

- The price inflation assumption was reduced from 2.75% to 2.40%.

- The wage inflation assumption was reduced from 3.00% to 2.65%.

- The investment rate of return assumption was changed from 7.75% to 7.55%.

- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

A. Pension Schedules. – continued

Changes of Assumptions. - continued

2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  For females, 85% of the female rates from 18 to 65 scaled up to 102% for ages 75 to 119.
  Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  For males, 137% of male rates at all ages.
  For females, 115% of female rates at all ages.
  Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

- The price inflation assumption was reduced from 3.00% to 2.75%.

- The wage inflation assumption was reduced from 3.25% to 3.00%.

- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

- The percentage of active member disabilities assumed to be in line of duty was increased from 7% to 9%.

2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

- The wage inflation assumption was reduced from 3.75% to 3.25%.

- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

JONES COUNTY JUNIOR COLLEGE
Notes to the Required Supplementary Information-Unaudited
For the Year Ended June 30, 2022

A. Pension Schedules. – continued

Changes of Assumptions. - continued

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes in Benefit Provisions.

2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each proceeding year with a minimum rate of 1% and a maximum rate of 5%.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.8 years
Asset valuation method	5-year smoothed market
Price inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent , net of pension plan investment expense, including inflation

B. OPEB Schedules

(1) Changes of Actuarial Assumptions and Methods

2017

The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018

The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019

The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020

The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

2021

The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

(2) Changes in Benefit Provisions.

2017

None

2018

None

2019

None

2020

The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the select coverage and the coinsurance maximums were increased for the base coverage beginning January 1, 2021.

2021

The schedule of monthly retiree contributions was increased as of January 1, 2022.
In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

(3) Methods and assumptions used in calculations of Actuarially Determined Contributions.

The Actuarially Determined Contributions rate, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2020 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00 % to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims-Pre Medicare	7.00%
Ultimate health care cost trend rates	
Medicare Supplements Claims-Pre Medicare	4.75%
Year of ultimate trend rates	
Medicare Supplements Claims-Pre Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.19%

SUPPLEMENTARY INFORMATION

JONES COUNTY JUNIOR COLLEGE
Schedule of Expenditures of Federal Awards
Schedule 1
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures
U.S. Department of Labor				
WIOA Cluster:				
Workforce Innovation and Opportunity Act - Adult Program				
Pass-through Program from:				
Southern Mississippi Planning and Development - Workkeys Assessments/NCRC	17.258	21-3520-18-601	$	104
Southern Mississippi Planning and Development - Internship Program	17.258	21-3521-18-110		3,375
Southern Mississippi Planning and Development - Healthcare Stabilization	17.258	21-3521-18-301		5,233
Southern Mississippi Planning and Development - Case Manager	17.258	21-3521-18-570		26,348
				35,060
Workforce Innovation and Opportunity Act - Out of School Youth				
Pass-through Program from:				
Southern Mississippi Planning and Development - JCJC WIOA Out-of-School Youth	17.259	21-3561-18-119		474,533
Workforce Innovation and Opportunity Act - Dislocated Worker Formula Grant				
Pass-through Program from:				
Southern Mississippi Planning and Development - Workkeys Assessments/NCRC	17.278	21-3520-18-601		105
Southern Mississippi Planning and Development - Internship Program	17.278	21-3521-18-110		3,375
Southern Mississippi Planning and Development - Case Manager	17.278	21-3521-18-301		5,233
Southern Mississippi Planning and Development - Case Manager	17.278	21-3521-18-570		26,348
				35,061
Total WIOA Cluster				544,654
Total U.S. Department of Labor				544,654

JONES COUNTY JUNIOR COLLEGE
Schedule of Expenditures of Federal Awards
Schedule 1
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Student Financial Aid Cluster			
U.S. Department of Education			
Federal Supplemental Educational Opportunity			
Grants (FSEOG)*	84.007		$ 322,474
Federal Work-Study Program (FWS)*	84.033		55,828
Federal Pell Grant Program*	84.063		8,590,567
Federal Direct Student Loans*	84.268		1,261,817
Total Student Financial Aid Cluster			10,230,686
Pass-through Programs from:			
Mississippi Community College Board -			
Adult Education-Basic Grants to States	84.002	V002A00025	515,562
Mississippi Community College Board -			
Vocational Education Basic Grants for States	84.048	3403	210,163
Subtotal Pass-through Programs			725,725
Cares Act: Higher Education Emergency Relief Fund:			
COVID-19 Education Stabilization Fund -			
HEERF II Student Aid Portion*	84.425E	P425E200644-20A	37,925
COVID-19 Education Stabilization Fund -			
HEERF III Student Aid Portion*	84.425E	P425E200644-20B	5,821,976
COVID-19 Education Stabilization Fund -			
HEERF II Institutional Portion*	84.425F	P425F200497-20A	4,294,844
COVID-19 Education Stabilization Fund -			
HEERF III Institutional Portion*	84.425F	P425F200497-20B	3,153,689
COVID-19 Education Stabilization Fund -			
HEERF Strengthening Institutional Portion*	84.425M	P425M200497-20B	1,000
			13,309,434
Total U.S. Department of Education			24,265,845

*- denotes major program

JONES COUNTY JUNIOR COLLEGE
Schedule of Expenditures of Federal Awards
Schedule 1
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Pass-through Program from:			
Mississippi Department of Human Services and			
Mississippi Community College Board Child Care			
and Development Block Grant	93.575	6021283/6021284	$ 172,596
Total U.S. Department of Health and Human Services			172,596
Total Expenditures of Federal Awards			$ 24,983,095

*- denotes major program

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

JONES COUNTY JUNIOR COLLEGE
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

(3) Indirect Cost Rate

The College did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Other Items

For purposes of this schedule, loans made to students under the Federal Direct Student Loans (ALN # 84.268) are presented as federal expenditures. Neither the funds advanced to students nor the outstanding loan balance is included in the financial statements since the loans are made and subsequently collected by private lending institutions and/or the federal government.

Student Loans	$	1,261,817
Federal Grants and Contracts	$	1,261,817

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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

To the Board of Trustees
Jones County Junior College
Ellisville, Mississippi

Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Jones County Junior College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Jones County Junior College's basic financial statements, and have issued our report thereon dated March 6, 2023. The financial statements of the Jones County Junior College Foundation, Inc. was not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Jones County Junior College Foundation, Inc.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

GranthamPoole PLLC

GranthamPoole PLLC
Hattiesburg, Mississippi
March 6, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Jones County Junior College
Ellisville, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jones County Junior College's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jones County Junior College's major federal programs for the year ended June 30, 2022. Jones County Junior College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jones County Junior College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jones County Junior College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Jones County Junior College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purposes of expressing an opinion on the effectiveness of Jones County Junior College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

GranthamPoole PLLC

GranthamPoole PLLC
Hattiesburg, Mississippi
March 6, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Board of Trustees
Jones County Junior College
Ellisville, Mississippi

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the Jones County Junior College as of and for the year ended June 30, 2022, which collectively comprise Jones County Junior College's basic financial statements and have issued our report thereon dated March 6, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The financial statements of Jones County Junior College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

We have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements did not disclose any instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies, the Office of the State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

GranthamPoole PLLC

GranthamPoole PLLC
Hattiesburg, Mississippi
March 6, 2023

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JONES COUNTY JUNIOR COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified that is not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Type of Auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007	Student Financial Aid Cluster - FSEOG
84.033	Student Financial Aid Cluster – FWS
84.063	Student Financial Aid Cluster – PELL
84.268	Student Financial Aid Cluster - Federal Direct Student Loans
84.425E	Covid-19 Education Stabilization Fund (HEERF)-Student Aid Portion
84.425F	Covid-19 Education Stabilization Fund (HEERF)-Institutional Portion
84.425M	Covid-19 Education Stabilization Fund (HEERF)-Strengthening Institutional Portion

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes
Prior fiscal year audit finding(s) and questioned costs relative to Federal awards which would require the auditee to prepare a summary Schedule of prior audit findings in accordance with 2 CFR 200.511(b)?	No

JONES COUNTY JUNIOR COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II: Financial Statements

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to the federal awards.