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**COAHOMA COMMUNITY COLLEGE  
AND AGRICULTURAL HIGH SCHOOL  
FINANCIAL AUDIT REPORT  
YEAR ENDED JUNE 30, 2009**

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
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**JUNE 30, 2009**

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**INDEPENDENT AUDITORS' REPORT  
ON  
THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

To the President and Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi 38614

We have audited the accompanying financial statements of the business-type activities of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Coahoma Community College and Agricultural High School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Coahoma Community College and Agricultural High School, as of June 30, 2009, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of Coahoma Community College and Agricultural High School's internal control over financial reporting and 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 describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 5 through 18, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Coahoma Community College and Agricultural High School's basic financial statements. The 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, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Tupelo, Mississippi  
December 20, 2010

*JE Vance + Company*

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

This section of the Coahoma Community College and Agricultural High School annual financial report represents our discussion and analysis of the financial performance of the college and high school during the fiscal year ended June 30, 2009. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The financial statements, footnotes, 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.

The annual report consists of three basic financial statements that provide information on the college and high school as a whole: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. These statements 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.

The Statement of Net Assets includes all assets and liabilities. The college and high school's net assets (the difference between assets and liabilities) are one indicator of the college and high school's financial health. Over time, increases or decreases in net assets are one indicator of improvement or erosion of the college and high school's financial health when considered along with non-financial factors such as enrollment levels and the condition of the facilities of the college and high school.

The Statement of Revenues, Expenses and Changes in Net Assets 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 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.



## **Coahoma Community College and Agricultural High School**

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Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

Another important factor to consider when evaluating financial viability is the college and high school'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, noncapital financing, capital and related financing, and investing activities.

### **Financial and Enrollment Highlights**

- Enrollment increased for fiscal year 2009 by 10.9% based on headcount.

<b>Year</b>	<b>Total Students Enrolled in Fall</b>
2000	1,260
2001	1,322
2002	1,633
2003	1,794
2004	1,964
2005	1,946
2006	1,838
2007	2,036
2008	2,216
2009	2,458

- Revenue from Tuition and Fees increased 12.3% from the prior year.
- Revenue from federal and state grants increased by 5.9% from the prior year.
- Revenue from state and local appropriations increased by .5% from the prior year.
- The value of the endowment fund decreased by 23.5%.



## Coahoma Community College and Agricultural High School

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### Condensed Statement of Net Assets

	For the year ended:	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
<b>Assets</b>		
Current Assets	\$ 8,318,742	\$ 9,158,042
Noncurrent Assets:		
Capital Assets, Net	24,748,546	24,386,046
Other Assets	<u>5,722,326</u>	<u>4,858,452</u>
<b>Total Assets</b>	<u><u>38,789,614</u></u>	<u><u>38,402,540</u></u>
<b>Liabilities</b>		
Current Liabilities	563,168	952,969
Noncurrent Liabilities	<u>1,017,161</u>	<u>1,261,751</u>
<b>Total Liabilities</b>	<u>1,580,329</u>	<u>2,214,720</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	23,485,158	22,887,901
Restricted:		
Nonexpendable	2,662,903	3,481,657
Expendable	423,500	423,500
Capital projects	1,900,000	1,900,000
Unrestricted	<u>8,737,724</u>	<u>7,494,762</u>
<b>Total Net Assets</b>	<u><u>\$ 37,209,285</u></u>	<u><u>\$ 36,187,820</u></u>

### Assets

#### Current Assets

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the college and high school's bank accounts. The total amount of cash and cash equivalents reported as current assets on the college and high school's financial statements was \$4,920,957 at June 30, 2009 compared to \$7,060,423 at June 30, 2008.

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### **Accounts Receivable**

Accounts receivable relate to several transactions including county appropriations and student tuition and fee billings. In addition, receivables arise from grant awards and financial aid revenues. The receivables are shown net of allowances for doubtful accounts. The college and high school's receivables totaled \$2,056,256 at June 30, 2009 compared to 1,696,754 at June 30, 2008.

### **Inventories**

The college and high school maintains inventories of resale merchandise as well as items of food purchased for the cafeteria. Books, student supplies, and institutional memorabilia make up the majority of the resale inventory. Inventories totaled \$543,662 at June 30, 2009 compared to \$400,865 at June 30, 2008.

### **Prepaid Construction**

Prepaid construction consists of amounts paid to the Mississippi Office of Buildings, Grounds and Real Property Management for the cost of electrical utility upgrades, a structural analysis of Gambrell Hall, and repairs to The Pinnacle all of which are expected to be completed during the 2009/2010 school year. Prepaid construction at June 30, 2009 was \$797,867 compared to \$1,322,178 at June 30, 2008.

### **Noncurrent Assets**

#### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents are those funds that are held in the bank accounts and certificates of deposit, which are restricted for specific purposes. Restricted cash and cash equivalents primarily consist of federal funds and agency funds held for others. The amount of restricted cash and cash equivalents at June 30, 2009 was \$3,053,859 compared to \$45,882 at June 30, 2008.

#### **Endowment Investments**

Endowment investments include marketable securities held and managed by investment managers. These investments are recorded at their fair market value. The fair market value at June 30, 2009 was \$2,662,903 compared to \$3,481,657 at June 30, 2008.

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### **Capital Assets, Net**

Capital assets, net consist of land, infrastructure, buildings, equipment, and historical library holdings at June 30, 2009. The amount reported is net of accumulated depreciation. Capital assets, net totaled \$24,748,546 at June 30, 2009, in comparison to \$24,386,046 at June 30, 2008.

### **Liabilities**

#### **Current Liabilities**

##### **Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities represent amounts due at June 30, 2009 for goods and services received before the end of the fiscal year. Accounts payable and accrued liabilities totaled \$197,798 at June 30, 2009, in comparison to \$614,123 at June 30, 2008.

##### **Deferred Revenues**

Deferred revenues represent tuition and fees received during the fiscal year but were not earned until the next fiscal year. Deferred revenues totaled \$33,199 at June 30, 2009 compared to \$62,427 at June 30, 2008.

##### **Long-Term Liabilities - Current Portion**

Long-term liabilities – current portion represents the portion of principal payments for long-term debt that is due within one year. The current portion of bonds and notes due at June 30, 2009 was \$249,117, in comparison to \$236,394, due at June 30, 2008.

##### **Noncurrent Liabilities**

##### **Deposits Refundable**

Deposits refundable consist of student housing deposits to be refunded to students. Student housing deposits refundable at June 30, 2009 were \$2,890. No deposits were refundable at June 30, 2008.

## Coahoma Community College and Agricultural High School

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### Long-Term Liabilities

Long-term liabilities primarily consist of long-term debt acquired by the institution for capital construction totaling \$1,014,271 as of June 30, 2009, in comparison to \$1,261,751 at June 30, 2008. The schedule of long-term debt are (1) Coahoma Agricultural High School state aid capital improvement bonds, series 1998, \$285,000, (2) Department of Environmental Quality state revolving fund loan, \$69,271, and (3) Educational facilities note, series 1998, \$660,000.

### Net Assets

Net assets represent the difference between the college and high school's assets and its liabilities. Total net assets at June 30, 2009 were \$37,209,285, compared to \$36,187,820 at June 30, 2008.

### Restricted Net Assets

Restricted nonexpendable net assets consist of endowment gifts with specific restrictions on spending the principal given. Restricted expendable net assets consist of endowment gifts, gifts with specific restrictions, grants from third party agencies with expenditure restrictions, and loan funds. Restricted net assets at June 30, 2009 were \$4,986,403 of which \$2,662,903 was nonexpendable. Restricted net assets at June 30, 2008 were \$5,805,157 of which \$3,481,657 was nonexpendable.

### Unrestricted Net Assets

Unrestricted net assets represent those balances from operational activities that have not been restricted by parties external to the college and high school such as donors and grant agencies. This includes funds that are normal working capital balances maintained for departmental and auxiliary enterprise activities. Unrestricted net assets at June 30, 2009 were \$8,737,724 compared to \$7,494,762 at June 30, 2008.

## Coahoma Community College and Agricultural High School

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### Condensed Statement of Revenues, Expenses and Changes in Net Assets

	For the Year Ended:	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating Revenues:		
Tuition and Fees	\$ (114,085)	\$ (112,596)
Grants and Contracts	18,525,838	16,995,245
Sales and Services	22,093	29,747
Auxiliary Enterprises	841,985	825,852
Other Operating Revenues	<u>636,357</u>	<u>600,815</u>
Total Operating Revenues	19,912,188	18,339,063
Operating expenses	<u>30,339,981</u>	<u>27,804,967</u>
Operating loss	<u>(10,427,793)</u>	<u>(9,465,904)</u>
Nonoperating Revenues:		
State Appropriations	8,906,055	8,739,571
County Appropriations	2,426,176	2,538,094
Investment Income, Net	81,498	74,091
Interest Expense on Capital Asset Related Debt	<u>(71,937)</u>	<u>(105,666)</u>
Net Nonoperating Revenues	<u>11,341,792</u>	<u>11,246,090</u>
Income (Loss) Before Other Revenues	913,999	1,780,186
Capital Grants	1,076,497	1,204,777
Other (Deletions), Net	<u>(1,041,888)</u>	<u>(313,610)</u>
Total Other Revenues (Expenses)	<u>34,609</u>	<u>891,167</u>
Increase in Net Assets	948,608	2,671,353
Net Assets at Beginning of Year	36,187,820	33,516,467
Prior Period Adjustments	<u>72,857</u>	<u>-0-</u>
Net Assets at End of Year	<u>\$ 37,209,285</u>	<u>\$ 36,187,820</u>

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

Total operating loss for fiscal year 2009 was \$10,427,793, compared to \$9,465,904 for fiscal year 2008. Since the state of Mississippi appropriations are not included within operating revenue per GASB No. 35, the college and high school shows a significant operating loss.

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

The college and high school strives to provide students with the opportunity to obtain quality education. Future enrollment 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 2009 were \$19,912,188 compared to \$18,339,063 for fiscal year 2008. Tuition and fees for fiscal year 2009 were \$4,379,284 compared to \$3,899,947 for fiscal year 2008. Operating expenses, including depreciation of \$1,194,701, totaled \$30,339,981 for fiscal year 2009. Operating expenses for fiscal year 2008, including depreciation of \$903,542, totaled \$27,804,967.

### **Revenues**

#### **Operating Revenues**

##### **Tuition and Fees**

This category includes all tuition and fees assessed for educational purposes totaling \$4,379,284 for fiscal year 2009, in comparison to \$3,899,947 for fiscal year 2008.

##### **Grants and Contracts**

This category includes all restricted revenues made available by government agencies as well as by 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.



## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

The following table details the college and high school's grant and contract awards.

	<b>For the year ended:</b>	
	<b><u>June 30, 2009</u></b>	<b><u>June 30, 2008</u></b>
Federal Sources:		
Department of Education	\$ 13,956,072	\$ 12,506,413
State Sources:		
State Board for Community Colleges	1,901,468	1,675,276
Other Sources	<u>2,668,298</u>	<u>2,813,556</u>
Total All Sources	<u>\$ 18,525,838</u>	<u>\$ 16,995,245</u>

### **Sales and Services**

Sales and services consist of income from athletic activities that totaled \$22,093 for fiscal year 2009 and \$29,747 for fiscal year 2008.

### **Auxiliary Enterprises**

Auxiliary enterprises consists of various enterprise entities that exist primarily to furnish goods and services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. They are intended to be self supporting.

Auxiliary enterprises primarily include the college bookstore, college housing, and the cafeteria and snack bar. Total auxiliary service revenues totaled \$841,985 for fiscal year 2009, compared to \$825,852 for fiscal year 2008.

### **Operating Expenses**

Operating expenses for fiscal year 2009 totaling \$30,339,981, include salaries and benefits of \$15,574,349, scholarships and fellowships of \$4,785,281, services of \$4,330,569, supplies of \$2,893,757, depreciation of \$1,194,701, utilities of \$968,982, and travel of \$592,342. Operating expenses for fiscal year 2008 totaling \$27,804,967, include salaries and benefits of \$14,857,542, supplies of \$4,305,640, services of \$3,335,845, scholarships and fellowships of \$2,944,998, depreciation of \$903,542, utilities of \$883,247, and travel of \$574,153.



## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

	For the Year Ended	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Expenses by Function:		
Instruction	\$ 11,977,373	\$ 11,223,830
Academic Support	3,029,643	2,758,547
Student Services	2,105,150	3,292,525
Institutional Support	2,754,064	2,726,580
Operations and Maintenance of Plant	2,778,322	2,485,213
Student Financial Aid	5,018,666	3,552,131
Auxiliary Enterprises	1,482,062	862,599
Depreciation	1,194,701	903,542
Total Operating Expenses by Function	<u>\$ 30,339,981</u>	<u>\$ 27,804,967</u>

### **Nonoperating Revenues (Expenses)**

#### **State Aid**

The college and high school's largest source of nonoperating revenue is the State of Mississippi appropriations. The college and high school received \$8,906,055 for the 2009 fiscal year, which was for operations; \$1,076,497 was received in state capital grants for the purchase, construction, renovation and repair of fixed assets. For the 2008 fiscal year, the college and high school received \$8,739,571 in state appropriations and \$1,204,777 in state capital grants for the purchase, construction, renovation and repair of fixed assets.

#### **County Appropriations**

The college receives revenue from the five counties in the district in which it resides. The high school also receives revenue from the county in which it resides. Funding received by the college and high school is used for salaries and benefits and for operational purposes. These appropriations are received as monthly payments, beginning in July of each year. A portion of the support received from the counties is specifically restricted for capital improvements and the reduction of debt. The college and high school received \$2,426,176 for fiscal year 2009 compared to \$2,538,094 for fiscal year 2008. These appropriations were fully recorded by the college and high school during the fiscal year.

#### **Investment Income, Net**

Investment income includes interest income from the college and high school's cash and investments held by an outside agency. Investment income for the year ending June 30, 2009 was \$81,498 compared to \$74,091 at June 30, 2008.

## Coahoma Community College and Agricultural High School

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### Statement of Cash Flows

Another way to assess the financial health of the college and high school is by reviewing the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the college and high school during a period. The Statement of Cash Flows also helps users assess:

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

### Condensed Statement of Cash Flows - Direct Method

	For the year ended:	
	June 30, 2009	June 30, 2008
Cash and Cash Equivalents Provided (Used) by:		
Operating activities	\$ (9,971,867)	\$ (8,726,439)
Noncapital financing activities	11,726,901	11,230,805
Capital financing activities	(671,458)	(1,177,926)
Investing activities	(215,065)	(581,435)
Net Increase (Decrease) in Cash and Cash Equivalents	868,511	745,005
Cash and Cash Equivalents - Beginning of the Year	7,106,305	6,361,300
Cash and Cash Equivalents - End of the Year	<u>\$ 7,974,816</u>	<u>\$ 7,106,305</u>

The major sources of funds included in operating activities include grants and contracts of \$16,656,157, auxiliary enterprise revenues of \$880,268 and other receipts of \$936,021. The major uses of funds were payments of \$15,574,349 to employees, payments of \$7,816,668 to suppliers and payments of \$4,318,127 for scholarships. During the 2008 fiscal year, the major sources of funds included in operating activities include grants and contracts of 17,188,056 and auxiliary enterprise revenues of \$886,838. The major uses of funds during the 2008 fiscal year were payments of 14,857,542 to employees and payments of \$9,119,180 to suppliers and payments of \$2,944,998 for scholarships.

The largest inflows of cash for the 2009 fiscal year in the noncapital activities group is state appropriations of \$8,795,028 and local appropriations of \$2,461,708 compared to \$8,704,001 and \$2,526,804, respectively for the 2008 fiscal year.

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### **Selected Financial Analyses**

#### **Current Ratio**

	<b>06/30/09</b>	<b>06/30/08</b>	<b>06/30/07</b>
Current Assets	8,318,742	9,158,042	8,667,637
Current Liabilities	563,168	952,969	1,571,030
Current Ratio	14.77	9.61	5.52

#### **Operational Income Excluding Depreciation**

	<b>06/30/09</b>	<b>06/30/08</b>	<b>06/30/07</b>
Operating Revenues	19,912,188	18,339,063	15,261,195
Nonoperating Revenues	11,341,792	11,246,090	10,135,712
Less: Operating Expenses	(30,339,981)	(27,804,967)	(25,009,829)
Operational Income Including Depreciation	913,999	1,780,186	387,078
Depreciation Expense	1,194,701	903,542	839,047
Operational Income Excluding Depreciation	2,108,700	2,683,728	1,226,125

#### **Cash Flows Before Capital Items**

	<b>06/30/09</b>	<b>06/30/08</b>	<b>06/30/07</b>
Net Cash Used by Operations	(9,971,867)	(8,726,439)	(9,241,090)
Net Cash Provided by Non Capital Financing	11,726,901	11,230,805	9,914,848
Cash Flows Before Capital Items	1,755,034	2,504,366	673,758

#### **Unrestricted Net Assets Excluding Property, Plant and Equipment and Debt**

	<b>06/30/09</b>	<b>06/30/08</b>	<b>06/30/07</b>
Unrestricted Net Assets	32,222,882	30,382,663	29,468,176
Less: Property, Plant & Equipment	(24,748,546)	(24,386,046)	(22,985,238)
Add: Plant Related Debt	1,263,388	1,498,145	1,722,770
Unrestricted Net Assets Excluding Property, Plant and Equipment and Debt	8,737,724	7,494,762	8,205,708

## Coahoma Community College and Agricultural High School

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### Selected Financial Analyses (Continued)

#### Change in Unrestricted Net Assets Excluding Property, Plant and Equipment and Debt

	06/30/09	06/30/08	06/30/07
<b>Revenues</b>			
Net Tuition	(114,085)	(112,596)	(154,463)
Federal Grants and Contracts	15,392,807	14,685,746	12,253,325
State Grants and Contracts	1,942,186	1,682,677	1,531,620
Nongovernmental Grants and Contracts	1,190,845	626,822	548,238
Sales and Services	22,093	29,747	24,873
Auxiliary Enterprises	841,985	825,852	823,679
Other Operating Revenues	636,357	600,815	233,923
State Appropriations	8,906,055	8,739,571	7,615,484
County Appropriations	2,426,176	2,538,094	2,551,427
Investment Income	81,498	74,091	57,917
Capital Grants and Gifts	1,076,497	1,204,777	6,089,786
Other Additions	-0-	-0-	706,711
<b>Total Revenues</b>	<b>32,402,414</b>	<b>30,895,596</b>	<b>32,282,520</b>
<b>Expenses</b>			
Instruction	11,977,373	11,223,830	10,437,423
Academic Support	3,029,643	2,758,547	2,213,442
Student Services	2,105,150	3,292,525	3,100,471
Institutional Support	2,754,064	2,726,580	2,694,222
Operation of Plant	2,778,322	2,485,213	1,999,965
Student Aid	5,018,666	3,552,131	2,946,119
Auxiliary Enterprises	1,482,062	862,599	779,140
Depreciation	1,194,701	903,542	839,047
Interest Expense on Capital Debt	71,937	105,666	89,116
Other Deletions	1,041,888	313,610	-0-
Add: Capital Additions Net of Debt	1,484,344	2,687,232	6,415,570
Add: Reduction of Capital Debt	236,394	200,565	214,845
Less: Depreciation	(1,194,701)	(903,542)	(839,047)
<b>Total Expenses</b>	<b>31,979,843</b>	<b>30,208,498</b>	<b>30,890,313</b>
<b>Change in Unrestricted Net Assets Excluding Property, Plant and Equipment and Debt</b>	<b>422,571</b>	<b>687,098</b>	<b>1,392,207</b>

## **Coahoma Community College and Agricultural High School**

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2009

### **Significant Capital Asset Transactions**

Appropriations from the Coahoma County Board of Supervisors, the State of Mississippi and the Title III HBCU Grant funded the construction of the Allied Health Training Facility, which was completed in fiscal year 2008/2009 and now houses the Associate Degree Nursing, Licensed Practical Nursing, Polysomnography, Respiratory Care and other certificate of health programs. The Coahoma County Board of Supervisors donated the 4.25 acres to build this 25,900 square foot facility at a total cost of \$4,976,533

In fiscal year 2007/2008, Title III HBCU grant funds totaling \$1,176,391 were forwarded to the Mississippi Office of Buildings, Grounds and Real Property Management to fund a structural analysis of Gambrell Hall, repairs to the Pinnacle and electrical utility upgrades. These projects are expected to be completed in the 2009/2010 fiscal year.

Renovations of Marion Reid Gymnasium were completed in fiscal year 2008/2009 at a total cost of \$996,018; funding for this project was provided by the college's endowment fund. Additionally, repairs were made to Whiteside Hall at a total cost of \$1,076,056 and were funded through the Title III HBCU grant.

### **Factors Impacting Future Periods**

There are a number of issues of importance community college-wide that directly impacted the fiscal year 2009 financial situation. The level of State support, compensation increases, student tuition and fee increases, insurance and energy cost increases impact the college's ability to expand programs, undertake new initiatives, and meet its core mission and ongoing operational needs.

The need to continue to address priority needs and requirements for deferred maintenance, new technology, repairs, and new construction projects is a large challenge facing the college and high school in the years to come.

Various committees, partnerships and individuals are assessing the college and high school's performance toward identified goals and avenues to achieve greater efficiencies and reduce expenditures in an effort to assist in meeting future challenges.

## AUDITED FINANCIAL STATEMENTS



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 4,920,957
Accounts receivable, net	2,056,256
Inventories	543,662
Prepaid construction	<u>797,867</u>
Total current assets	8,318,742

**Noncurrent assets**

Restricted cash and cash equivalents	3,053,859
Endowment investments	2,662,903
Student notes receivable, net	5,564
Capital assets, net of accumulated depreciation	<u>24,748,546</u>
Total noncurrent assets	<u>30,470,872</u>

Total assets	\$ <u><u>38,789,614</u></u>
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**LIABILITIES**

**Current liabilities**

Accounts payable and accrued liabilities	\$ 197,798
Deferred revenues	33,199
Long-term liabilities - current portion	249,117
Other current liabilities	<u>83,054</u>
Total current liabilities	563,168

**Noncurrent liabilities**

Deposits refundable	2,890
Long-term liabilities	<u>1,014,271</u>
Total noncurrent liabilities	<u>1,017,161</u>
Total liabilities	<u><u>1,580,329</u></u>

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



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**STATEMENT OF NET ASSETS (CONTINUED)**  
**JUNE 30, 2009**

NET ASSETS

Invested in capital assets, net of related debt                      \$    23,485,158

Restricted for:

Nonexpendable:

Scholarships and fellowships    2,662,903

Expendable:

Scholarships and fellowships    423,500

Capital projects    1,900,000

Unrestricted:    8,737,724

Total net assets    37,209,285

Total liabilities and net assets    \$    38,789,614

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

Operating revenues:	
Tuition and fees (net of scholarship allowances of \$4,493,369)	\$ (114,085)
Federal grants and contracts	15,392,807
State grants and contracts	1,942,186
Nongovernmental grants and contracts	1,190,845
Sales and services	22,093
Auxiliary enterprises:	
Student housing (net of scholarship allowances of \$311,473)	(7,908)
Food services (net of scholarship allowances of \$495,378)	(12,577)
Bookstore	806,070
Other auxiliary revenues	56,400
Other operating revenues	<u>636,357</u>
Total operating revenues	<u>19,912,188</u>
Operating expenses	
Salaries and wages	12,196,294
Fringe benefits	3,378,055
Contractual services	4,330,569
Commodities	2,893,757
Travel	592,342
Utilities	968,982
Scholarships and fellowships	4,785,281
Depreciation expense	<u>1,194,701</u>
Total operating expenses	<u>30,339,981</u>
Operating loss	<u>(10,427,793)</u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

Nonoperating revenues (expenses)	
State appropriations	8,906,055
County appropriations	2,426,176
Investment income	81,498
Interest expense on capital asset-related debt	<u>(71,937)</u>
Total nonoperating revenues (expenses)	<u>11,341,792</u>
Income before other revenues, expenses, gains and losses	<u>913,999</u>
Capital grants and gifts	1,076,497
Other deletions, net	<u>(1,041,888)</u>
Change in net assets	948,608
Net assets:	
Net assets - beginning of year as originally reported	36,187,820
Prior period adjustments (Note 2)	<u>72,857</u>
Net assets - beginning of year as restated	36,260,677
Net assets - end of year	\$ <u><u>37,209,285</u></u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Cash flows from operating activities:

Tuition and fees	\$ 211,720
Grants and contracts	16,656,157
Sales and services of educational departments	22,093
Payments to suppliers	(7,816,668)
Payments to employees for salaries and benefits	(15,574,349)
Payments for utilities	(968,982)
Payments for scholarships and fellowships	(4,318,127)
Auxiliary enterprise charges:	
Student housing	6,871
Food services	10,927
Bookstore	806,070
Other auxiliary enterprises	56,400
Other receipts	<u>936,021</u>
Net cash used by operating activities	<u>(9,971,867)</u>

Cash flows from noncapital financing activities:

State appropriations	8,795,028
County appropriations	2,461,708
Other sources	<u>470,165</u>
Net cash provided by noncapital financing activities	<u>11,726,901</u>

Cash flows from capital and related financing activities:

Cash paid for capital assets	(1,455,021)
Capital grants and contracts received	1,076,497
Principal paid on capital debt and leases	(220,997)
Interest paid on capital debt and leases	<u>(71,937)</u>
Net cash used by capital and related financing activities	<u>(671,458)</u>

Cash flows from investing activities:

Proceeds from sales and maturities of investments	472,625
Interest received on investments	81,498
Purchases of investments	<u>(769,188)</u>
Net cash used by investing activities	<u>(215,065)</u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Net increase in cash and cash equivalents	<u>868,511</u>
Cash and cash equivalents - beginning of the year	<u>7,106,305</u>
Cash and cash equivalents - end of the year	\$ <u><u>7,974,816</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (10,427,793)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	1,194,701
Other	395,025
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Receivables, net	(359,501)
Inventories	(142,797)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	(416,325)
Deferred revenues	(29,228)
Deposits refundable	2,890
Other liabilities	<u>(188,839)</u>
Total adjustments	<u>455,926</u>
Net cash used by operating activities	\$ <u><u>(9,971,867)</u></u>

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

## COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL NOTES TO FINANCIAL STATEMENTS

### Note 1: Summary of Significant Accounting Policies

#### Reporting Entity

Coahoma Community College and Agricultural High School was founded in 1949 and is one of Mississippi's 15 public community colleges. The legal authority for the establishment of Coahoma Community College and Agricultural High School is found in Section 37-29-31, Miss. Code Ann. (1972).

Coahoma Community College and Agricultural High School is governed by a 14-member board of trustees, selected by the board of supervisors of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica Counties who support the district through locally assessed ad valorem tax millage. One of the trustees from each of the supporting counties must be the county 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, Coahoma Community College and Agricultural High School works jointly with the Mississippi State Board for Community and Junior Colleges, which coordinates the efforts of all 15 community colleges as they serve the taxpayers of the State of Mississippi.

Coahoma Community College and Agricultural High School Foundation, Inc. (The Foundation) – The Foundation is a legally separate, tax-exempt nonprofit organization founded in 1981. The Foundation acts primarily as a fund raising and public relations organization to supplement the resources available to Coahoma Community College in support of its programs. The Foundation does not meet the significance requirement of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment to GASB Statement No. 14, and, therefore, has not been incorporated into the financial statements and accompanying notes.

#### Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United 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 of Public college and Universities*, issued in June and November, 1999, respectively. Coahoma Community College and Agricultural High School now follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive one-line look at the college and high school's financial activities.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting**

The financial statements of the institution have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or a contractual obligation to pay.

**Cash Equivalents**

For purposes of the Statement of Cash Flows, the college and high school considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable, Net**

Accounts receivable 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 are recorded net of an allowance for doubtful accounts.

**Inventories**

Inventories consist of bookstore and food service supplies. These inventories are generally valued at the lower of cost or market, on either the first-in, first-out (FIFO) basis or on the average cost basis.

**Restricted Cash and Cash Equivalents**

Cash and cash equivalents that are internally or externally restricted for specific purposes are classified as restricted cash and cash equivalents on the Statement of Net Assets.

**Prepaid Construction**

Prepaid construction includes payments to the Mississippi Office of Buildings, Grounds and Real Property Management and reflects construction costs that are applicable to a subsequent accounting period.



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Endowment Investments**

Endowment investments are generally subject to the restrictions of donor gift instruments. They include true endowment funds, which are funds received from a donor with the restrictions that only the income is to be utilized; term endowment funds, which are funds for which the donor has stipulated that the principal may be expended after a stated period or on the occurrence of a certain event; and quasi endowment funds, which are funds established by the governing board to function like an endowment fund but may be totally expended at any time at the discretion of the governing board.

The institution accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of Other Additions and Deletions on the Statement of Revenues, Expenses and Changes in Net Assets.

**Student Notes Receivable, Net**

Student notes receivable consist of federal, state and institutional loans made to students for the purpose of paying tuition and fee charges. Loan balances expected to be paid during the next fiscal year are presented on the Statement of Net Assets as current assets. Those balances that are either in deferment status or expected to be paid back beyond the next fiscal year are presented as noncurrent assets on the Statement of Net Assets.

**Capital Assets, Net of Accumulated Depreciation**

Capital assets are recorded at cost at the date 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 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 expenditure categories. See Note 6 for additional details concerning useful lives, salvage values, and capitalization thresholds. Expenditures 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.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Deferred Revenues**

Deferred revenues include amounts received for tuition and fees prior to the end of the fiscal year but relate to the subsequent accounting period.

**Compensated Absences**

Coahoma Community College and Agricultural High School does not provide for the accumulation of annual leave or major medical leave beyond one year. Therefore, no accrual for compensated absences has been recorded in the financial statements.

**Classification of Revenues**

The college and high school 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 allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most federal, state and local grants and contracts and federal appropriations.

*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 No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations, local appropriations and investment income.

**State Appropriations**

Coahoma Community College and Agricultural High School 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. Beginning with the 2004 fiscal year, a new funding formula is being phased in over a 5-year period which will shift the funding calculation from a predominantly full-time student formula, weighted by type of student, to a full-time equivalent formula which is based on total credit hours generated by all students with special considerations given only to high cost programs.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Scholarship Discounts and Allowances**

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. Under the alternative method, these amounts are computed on a college 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.

**Net Assets**

GASB Statement No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of college and high school obligations. Net assets invested in capital assets, net of related debt, 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 assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and funds held in federal loan programs.

The unrestricted net asset balance of \$8,737,724 at June 30, 2009 includes \$543,662 reserved for inventories, and \$8,194,062 remaining for other purposes.

**Note 2: Prior Period Adjustments**

For the year ended June 30, 2009, net prior period adjustments of \$72,857 were recorded for an unrecorded capital asset donated to the college and high school in a prior period.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 3: Cash and Cash Equivalents and Investments (continued)**

Cash and Cash Equivalents:

Policies:

The Coahoma Community College and Agricultural High School follows the practice of aggregating the cash assets of its various funds to maximize cash management efficiency and returns.

The collateral pledged for the college and high school's deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the college and high school's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. 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 Depository Insurance Corporation.

As of June 30, 2009, the total carrying value of the college and high school's deposits with financial institutions reported in all of its funds was \$7,974,816, which includes \$550 in petty cash.

*Custodial Credit Risk – Deposits* – Custodial credit risk is defined as risk that, in the event of the failure of a financial institution, the college and high school will not be able to recover deposits or collateral securities that are in the possession of an outside party. The college and high school does not have a formal deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the college and high school. Deposits above FDIC coverage are collateralized by the pledging institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the college and high school. As of June 30, 2009, none of the college and high school's bank balance of \$9,950,944 was exposed to custodial credit risk.

Investments:

Investment policies as set forth by board policy and by Section 37-101-15, Miss. Code Ann. (1972), authorizes the college and high school to invest in equity securities, bonds and other securities. Investments are reported at fair value (market).

As of June 30, 2009, Coahoma Community College and Agricultural High School held the investments shown in the table on the following page.



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 3: Cash, Cash Equivalents and Investments (Continued)**

<u>Investment Type</u>	<u>Maturity (Years)</u>	<u>Fair Value</u>	<u>Rating</u>
Money Market Funds	< 1	\$ 10,347	Not Rated
Certificates of Deposit	< 1	196,680	Not Rated
Mutual Funds	< 1	1,935,976	Not Rated
Preferred & Fixed Rate Capital Securities	0-57	264,113	Not Rated
Debt Securities	0-21	<u>255,787</u>	AAA to BBB
Total Investments		<u>\$ 2,662,903</u>	

*Interest Rate Risk* – Interest rate risk is the risk that the college and high school may face should interest rate variances affect the fair value of its investments. Coahoma Community College and Agricultural High School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The credit risk ratings listed above are based upon the standards set by Standard and Poor's or Moody's rating services. Coahoma Community College and Agricultural High School does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

*Custodial Credit Risk* – Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the college and high school will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Coahoma Community College and Agricultural High School does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2009, none of the \$2,662,903 investment balance was exposed to custodial credit risk since the investment company held all investments in the name of the college and high school.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 3: Cash, Cash Equivalents 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. Coahoma Community College and Agricultural High School does not have a formal investment policy that addresses concentration of credit risk. As of June 30, 2009, the college and high school did not have any investments requiring disclosure in accordance with the disclosure requirements described above.

**Note 4: Accounts Receivable**

Accounts receivable consisted of the following at June 30, 2009:

	Balance 6/30/09
Student tuition	\$ 3,003,904
Federal, state, and private grants and contracts	1,309,197
State appropriations	249,537
County appropriations	35,909
Other	11,027
Total accounts receivable	4,609,574
Less: Allowance for doubtful accounts	(2,553,318)
Net accounts receivable	\$ <u>2,056,256</u>

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 5: Notes Receivable from Students**

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to twelve months from the date of separation from the college. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the college at June 30, 2009:

	<u>Interest Rates</u>	<u>June 30, 2009</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Perkins student loans	3% to 9%	\$ 104,128	\$ -0-	\$ 104,128
Total notes receivable		104,128	-0-	104,128
Less: Allowance for doubtful accounts		(98,564)	-0-	(98,564)
Net notes receivable		\$ <u>5,564</u>	\$ <u>-0-</u>	\$ <u>5,564</u>



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 6: Capital Assets**

A summary of the college and high school's changes in capital assets for the year ended June 30, 2009, is presented as follows:

	Balance 07/01/08	Additions	Deletions	Adjustments	Balance 06/30/09
Nondepreciable capital assets					
Land	\$ 305,558	\$	\$	\$	\$ 305,558
Construction in progress	6,541,266	697,973	(7,048,607)		190,632
Total cost of nondepreciable capital assets	6,846,824	697,973	(7,048,607)		496,190
Depreciable capital assets					
Improvements					
other than buildings	1,695,218				1,695,218
Buildings	25,990,829	7,048,607			33,039,436
Equipment	2,983,959	735,628		150,000	3,869,587
Library books	958,430	50,743			1,009,173
Total depreciable capital assets	31,628,436	7,834,978		150,000	39,613,414
Less accumulated depreciation for:					
Improvements other than buildings	523,559	67,809			591,368
Buildings	10,346,096	780,964			11,127,060
Equipment	2,351,596	315,928		77,143	2,744,667
Library books	867,963	30,000			897,963
Total accumulated depreciation	14,089,214	1,194,701		77,143	15,361,058
Total depreciable capital assets - net	17,539,222	6,640,277		72,857	24,252,356
Total capital assets, net	\$ 24,386,046	\$ 7,338,250	\$ (7,048,607)	\$ 72,857	\$ 24,748,546

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 6: Capital Assets (Continued)**

Depreciation is computed on a straight-line basis with the exception of the library books category, which is computed using a composite method. 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
Improvements other than buildings	20 years	20%	\$25,000
Equipment	3-15 years	1%-10%	\$5,000
Library books	10 years	0%	\$0

**Note 7: Long-term Liabilities**

Long-term liabilities of the college and high school consist of notes and bonds payable, capital lease obligations and certain other liabilities that are expected to be liquidated at least one year from June 30, 2009. The various leases cover a period not to exceed five years. The college and high school has the option to prepay all outstanding payments less any unearned interest to fully satisfy the obligation.

Information regarding original issue amounts, interest rates, and maturity dates for bonds, notes, and capital leases included in the long-term liabilities balance at June 30, 2009, is listed in the schedule on the following page. A schedule detailing the annual requirements necessary to amortize the outstanding debt is also provided.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 7: Long-term Liabilities (Continued)**

Description and Purpose	Original Issue	Annual Interest Rate	Maturity	Balance 07/01/08	Additions	Deletions	Balance 06/30/09	Current Portion
Bonded debt:								
Coahoma County Agricultural High School, State aid capital improvement bonds, Series 1998	\$ 541,000	5.00%	2018	\$ 341,000	\$ -0-	\$ 27,000	\$ 314,000	\$ 29,000
Total Bonded Debt				341,000	-0-	27,000	314,000	29,000
Notes payable:								
Education facilities notes, Series 1998	\$ 2,500,000	4.625%-6.10%	2013	1,050,000	-0-	190,000	860,000	200,000
Department of Environmental Quality State Revolving Fund Loan Program	\$ 318,144	4.00%	2014	107,145	-0-	17,757	89,388	20,117
Total notes payable				1,157,145	-0-	207,757	949,388	220,117
Other long-term liabilities:								
Deposits refundable				-0-	2,890	-0-	2,890	-0-
Total other long-term liabilities				-0-	2,890	-0-	2,890	-0-
Total				\$ 1,498,145	\$ 2,890	\$ 234,757	1,266,278	\$ 249,117
Due within one year							249,117	
Total long-term liabilities							\$ 1,017,161	

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 7: Long-term Liabilities (Continued)**

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

<u>Fiscal Year</u>	<u>Bonded Debt</u>	<u>Notes Payable</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 29,000	\$ 220,117	\$ 63,054	\$ 312,171
2011	30,000	230,936	52,145	313,081
2012	31,000	241,789	40,484	313,273
2013	33,000	252,677	28,057	313,734
2014	35,000	3,869	9,569	48,438
2015-2018	156,000	-0-	20,000	176,000
Totals	\$ 314,000	\$ 949,388	\$ 213,309	\$ 1,476,697

**Note 8: Operating Leases**

Leased property under operating leases is composed of photocopiers. The following is a schedule by years of the future minimum rental payments required under those operating leases.

<u>Year Ending June 30:</u>	<u>Amount</u>
2010	\$ 58,869
2011	50,275
2012	48,503
2013	34,951
2014	19,546
Total minimum payments required	\$ 212,144

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the fiscal year ended June 30, 2009, was \$38,983.

**Note 9: Natural Classifications with Functional Classifications**

The table on the following page lists the institution's operating expenses by functional classification:

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 9: Natural Classifications with Functional Classifications (Continued)**

Year Ended June 30, 2009									
Natural Classification									
Functional Classification	Salaries & Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Scholarships & Fellowships	Commodities	Depreciation	Total
Instruction	\$ 7,388,540	\$ 2,029,337	\$ 377,724	\$ 1,016,167	\$ -0-	\$ -0-	\$ 1,165,605	\$ -0-	\$ 11,977,373
Academic Support	1,419,568	404,894	99,043	772,243	-0-	-0-	333,895	-0-	3,029,643
Student Services	1,156,508	332,048	59,734	357,011	-0-	-0-	199,849	-0-	2,105,150
Institutional Support	1,297,913	364,361	50,353	751,139	-0-	-0-	290,298	-0-	2,754,064
Operation of Plant	582,459	198,276	3,819	835,273	968,982	-0-	189,513	-0-	2,778,322
Student Aid	225,191	7,629	-0-	565	-0-	4,785,281	-0-	-0-	5,018,666
Auxiliary Enterprises	126,115	41,510	1,669	598,171	-0-	-0-	714,597	-0-	1,482,062
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,194,701	1,194,701
Total Operating Expenses	\$ 12,196,294	\$ 3,378,055	\$ 592,342	\$ 4,330,569	\$ 968,982	\$ 4,785,281	\$ 2,893,757	\$ 1,194,701	\$ 30,339,981

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 10: Construction Commitments and Financing**

During the 2008/2009 school year, Coahoma Community College and Agricultural High School contracted for the construction of a new administration building. As of June 30, 2009 the estimated costs to complete this project and the sources of anticipated funding are presented below:

<u>Project</u>	<u>Total Costs to Complete</u>	<u>State Sources</u>	<u>Other Sources</u>
Administration Building	\$ 5,324,100	\$ 1,555,722	\$ 3,768,378
Totals	\$ 5,324,100	\$ 1,555,722	\$ 3,768,378

**Note 11: Pension Plan**

**Plan Description.** Coahoma Community College and Agricultural High School 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 report may be obtained by writing to the Public Employees' Retirement System of Mississippi, 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 institution's rate for the fiscal year ending June 30, 2009 was 11.85% 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, 2009, 2008, and 2007, were \$1,304,692, \$1,221,299 and \$1,070,167, respectively, which equaled the required contributions for each year.



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 12: Insurance Recoveries**

Coahoma Community College and Agricultural High School received insurance recoveries in the amount of \$187,628 during the year as a result of a claim filed for wind damage to Coahoma Agricultural High School. This amount is included as a component of Other Operating Revenues in the Statement of Revenues, Expenses and Changes in Net Assets.

**Note 13: Contingencies**

*Federal Grants* – Coahoma Community College and Agricultural High School has received federal grants for specific purposes that are subject to audit by 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 and high school.

*Litigation* – The institution is a party to various legal proceedings, which occurred in the normal course of its operations. It is not possible at the present time to estimate the outcome or liability, if any, of the institution with respect to the various proceedings. However, the institution's legal counsel believes the ultimate outcome from these proceedings will not have a material adverse effect on the financial condition of the institution.

**Note 14: Risk Management**

Coahoma Community College and Agricultural High School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The college and high school carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the three past fiscal years.

**Note 15: Subsequent Events**

There have been no events subsequent to June 30, 2009, which would materially affect the financial statements as presented.

## SUPPLEMENTAL INFORMATION

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Pass-through Programs From:		
Mississippi Department of Education - School Breakfast Program	10.553	\$ 40,500
Mississippi Department of Education - National School Lunch Program	10.555	113,094
Total Child Nutrition Cluster		153,594
Total U.S. Department of Agriculture		153,594
<u>U.S. Department of Labor</u>		
WIA Cluster:		
Pass-through Programs From:		
Delta Workforce Investment Area - WIA Adult Program	17.258	43,838
Delta Workforce Investment Area - WIA Youth Activities	17.259	301,474
South Delta Planning and Development District - WIA Dislocated Workers	17.260	43,837
Total WIA Cluster		389,149
WIA Pilots, Demonstrations, and Research Projects -		
Mississippi Delta Rural Healthcare Training Partnership	17.261	394,745
Community Based Job Training Grants	17.269	125,509
Total U.S. Department of Labor		909,403
<u>National Aeronautics and Space Administration</u>		
Pass-through Programs From:		
University of Mississippi - Aerospace Education Services Program	43.001	4,049
Total National Aeronautics and Space Administration		4,049
<u>National Endowment for the Humanities</u>		
Pass-through Programs From:		
Mississippi Humanities Council - Promotion of the Humanities - Federal/State Partnership	45.129	3,650
Total National Endowment for the Humanities		3,650

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>		
Student Financial Aid Cluster:		
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	221,537
Federal Work-Study Program (FWS)	84.033	313,217
Federal Pell Grant Program (PELL)	84.063	8,539,564
Academic Competitiveness Grants (ACG)	84.375	82,448
Total Student Financial Aid Cluster		<u>9,156,766</u>
TRIO Cluster:		
TRIO - Talent Search	84.044	211,977
TRIO - Upward Bound	84.047	360,762
Total TRIO Cluster		<u>572,739</u>
Other Programs		
Higher Education - Institutional Aid	84.031	2,698,712
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334	589,144
Rural Education	84.358	1,907
Pass-through Programs From:		
Mississippi State Board for Community and Junior Colleges - Adult Education - Basic Grants to States	84.002	212,986
Mississippi Department of Education - Title I Grants to Local Educational Agencies	84.010	171,676
Mississippi Department of Education - Special Education - Grants to States	84.027	48,574
Mississippi Department of Education - Career and Technical Education - Basic Grants to States	84.048	337,326
Mississippi Post-Secondary Education Financial Assistance Board - Leveraging Educational Assistance Partnership (LEAP)	84.069	2,083
Mississippi Department of Education - Safe and Drug- Free Schools and Communities - State Grants	84.186	2,663
Mississippi Department of Education - Tech-Prep Education	84.243	69,917
West Tallahatchie School District - Twenty-First Century Community Learning Centers	84.287	23,717

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (Continued)</u>		
Mississippi Department of Education - Education Technology State Grants	84.318	310
Mississippi Department of Education - Improving Teacher Quality State Grants	84.367	15,854
Total U.S. Department of Education		<u>13,904,374</u>
<u>U. S. Department of Health and Human Services</u>		
Pass-through Programs From:		
Mississippi Department of Human Services - Temporary Assistance for Needy Families (TANF)	93.558	295,506
Mississippi Department of Education - Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	5,000
Total U. S. Department of Health and Human Services		<u>300,506</u>
Total Expenditures of Federal Awards		<u>\$ 15,275,576</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.

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**



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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 President and Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi 38614

We have audited the financial statements of the business-type activities of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 2009, as listed in the table of contents and have issued our report thereon dated December 20, 2010. 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.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the college and high school's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the college and high school's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the college and high school's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in the internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as Findings 2009-1 through 2009-3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the college and high school's internal control.

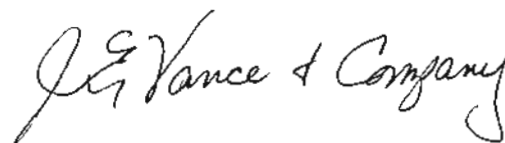
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Finding 2009-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the college and high school'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 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the college and high school's board and management, others within the entity, entities with accreditation overview, 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. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi  
December 20, 2010



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

To the President and Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi 38614

### Compliance

We have audited the compliance of Coahoma Community College and Agricultural High School 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, 2009. The college and high school'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 college and high school's management. Our responsibility is to express an opinion on the college and high school's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 college and high school'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 college and high school's compliance with those requirements.

In our opinion, Coahoma Community College and Agricultural High School 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, 2009.

#### Internal Control Over Compliance

The management of the Coahoma Community College and Agricultural High School 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 college and high school'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the college and high school's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in the internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2009-4 through 2009-10 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The college and high school's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. We did not audit the college and high school's responses and, accordingly, we express no opinion on them.



This report is intended solely for the information and use of the college and high school board and management, others within the entity, 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. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi  
December 20, 2010

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the President and Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi 38614

We have audited the financial statements of the business-type activities of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 2009, and have issued our report thereon dated December 20, 2010. 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.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other 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 other state laws and regulations.

This report is intended solely for the information and use of the college and high school's board and management, others within the entity, entities with accreditation overview, 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. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi  
December 20, 2010





## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 1: Summary of Auditor's Results**

Financial Statements:

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements:                              | Unqualified |
| 2. Material Noncompliance relating to the financial statements?                              | No          |
| 3. Internal control over financial reporting:  |             |
| a. Material weakness(es) identified?   | Yes         |
| b. Significant Deficiency(ies) identified that are not considered to be material weaknesses? | Yes         |

Federal Awards:

- |  |             |
|--|-------------|
| 4. Type of auditor's report issued on compliance for major programs:                         | Unqualified |
| 5. Internal control over major programs:   |             |
| a. Material weakness(es) identified?   | No          |
| b. Significant Deficiency(ies) identified that are not considered to be material weaknesses? | Yes         |
| 6. Any audit finding(s) reported as required by Section ____ .510(a) of OMB Circular A-133?  | Yes         |
| 7. Federal programs identified as major programs:  |             |
| a. Student Financial Assistance Cluster:   |             |
| CFDA 84.007  |             |
| CFDA 84.033  |             |
| CFDA 84.063  |             |
| CFDA 84.375  |             |
| b. TRIO Cluster:   |             |
| CFDA 84.044  |             |
| CFDA 84.047  |             |
| c. Higher Education – Institutional Aid  |             |
| CFDA 84.031  |             |
| d. Gaining Early Awareness and Readiness for Undergraduate Programs                          |             |
| CFDA 84.334  |             |

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

- |  |           |
|--|-----------|
| 8. The dollar threshold used to distinguish between Type A and Type B programs:  | \$458,267 |
| 9. Auditee qualified as low-risk auditee?  | No        |
| 10. 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 as discussed in Section ____ .315(b) of OMB Circular A-133? | Yes       |

**Section 2: Financial Statement Findings**

Significant Deficiency Considered To Be Material Weakness

2009-1     Finding

Management of the college and high school is responsible for establishing an effective internal control system to ensure strong financial accountability and safeguarding of capital assets. A critical aspect of effective financial management and accountability of capital assets is the maintenance of accurate accounting records. During our review of the college and high school's state purchasing procedures, we noted that one of the fifteen purchases selected for review was a capital asset that could not be located on the college and high school's depreciation schedule. The cost of the asset purchased was \$432,203. Audit adjustments, approved by management, were made to add this asset to the college's depreciation schedule and record the associated depreciation expense. Improper recording of capital equipment affects the total cost of capital assets, along with the related depreciation expense, reported in the financial statements under the requirements of Governmental Accounting Standards Board Statements No. 34 and 35. This situation represents a weakness in the controls surrounding the accountability and valuation of the college and high school's capital assets. This weakness, if not corrected, could allow capital assets to be misappropriated and/or cause the financial statements to be misstated.

Recommendation

The college and high school should initiate procedures to ensure that all capital asset acquisitions are properly recorded. All capital assets recorded in the accounting records should be physically inspected annually to verify their existence and location.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 2: Financial Statement Findings (Continued)**

**Significant Deficiency Not Considered To Be Material Weakness**

**2009-2     Finding**

Management of the college and high school is responsible for establishing an effective internal control system to ensure strong financial accountability and safeguarding of capital assets. A critical aspect of effective financial management and accountability of capital assets is the maintenance of accurate accounting records. During our review of the college and high school's capital equipment totaling \$3,287,384, we noted that one of the eleven assets selected to verify the physical existence of recorded assets had been replaced by a similar asset that had been donated; disposal of the original asset and acquisition of the replacement asset was not reported or recorded. The original cost of the asset disposed was \$25,000; the fair market value of the donated asset was \$150,000 on the date of donation. Audit adjustments, approved by management, were made to remove the old asset and add the new asset to the college's depreciation schedule and record the associated depreciation expense. Improper recording of capital equipment affects the total cost of capital assets, along with the related depreciation expense, reported in the financial statements under the requirements of Governmental Accounting Standards Board Statements No. 34 and 35. This situation represents a weakness in the controls surrounding the accountability and valuation of the college and high school's capital assets. This weakness, if not corrected, could allow capital assets to be misappropriated and/or cause the financial statements to be misstated.

**Recommendation**

The college and high school should initiate procedures to ensure that all capital asset disposals and acquisitions are properly recorded. All capital assets recorded in the accounting records should be physically inspected annually to verify their existence and location.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 2: Financial Statement Findings (Continued)**

Significant Deficiency Not Considered To Be Material Weakness

2009-3     Finding

Management of the college is responsible for establishing an effective internal control system to ensure that only eligible students receive financial aid in the form of institutional scholarships. The 2007-2009 Coahoma Community College catalog outlines the college's scholarship policies for institutional scholarships on pages 41 and 42. During our review of financial aid, we noted that seventeen of the forty students selected for review received one or more institutional scholarships. Of these seventeen students, we noted six students who received institutional scholarships for one or both semesters but were not making satisfactory academic progress as defined in the college's scholarship policies resulting in total payments of \$5,628.50 to these ineligible students. This situation represents a weakness in the controls surrounding the college's scholarship policies. This weakness, if not corrected, could cause ineligible students to receive institutional scholarship funds.

Recommendation

The college should initiate procedures to ensure compliance with the college's scholarship requirements, which require that scholarship funds be disbursed to students only when they are making satisfactory academic progress as defined in the college's catalog.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009

Section 3: Federal Award Findings and Questioned Costs

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-4     Student Financial Aid Cluster – Expenditures

Program: Federal Work-Study Program, CFDA Number 84.033, Department of Education, Award Number P033A082232

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Management of the college is responsible for establishing an effective internal control system to ensure that work-study students receive the amount of financial aid to which they are entitled. Title 34 CFR 675.16 (a) (10) requires that regardless of who employs the student, the institution is responsible for ensuring that the student is paid for work performed. Additionally, Title 34 CFR 675.16 (a) (11) states that student's Federal Work Study compensation is earned when the student performs the work. During our review of the Federal Work-Study Program, we noted that six of the ten students selected for review were paid for an incorrect number of hours due to errors in the addition of the students' time on their time sheets. Students were not paid for a total of 28 hours resulting in underpayments totaling \$183.40; students were paid for a total of 5 additional hours resulting in overpayments totaling \$32.75. This situation represents a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements of this federal program. This weakness, if not corrected, could cause students to receive improper payments for the number of hours worked. In response to this finding, the college has paid the underpaid students the amounts to which they were entitled.

Recommendation

The college should initiate procedures that would require verification of the student's pay entitlement and scheduled payment for each period that the student is employed before the payment is disbursed to the student.



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-5      Student Financial Aid Cluster – Expenditures

Program: Federal Pell Grant Program, CFDA Number 84.063, Department of Education, Award Number P063081698

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Management of the college is responsible for establishing an effective internal control system to ensure that students receive only the amount of financial aid, in the form of Pell Grants, to which they are entitled. Title 34 CFR 690.62 (a) requires Pell Grant payments to students to be based upon the payment and disbursement schedules published by the Secretary of Education each award year. During our review of the Federal Pell Grant Program, we noted that one of the forty students selected for review was awarded a reduced Pell Grant based on the student's expected family contribution. However, the student was paid a full Pell Grant for the fall semester resulting in a \$575 overpayment to the student for the semester. This situation represents a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements of this federal program. This weakness, if not corrected, could cause students to receive payments in excess of prescribed allowable amounts.

Recommendation

The college should initiate procedures that would require verification of the student's entitlement and the scheduled Pell Grant payment for each term before the payment is disbursed to the student.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-6     Student Financial Aid Cluster – Expenditures

Program: Academic Competitiveness Grant Program, CFDA Number 84.375,  
Department of Education, Award Number P375A81698

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Management of the college is responsible for establishing an effective internal control system to ensure that only eligible students receive financial aid in the form of Academic Competitiveness Grants. Title 34 CFR 691.15 (b) (iii) (D) requires the student to have obtained a grade point average (GPA) of 3.0 or higher on a 4.0 scale, or the numeric equivalent, consistent with other institutional measures for academic and title IV, HEA program purposes for the first academic year of his or her eligible program to be eligible to receive the grant in their second academic year. During our review of the financial aid, we noted that eighteen of the forty students reviewed were eligible for participation in the Academic Competitiveness Grant Program. Five of these eighteen students were second year students. We noted that one second year student received an Academic Competitiveness Grant payment but did not meet the prescribed eligibility criteria, as described above, for second year payments resulting in an overpayment to the student in the amount of \$750. This situation represents a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements for this federal program. This weakness, if not corrected, could cause students to receive payments in excess of prescribed allowable amounts.

Recommendation

The college should initiate procedures that would require verification of the student's eligibility and scheduled payment for each term before payment is disbursed to the student.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-7     Student Financial Aid Cluster – Expenditures

Program: Academic Competitiveness Grant Program, CFDA Number 84.375,  
Department of Education, Award Number P375A81698

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Management of the college is responsible for establishing an effective internal control system to ensure that only eligible students receive financial aid in the form of Academic Competitiveness Grants. Title 34 CFR 691.15 (a) (3) requires each student to be enrolled as a full-time student in order to be eligible to receive an Academic Competitiveness Grant. During our review of the financial aid, we noted that eighteen of the forty students reviewed were eligible for participation in the Academic Competitiveness Grant Program. We noted that one of these eighteen students was only enrolled half-time for one semester during the year resulting in an overpayment to the student in the amount of \$375. This situation represents a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements for this federal program. This weakness, if not corrected, could cause students to receive payments in excess of prescribed allowable amounts.

Recommendation

The college should initiate procedures that would require verification of the student's enrollment hours before payment is disbursed to the student.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-8     Program: Higher Education – Institutional Aid, CFDA Number 84.031,  
                 Department of Education, Award Number P031B0805052

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Section 21 (b) (1) of OMB Circular A-110 requires a recipient's financial management system to provide for accurate, current and complete disclosure of the financial results of each federally-sponsored project or program. Accordingly, management of the college is responsible for establishing an effective internal control system to ensure that all federal funds are properly classified according to the approved budget. During our review of the Higher Education – Institutional Aid program, we noted that \$9,394 of commodities were miscoded in the accounting system and classified as contractual services. This situation represents a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements for this federal program. This weakness, if not corrected, could cause federal expenditures to be improperly reported.

Recommendation

The college should initiate procedures that would require review of federal expenditures for proper classification prior to their posting to the accounting system.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-9      Program: TRIO Cluster – Upward Bound, CFDA Number 84.047, Department of Education, Award Number P047A080593-09

Program: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP), CFDA Number 84.334, Department of Education, Award Number P334A050207-08

Compliance Requirement: Allowable Costs/Cost Principles

Finding

Section 21 (b) (4) of OMB Circular A-110 requires comparison of outlays with budget amounts for each award. This section further indicates that whenever appropriate, financial information should be related to performance and unit cost data. Accordingly, management of the college is responsible for establishing an effective internal control system to ensure that all federal funds are expended within the limitations of the approved budget. During our review of TRIO Cluster – Upward Bound program, we noted that total wages exceeded the budgeted amount by \$150. No budget transfer was prepared to eliminate the deficit in budgeted wages. During our review of the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) program, we noted that \$23,320 of contractual services according to the grant's budget were improperly reported as wages. These situations represent a weakness in the controls surrounding the Allowable Costs/Cost Principles requirements for these federal programs. These weaknesses, if not corrected, could cause federal expenditures to be improperly reported and budget limitations to be exceeded.

Recommendation

The college should initiate procedures that would require review of expenditures for proper classification according to the guidelines of the federal budget prior to their reporting. The college should also initiate procedures that would require review of actual expenditures on an ongoing basis to ensure budget limitations are not exceeded.



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

Significant Deficiency/Immaterial Weakness/Immaterial Noncompliance

2009-10    Program: Student Financial Aid Cluster – Federal Supplemental Educational Opportunity Grants, CFDA Number 84.007, Department of Education, Award Number P007A082232

Program: Student Financial Aid Cluster – Federal Work-Study Program, CFDA Number 84.033, Department of Education, Award Number P033A082232

Program: Student Financial Aid Cluster – Federal Pell Grant Program, CFDA Number 84.063, Department of Education, Award Number P063081698

Program: Student Financial Aid Cluster – Academic Competitiveness Grant Program, CFDA Number 84.375, Department of Education, Award Number P375A81698

Program: Higher Education – Institutional Aid, CFDA Number 84.031, Department of Education, Award Number P031B0805052

Program: TRIO Cluster – Upward Bound, CFDA Number 84.047, Department of Education, Award Number P047A080593-09

Program: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP), CFDA Number 84.334, Department of Education, Award Number P334A050207-08

Compliance Requirement: Cash Management

Finding

Section 28 of OMB Circular A-110 asserts that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period. Accordingly, management of the college is responsible for establishing an effective internal control system to ensure that federal funds requested for a period are equal to the federal expenditures incurred for that period. During our review of the above federal programs, we noted that the following amounts were drawn in excess of documented expenditures or expenditures were incurred in excess of funds drawn as indicated below:



**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

**Section 3: Federal Award Findings and Questioned Costs (Continued)**

2009-10 (Continued)

Student Financial Aid Cluster – Federal Supplemental Educational Opportunity Grants – Expenditures totaling \$34,883 were incurred in excess of funds drawn.

Student Financial Aid Cluster – Federal Work-Study Program – \$3,138 was drawn in excess of documented expenditures.

Student Financial Aid Cluster – Federal Pell Grant Program – Expenditures totaling \$13,599 were incurred in excess of funds drawn.

Student Financial Aid Cluster – Academic Competitiveness Grant Program – Expenditures totaling \$823 were incurred in excess of funds drawn.

Higher Education – Institutional Aid – \$52,832 (which includes \$29,123 of College Cost Reduction and Access Act (CCRAA) funds) was drawn in excess of documented expenditures.

TRIO Cluster – Upward Bound – \$336 was drawn in excess of documented expenditures.

Gaining Early Awareness and Readiness for Undergraduate Programs – Expenditures totaling \$5,477 were incurred in excess of funds drawn.

These situations represent a weakness in the controls surrounding the Cash Management requirements for these federal programs. This weakness, if not corrected, could cause the college to continue to receive funding either below or in excess of allowable amounts. In response to this finding, the college has adjusted its current year funding requests to correct the amounts drawn in excess of or below the authorized amounts.

**Recommendation**

The college should initiate procedures that would require verification of all federal expenditures prior to requesting reimbursement for these expenditures.

# COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

3240 Friars Point Road  
Clarksdale, Mississippi 38614-9799  
662-627-2571



## Auditee's Corrective Action Plan For the Year Ended June 30, 2009

As required by Section \_\_.315 (b) of OMB Circular A-133, Coahoma Community College and Agricultural High School has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2009:

### Finding    Corrective Action Plan Details

#### 2009-1    Name of Contact Person Responsible for Corrective Action

Deborah McNeal, V.P. Finance and Operations (662) 621-4124  
Jerone Shaw, Director of Physical Plant and Projects (662) 621-4177

#### Corrective Action Planned:

The institution has implemented procedures to ensure that all capital assets are properly recorded and added to the depreciation schedule upon acquisition. Additionally, procedures have been strengthened to include monthly reconciliations between the Physical Plant Office and Fiscal Affairs to verify existence and location of all capital assets recorded in the accounting records.

#### Anticipated Completion Date:

September 30, 2010

#### 2009-2    Name of Contact Person Responsible for Corrective Action:

Deborah McNeal, V.P. Finance and Operations (662) 621-4124  
Jerone Shaw, Director of Physical Plant and Projects (662) 621-4177

#### Corrective Action Planned:

Based upon the findings relating to the college and high school's capital asset disposal and replacement procedures, the institution has implemented additional procedures requiring proper documentation/notification for the disposal and/or replacement of capital assets. All capital assets recorded in the accounting records will be physically inspected on an annual basis.

Finding    Corrective Action Plan Details

2009-2    (Continued)

Anticipated Completion Date

May 15, 2010

2009-3    Name of Contact Person Responsible for Corrective Action:

Dr. Gregory Hudson, V.P. President of Student Affairs, (662) 621-4153

Corrective Action Planned:

The institution has initiated additional procedures in the Office of Students Services to review and verify all institutional scholarships roster submitted to the Office of Financial Aid prior to disbursement to ensure compliance with the scholarship requirements as defined in the college's catalog.

Anticipated Completion Date:

March 9, 2010

2009-4    Name of Contact Person Responsible for Corrective Action:

Patricia A. Brooks, Director of Financial Aid, (662) 624-4168

Corrective Action Planned:

The institution has implemented required regulations to adequately perform internal checks and balances to ensure the Financial Aid Office verifies timesheets for accuracy before authorizing payment.

Anticipated Completion Date:

March 9, 2010

Finding    Corrective Action Plan Details

2009-5    Name of Contact Person Responsible for Corrective Action:

Patricia A. Brooks, Director of Financial Aid, (662) 624-4168

Correction Action Planned:

The institution has implemented procedures to ensure that all adjustments in student's awards are reviewed and posted prior to the scheduled disbursement date to avoid payments in excess of prescribed allowable amounts.

Anticipated Completion Date:

March 22, 2010

2009-6    Name of Contact Person Responsible for Corrective Action:

Patricia A. Brooks, Director of Financial Aid, (662) 624-4168

Correction Action Planned:

The Office of Financial Aid has initiated procedures to verify that all ACG students meet eligibility requirements each term before funds are disbursed to the student.

Anticipated Completion Date:

March 22, 2010

2009-7    Name of Contact Person Responsible for Corrective Action:

Patricia A. Brooks, Director of Financial Aid, (662) 621-4168

Correction Action Planned:

The college has initiated additional procedures to perform a reconciliation between the student enrollment hours and the disbursement journal prior to disbursing payments to the student.

Anticipated Completion Date:

March 22, 2010

Finding      Corrective Action Plan Details

2009-8      Name of Contact Person Responsible for Corrective Action:

Marilyn Starks, V.P. of Institutional Advancement & Federal Programs, (662) 621-4154

Correction Action Planned:

The college has initiated procedures to ensure that federal expenditures are properly classified in accordance with the college's chart of account for expenditure when requisitions are submitted for processing.

Anticipated Completion Date:

December 14, 2010

2009-9      Name of Contact Person Responsible for Corrective Action:

Marilyn Starks, V.P. of Institutional Advancement & Federal Programs, (662) 621-4154

Correction Action Planned:

The federal programs office has initiated procedures to review and verify classification of all expenditures against the federal budget prior to the monthly closeouts reporting.

Anticipated Completion Date:

December 14, 2010

2009-10      Name of Contact Person Responsible for Corrective Action:

Michael Houston, Director of Accounting, (662) 621-4134

Correction Action Planned:

The college has initiated additional procedures to verify federal expenditures monthly prior to requesting reimbursements.

Anticipated Completion Date:

December 14, 2010

# COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

3240 Friars Point Road  
Clarksdale, Mississippi 38614-9799  
662-627-2571



## Summary Schedule of Prior Audit Findings For the Year Ending June 30, 2008

As required by Section \_\_\_\_315 (b) of OMB Circular A-133, Community College has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2008:

<u>Finding</u>	<u>Status</u>
2008-1	Corrective action taken. Management has implemented procedures and timelines to prepare the financial statements and related notes prior to the commencement of the audit field work in accordance with generally accepted accounting principles.
2008-2	Corrective action taken. Based upon the findings surrounding the accountability of the college and high school's asset disposal and replacement procedure, the institution has implement procedures to ensure the proper documentation for the disposal of capital assets. All capital assets recorded in the accounting records will be physically inspected on an annual basis.
2008-3	Corrective action taken. The institution has implemented procedures to properly record the arrival and delivery of capital assets, with monthly reconciliation to be prepared between the Business Office and Inventory Control personnel. All capital assets recorded in the accounting records will be physically inspected on an annual basis.
2008-4	Corrective action taken. The Department of Fine Arts has implemented procedures to review all students receiving band and choir scholarships at the end of each semester to ensure compliance with the satisfactory academic progress policy as defined in the college catalog.
2008-5	Corrective action taken. The Office of Student Affairs has implemented procedures to review all students receiving band and choir scholarships at the end of each semester to ensure compliance with the satisfactory academic progress policy as defined in the college catalog.



- 2008-6      Corrective action taken. Procedures have been implemented to verify student enrollment information and provide evidence to substantiate the number of hours used in determining each student's status for purposes of calculating the amount of financial aid to be awarded before payment is disbursed to the student.
- 2008-7      Corrective action taken. Procedures are in place to ensure the Registrar's Office verifies students' ACG eligibility prior to the Financial Aid Office awarding grants to students.
- 2008-8      Corrective action taken. Procedures are in place to ensure the Registrar's Office verifies students' ACG eligibility prior to the Financial Aid Office awarding grants to students.