



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

PHIL BRYANT
State Auditor

RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

BRENT BALLARD, CPA
Director, Education Audit Section

MISSISSIPPI DELTA COMMUNITY COLLEGE

Audited Financial Statements
For the Year Ended June 30, 1999

MISSISSIPPI DELTA COMMUNITY COLLEGE

TABLE OF CONTENTS

FINANCIAL AUDIT REPORT1
 Independent Auditor's Report on the General Purpose Financial Statements and Supplemental
 Information3
AUDITED FINANCIAL STATEMENTS.....5
 Balance Sheet.....6
 Statement of Changes in Fund Balances8
 Statement of Current Fund Revenues, Expenditures and Other Changes10
 Summary of Significant Accounting Policies11
 Notes to Financial Statements13
SUPPLEMENTAL INFORMATION.....17
 Schedule of Expenditures of Federal Awards18
REPORTS ON COMPLIANCE AND INTERNAL CONTROL.....21
 Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based
 on an Audit of the General Purpose Financial Statements Performed in Accordance with
 Government Auditing Standards23
 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal
 Program and Internal Control Over Compliance in Accordance with OMB Circular A-13325
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS.....27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS31

MISSISSIPPI DELTA COMMUNITY COLLEGE

FINANCIAL AUDIT REPORT

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT
ON
THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

June 5, 2000

Dr. Bobby Garvin, President
and Board of Trustees
Mississippi Delta Community College
Moorhead, Mississippi

We have audited the general purpose financial statements of Mississippi Delta Community College as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Mississippi Delta Community College's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

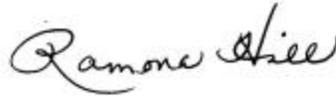
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Mississippi Delta Community College as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2000 on our consideration of Mississippi Delta Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



PHIL BRYANT
State Auditor



RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

MISSISSIPPI DELTA COMMUNITY COLLEGE

AUDITED FINANCIAL STATEMENTS

MISSISSIPPI DELTA COMMUNITY COLLEGE
 Balance Sheet
 June 30, 1999
 (With Comparative Figures at June 30, 1998)

Exhibit A

ASSETS	Current Year	Prior Year	LIABILITIES AND FUND BALANCES	Current Year	Prior Year
Current Funds			Current Funds		
Current Unrestricted Funds:			Current Unrestricted Funds:		
Cash and other deposits (Note 3)	\$ 4,307,727	4,145,493	Accounts payable and accrued expenses	\$ 552,365	317,139
Investments (Note 4)	157,051	141,502	Due to other funds		602
Accounts receivable:			Deferred credits	27,858	24,500
State appropriation	314,497	283,407	Fund balances:		
Students, less allowance of			Allocated		
\$17,564 (1999) and			General		30,000
\$19,289 (1998)	90,886	10,418	Unallocated		
Other	520,778	282,615	General	4,098,374	3,934,335
Inventories	300,064	283,839	Auxiliary	1,119,809	1,002,330
Prepaid items and deferred charges	57,513	55,334			
Due from other funds	49,890	106,298			
Total Current Unrestricted Funds	5,798,406	5,308,906	Total Current Unrestricted Funds	5,798,406	5,308,906
Current Restricted Funds:			Current Restricted Funds:		
Cash and other deposits (Note 3)	110,594	94,912	Accounts payable and accrued expenses	4,800	496
Investments (Note 4)	77,843	70,570	Due to other funds	49,890	106,298
Other accounts receivable	49,932	106,592	Fund balance:		
Due from other funds		202	Allocated	183,679	165,482
Total Current Restricted Funds	238,369	272,276	Total Current Restricted Funds	238,369	272,276
Total Current Funds	\$ 6,036,775	5,581,182	Total Current Funds	\$ 6,036,775	5,581,182
Loan Funds			Loan Funds		
Notes receivable:			Fund balances:		
Federal student loans, less allowance of			Federal	\$ 0	0
\$5,860 (1999) and					
\$5,860 (1998) (Note 5)	\$ 0	0			
Total Loan Funds	\$ 0	0	Total Loan Funds	\$ 0	0

Plant Funds		
Cash and other deposits (Note 3)	\$ 1,567,250	1,552,801
Other accounts receivable	117,905	140,940
Due from other funds		400
Land	296,708	156,707
Improvements other than buildings	1,333,459	987,720
Buildings	18,074,115	14,393,419
Furniture, machinery and equipment	4,129,501	3,562,707
Books and films	619,416	595,404
Construction in progress (Note 7)	<u>302,939</u>	<u>2,150,054</u>
Total Plant Funds	\$ <u>26,441,293</u>	<u>23,540,152</u>

Agency Funds		
Cash and other deposits (Note 3)	\$ <u>59,050</u>	<u>61,069</u>
Total Agency Funds	\$ <u>59,050</u>	<u>61,069</u>

Plant Funds		
Notes payable (Note 6)	\$ 706,006	
Fund balances:		
Unexpended	1,685,155	1,694,141
Net investment in plant	24,050,132	21,846,011
Total Plant Funds	\$ <u>26,441,293</u>	<u>23,540,152</u>

Agency Funds		
Due to depositors	\$ <u>59,050</u>	<u>61,069</u>
Total Agency Funds	\$ <u>59,050</u>	<u>61,069</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

MISSISSIPPI DELTA COMMUNITY COLLEGE
Statement of Changes in Fund Balances
For the Year Ended June 30, 1999

Exhibit B

	<u>Current Funds</u>			<u>Plant Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>
Revenues and Other Additions						
Tuition and fees	\$ 2,743,000		2,743,000			
State appropriations	7,923,881		7,923,881	1,701,875		
Local appropriations	1,589,405		1,589,405	529,117		
Federal grants and contracts	799,790	4,650,441	5,450,231			
State grants and contracts	2,084,686	146,954	2,231,640			
Private gifts, grants & contracts						
Investment income	40,005	4,137	44,142	17,446		
Increase (Decrease) in the fair value of investments	15,549	7,273	22,822			
Proceeds from notes	724,844		724,844			
Additions to plant facilities						3,179,373
Retirement of indebtedness						18,838
Sales and services of auxiliary activities	2,125,161		2,125,161			
Other	338,139	15,957	354,096	2,400		
Total Rev. & Other Additions	<u>18,384,460</u>	<u>4,824,762</u>	<u>23,209,222</u>	<u>2,250,838</u>		<u>3,198,211</u>
Expenditures & Other Deductions						
Educational and general:						
Instruction	9,813,672	416,229	10,229,901			
Academic support	475,894	24,855	500,749			
Student services	1,140,172	85,166	1,225,338			
Institutional support	1,668,567	104,701	1,773,268			
Operation & maint. of plant	2,497,879	117,957	2,615,836			
Student aid	447,139	4,082,903	4,530,042			
Total Educational and General	16,043,323	4,831,811	20,875,134			
Auxiliary	2,007,682		2,007,682			
Unrealized loss on valuation of inventory	15,600		15,600			
Administrative costs recovered		12,134	12,134			
Repairs and maintenance				301,108		
Expended for plant facilities				1,958,716		
Plant assets sold or retired						269,246
Retirement of indebtedness					18,838	
Interest on indebtedness					11,844	
Long-term debt incurred						724,844
Provision for uncollectible accts.	(1,725)		(1,725)			
Total Expenditures and Other Deductions	<u>18,064,880</u>	<u>4,843,945</u>	<u>22,908,825</u>	<u>2,259,824</u>	<u>30,682</u>	<u>994,090</u>

Transfers - Additions (Deductions)

Mandatory:

Principal and interest	(30,682)		(30,682)		30,682	
Restricted fund matching	<u>(37,380)</u>	<u>37,380</u>	<u>(30,682)</u>		<u>30,682</u>	
Total Mandatory	<u>(68,062)</u>	<u>37,380</u>	<u>(30,682)</u>		<u>30,682</u>	
Total Transfers	<u>(68,062)</u>	<u>37,380</u>	<u>(30,682)</u>		<u>30,682</u>	
Net Increase (Decr.) for Year	<u>251,518</u>	<u>18,197</u>	<u>269,715</u>	<u>(8,986)</u>	<u>0</u>	<u>2,204,121</u>
Fund Balance at Beg. of Year As Previously Reported	<u>4,966,665</u>	<u>165,482</u>	<u>5,132,147</u>	<u>1,694,141</u>	<u>0</u>	<u>21,846,011</u>
Fund Balance at End of Year	<u>\$ 5,218,183</u>	<u>183,679</u>	<u>5,401,862</u>	<u>1,685,155</u>	<u>0</u>	<u>24,050,132</u>

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

MISSISSIPPI DELTA COMMUNITY COLLEGE
Statement of Current Fund Revenues, Expenditures and Other Changes
For the Year Ended June 30, 1999
(With Comparative Figures for the Year Ended June 30, 1998)

Exhibit C

	Current Year			Prior Year
	Unrestricted	Restricted	Total	Total
Revenues and Other Additions				
Tuition and fees	\$ 2,743,000		2,743,000	2,338,997
State appropriations	7,923,881		7,923,881	7,794,544
Local appropriations	1,589,405		1,589,405	1,539,167
Federal grants and contracts	799,790	4,628,921	5,428,711	4,852,143
State grants and contracts	2,084,686	138,143	2,222,829	2,213,976
Private gifts, grants and contracts				100
Investment income	40,005	4,137	44,142	68,316
Increase (Decrease) in the fair value of investments	15,549	7,273	22,822	163,538
Proceeds from notes	724,844		724,844	
Sales and services of auxiliary activities	2,125,161		2,125,161	1,913,013
Other	338,139	15,957	354,096	196,250
Total Revenues and Other Additions	18,384,460	4,794,431	23,178,891	21,080,044
Expenditures & Mandatory Transfers				
Educational and general:				
Instruction	9,813,672	416,229	10,229,901	9,314,319
Academic support	475,894	24,855	500,749	480,747
Student services	1,140,172	85,166	1,225,338	1,140,501
Institutional support	1,668,567	104,701	1,773,268	1,639,834
Oper. & maintenance of plant	2,497,879	117,957	2,615,836	1,605,102
Student aid	447,139	4,082,903	4,530,042	3,928,521
Total Educational and General Expenditures	16,043,323	4,831,811	20,875,134	18,109,024
Mandatory transfers:				
Principal and interest	30,682		30,682	
Restricted fund matching	37,380	(37,380)		
Total Educational and General	16,111,385	4,794,431	20,905,816	18,109,024
Auxiliary enterprises:				
Expenditures	2,007,682		2,007,682	1,869,988
Total Expenditures and Mandatory Transfers	18,119,067	4,794,431	22,913,498	19,979,012
Other Transfers - Additions (Ded.)				
Excess restricted receipts over expenditures & mandatory transfers		30,331	30,331	64,778
Unrealized loss on valuation of inventory	(15,600)		(15,600)	(14,223)
Administrative costs recovered		(12,134)	(12,134)	(14,444)
Provision for uncollectible accounts	1,725		1,725	(9,900)
Total Other Transfers - Additions (Deductions)	(13,875)	18,197	4,322	26,211
Net Change in Fund Balance	\$ 251,518	18,197	269,715	1,127,243

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

MISSISSIPPI DELTA COMMUNITY COLLEGE

Summary of Significant Accounting Policies
For the Year Ended June 30, 1999

The significant accounting policies followed by Mississippi Delta Community College are described below to enhance the usefulness of the financial statements to the reader.

(1) Basis of Accounting.

Mississippi Delta Community College uses the accounting system set out in the "Accounting Manual for Mississippi's Public Junior Colleges." This manual conforms in most respects with the principles set forth in the "Financial and Reporting Manual for Higher Education" issued by the National Association of College and University Business Officers (NACUBO), and the Industry Audit Guide, "Audits of Colleges and Universities" issued by the American Institute of Certified Public Accountants, while acknowledging the goals and activities of Mississippi's public community colleges.

The accompanying financial statements have been prepared generally on the accrual basis with the following exceptions, which are common practices in colleges and universities:

- A. Depreciation on physical plant and equipment has not been provided.
- B. To the extent that Current Funds are used to finance plant assets, the amounts so provided are accounted for as (a) expenditures, in the case of normal acquisition and/or replacement of moveable equipment and library books; (b) mandatory transfers, in the case of required provisions for debt amortization and interest, and equipment renewals and replacements; and (c) transfers of a nonmandatory nature for all other cases.
- C. Interest expense on debt is recorded when paid.

Gifts, grants and pledges are generally recorded when received or when billable.

Investments are recorded in accordance with Governmental Accounting Standards Board Statement Number 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation. Improvements made as part of repair and renovation projects are capitalized based upon institution estimates which approximate cost. Public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, such as roads, bridges, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the institution, are capitalized.

Merchandise for resale inventories and consumable supply inventories are stated at cost, with cost being determined principally by the first-in, first-out method.

Catfish inventory is valued at anticipated net realizable value.

All revenues and related expenditures incurred in connection with summer sessions are reported within the fiscal year in which the summer sessions are predominantly conducted.

MISSISSIPPI DELTA COMMUNITY COLLEGE

Summary of Significant Accounting Policies
For the Year Ended June 30, 1999

(2) Fund Accounting.

In order to insure observance of limitations and restrictions placed on the use of the resources available, the accounts of the institution are maintained in accordance with the principles of fund accounting. This accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The Current Funds are used primarily to account for transactions which are expended in performing the primary and support objectives of the institution.

Current Funds consist of the following:

- A. The Unrestricted Fund which is used to account for:
 - 1. The appropriated budget as approved by the Mississippi State Legislature and the Board of Trustees of Mississippi Delta Community College.
 - 2. The transactions of substantially self-supporting activities that primarily provide services for students, faculty and staff.
- B. The Restricted Fund which is used to account for Current Funds expended for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Other funds consist of the following:

- A. The Loan Funds consist of old outstanding student loans which, at June 30, 1999, were determined to have no value.
- B. The Plant Funds which are used to account for the transactions relating to institution physical properties include:
 - 1. The Unexpended Plant Fund which is comprised of amounts which have been appropriated or designated for the purchase of institution physical properties or the repair and maintenance of such physical properties.
 - 2. The Retirement of Indebtedness Plant Fund which represents resources held for the retirement of and interest on debt and includes sinking funds established under bond indentures and note and lease amortization payments accumulated, but not yet due.
 - 3. The Investment in Plant Fund which represents the total physical properties in service by the institution and all construction in progress as well as any associated liabilities.
- C. Agency Funds account for assets held by the institution as custodian or fiscal agent for others. Consequently, the transactions of this fund do not affect the statement of changes in fund balances.

MISSISSIPPI DELTA COMMUNITY COLLEGE

Notes to Financial Statements
For the Year Ended June 30, 1999

(1) Appropriations - General Operations.

Mississippi Delta Community College receives funds from the state of Mississippi based on the number of full-time 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. In addition, the institution receives funds from taxes levied by the counties in the district for general support, maintenance and capital improvement.

(2) Accrued Leave.

Because the institution does not provide for the accumulation of sick leave or vacation beyond one fiscal year, no liability has been accrued in the financial statements.

(3) Cash and Other Deposits.

For financial statement purposes, cash and other deposits are represented by demand accounts and certificates of deposit. Also included in this account are imprest cash accounts held by the institution. The carrying amount of the institution's cash and other deposits at June 30, 1999, was \$6,044,621 and the depository balance was \$6,939,505, which was covered by federal depository insurance or by collateral held by the pledging financial institution.

(4) Investments.

Except for (1) nonparticipating investment contracts and for (2) participating interest-earning investment contracts and money market investments that had a remaining maturity at the time of purchase of one year or less, investments are reported at fair value which is based on quoted market price. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Participating interest-earning investment contracts and money market investments that had a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments made by the institution that are included on the balance sheet are summarized below:

	Category			Fair Value	Cost
	-1-	-2-	-3-		
Corporate equities	\$ <u>7,403</u>	<u>0</u>	<u>0</u>	7,403	9,513
Total				7,403	9,513
Mutual funds				<u>227,491</u>	<u>39,022</u>
Total				\$ <u>234,894</u>	<u>48,535</u>

MISSISSIPPI DELTA COMMUNITY COLLEGE

Notes to Financial Statements
For the Year Ended June 30, 1999

(5) Notes Receivable From Students.

The federally financed Perkins loan program has been inactive at Mississippi Delta Community College since 1964, and the last time a payment was received was August, 1975. Since the opinion of the institution's management is that these accounts will never be collected, an allowance for doubtful accounts has been established to offset these receivables until such time as they can be assigned to the federal government. The notes receivable balance and the allowance for doubtful accounts balance at June 30, 1999 is \$5,860.

(6) Long-term Debt.

The institution has a long-term obligation as follows:

<u>Description and Purpose</u>	<u>Original Issue</u>	<u>Annual Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Owed at 6-30-99</u>
Notes payable:				
Trustmark National Bank	\$ <u>724,844</u>	4.95%	2/26/09	\$ <u>706,006</u>

Annual requirements to amortize outstanding long-term debt are as follows:

<u>June 30</u>	<u>Notes</u>
2000	\$ 92,045
2001	92,045
2002	92,045
2003	92,045
2004	92,045
Later years	<u>429,540</u>
Total	889,765
Less: Amounts Representing Interest	<u>183,759</u>
Total at Present Value	\$ <u><u>706,006</u></u>

MISSISSIPPI DELTA COMMUNITY COLLEGE

Notes to Financial Statements
For the Year Ended June 30, 1999

(7) Construction Commitments and Financing.

The institution has contracted for the construction of the Law Enforcement Training Academy, the Allied Health addition and the Indianola Workforce Center. At June 30, 1999, estimated costs to complete the projects are as follows. These remaining costs are to be funded by the Bureau of Building, Grounds and Real Property Management, the Mississippi Delta Community College Foundation, Inc. and institutional funds.

Project	Cost to Complete
Law Enforcement Training Academy - coliseum	\$ 3,000
Law Enforcement Training Academy - firing range and range house	138,607
Indianola Workforce Center	3,893,220
Allied Health addition	914,177
Total	\$ 4,949,004

(8) Pension Plan.

Plan Description. The institution 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. Benefit provisions are established by state law 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 (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirement of PERS members are established and may be amended only by the State of Mississippi Legislature. The institution's contributions to PERS for the years ending June 30, 1999, 1998 and 1997 were \$854,528, \$788,066 and \$721,295, respectively, equal to the required contributions for each year.

MISSISSIPPI DELTA COMMUNITY COLLEGE

Notes to Financial Statements
For the Year Ended June 30, 1999

(9) Foundation.

Mississippi Delta Community College Foundation, Inc. is an independent corporation formed for the purpose of receiving funds for the sole benefit of the institution. Following is a summary of the foundation's financial position at June 30, 1999, which amounts are not included in the financial statements of the institution:

<u>Assets</u>		<u>Amount</u>
Cash and investments	\$	587,145
Equipment		<u>1,455</u>
Total Assets	\$	<u><u>588,600</u></u>
<u>Liabilities and Fund Balances</u>		
Unrestricted	\$	5,599
Restricted		581,546
Net investment in plant		<u>1,455</u>
Total Liabilities and Fund Balances	\$	<u><u>588,600</u></u>

MISSISSIPPI DELTA COMMUNITY COLLEGE

SUPPLEMENTAL INFORMATION

MISSISSIPPI DELTA COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Student Financial Aid - Cluster:			
U.S. Department of Education:			
Direct programs:			
Federal PELL Grant Program	84.063		\$ 3,807,535
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		91,108
Federal Work-study Program (FWS)	84.033		<u>177,540</u>
Subtotal direct programs			<u>4,076,183</u>
Pass-through program from:			
Mississippi Board of Institutions of Higher Learning - Leveraging Educational Assistance Partnership	84.069	N/A	<u>2,120</u>
Total U.S. Department of Education			<u>4,078,303</u>
U.S. Department of Labor			
Pass-through program from:			
Employment and Training Administration - Job Training Partnership Act	17.250	9-02M-2-511-777/9-11M-E-511-777	<u>39,126</u>
Total U.S. Department of Labor			<u>39,126</u>
Total Student Financial Aid			<u>4,117,429</u>
Other Programs:			
U.S. Department of Agriculture:			
Pass-through program from:			
Department of Economic and Community Development Mid-Delta Empowerment Zone Alliance - Empowerment Zones Program	10.772	N/A	<u>106,780</u>
Total U.S. Department of Agriculture			<u>106,780</u>
U.S. Department of Labor:			
Pass-through program from:			
Mississippi Department of Education - Job Training Partnership Act	17.250	9-02M-2-511-777/9-11M-E-511-777	<u>384,724</u>
Total U.S. Department of Labor			<u>384,724</u>

National Aeronautics and Space Administration:			
Pass-through program from:			
Mississippi State Board for Community & Junior Colleges - Remote Sensing - Aerospace Education Services Program	43.001	SSC-152	<u>39,993</u>
Total National Aeronautics and Space Administration			<u>39,993</u>
Small Business Administration:			
Pass-through program from:			
University of Mississippi - Mississippi Small Business Development Center Small Business Development Center	59.037	0-7620-0025-19	<u>36,408</u>
Total Small Business Administration			<u>36,408</u>
Veterans' Administration:			
Post-Vietnam Era Veterans' Educational Assistance	64.120		<u>458</u>
Total Veterans' Administration			<u>458</u>
U.S. Department of Education:			
Pass-through programs from:			
Mississippi State Board for Community & Junior Colleges - Adult Education - State Grant Program	84.002	640	228,302
Mississippi Department of Education - Vocational Education - Basic Grants to States	84.048	6703	367,193
Mississippi Department of Education - Tech-Prep Education	84.243	6703-000134T	<u>120,053</u>
Total U.S. Department of Education			<u>715,548</u>
U.S. Department of Health and Human Services:			
Rural Health Research Centers	93.155		<u>43,791</u>
Total U.S. Department of Health and Human Services			<u>43,791</u>
Total Other Programs			<u>1,327,702</u>
Total Expenditures of Federal Awards			<u>\$ 5,445,131</u>

Notes to Schedule of Expenditures of Federal Awards

This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the general purpose financial statements.

MISSISSIPPI DELTA COMMUNITY COLLEGE

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MISSISSIPPI DELTA COMMUNITY COLLEGE

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

MISSISSIPPI DELTA COMMUNITY COLLEGE

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

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

June 5, 2000

Dr. Bobby Garvin, President
and Board of Trustees
Mississippi Delta Community College
Moorhead, Mississippi

We have audited the general purpose financial statements of Mississippi Delta Community College as of and for the year ended June 30, 1999, and have issued our report thereon dated June 5, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the institution's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

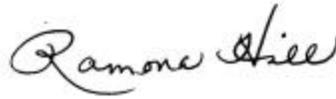
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT
State Auditor



RAMONA HILL, CPA
Director, Financial and Compliance Audit Division



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 5, 2000

Dr. Bobby Garvin, President
and Board of Trustees
Mississippi Delta Community College
Moorhead, Mississippi

Compliance

We have audited the compliance of Mississippi Delta Community College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The institution's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the institution's management. Our responsibility is to express an opinion on the institution's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the institution's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the institution's compliance with those requirements.

In our opinion, Mississippi Delta Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

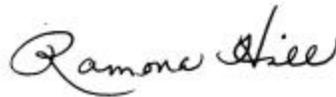
The management of Mississippi Delta Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the institution's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT
State Auditor



RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

MISSISSIPPI DELTA COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

MISSISSIPPI DELTA COMMUNITY COLLEGE

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

June 5, 2000

Dr. Bobby Garvin, President
and Board of Trustees
Mississippi Delta Community College
Moorhead, Mississippi

We have audited the general purpose financial statements of Mississippi Delta Community College as of and for the year ended June 30, 1999, and have issued our report thereon dated June 5, 2000. We conducted our audit in accordance with generally accepted auditing standards.

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

The results of those procedures and our audit of the general purpose 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 and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Phil Bryant in cursive.

PHIL BRYANT
State Auditor

Handwritten signature of Ramona Hill in cursive.

RAMONA HILL, CPA
Director, Financial and Compliance Audit Division

MISSISSIPPI DELTA COMMUNITY COLLEGE

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MISSISSIPPI DELTA COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MISSISSIPPI DELTA COMMUNITY COLLEGE

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MISSISSIPPI DELTA COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

Section 1: Summary of Auditor's Results

1. An unqualified opinion was issued on the general purpose financial statements.
2. The audit of the general purpose financial statements did not disclose any material weaknesses or reportable conditions in internal control.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses or reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings which are required to be reported under Section _____.510(a) of OMB Circular A-133.
7. The major programs were the student financial aid cluster (CFDA #s 84.007, 84.033, 84.063 and 84.069), the Department of Education - Vocational Education - Basic Grants to States (CFDA #84.048) and the Department of Labor - Job Training Partnership Act (CFDA #17.250).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The auditee qualified as a low-risk auditee.
10. There are no prior audit findings and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section _____315(b) of OMB Circular A-133.

Section 2: Findings Relating to the 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 3: Findings and Questioned Costs for Federal Awards

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