



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.



**FINANCIAL STATEMENTS OF SELECTED FUNDS  
OF THE  
STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

[CLAcconnect.com](http://CLAcconnect.com)

**STATE OF MISSISSIPPI COMMUNITY COLLEGE BOARD  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS OF SELECTED FUNDS</b>	
<b>BALANCE SHEETS</b>	<b>3</b>
<b>STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE</b>	<b>4</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>5</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>12</b>



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Kell Smith  
Interim Executive Director  
State of Mississippi Community College Board  
Jackson, Mississippi

We have audited the accompanying financial statements of the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the State of Mississippi Community College Board (MCCB), as of and for the year ended June 30, 2021, and the related notes to the financial statements. These financial statements will be consolidated into the State of Mississippi's Annual Comprehensive Financial Report (ACFR).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://nexia.com/member-firm-disclaimer) for details.

Kell Smith  
Interim Executive Director  
State of Mississippi Community College Board

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of MCCB as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of MCCB present only the financial position and changes in financial position of that portion of the governmental activities of the selected funds of MCCB and the State of Mississippi that is attributable to the transactions of 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000. They do not purport to, and do not, present fairly the financial position of MCCB or the state of Mississippi as of June 30, 2021, or the changes in financial position of each entity for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matter***

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by the missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022, on our consideration of MCCB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MCCB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MCCB's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 27, 2022

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
BALANCE SHEETS  
JUNE 30, 2021**

	Fund 2229100000	Fund 2229800000	Fund 3329100000	Fund 3329200000	Fund 3329500000	Fund 3329700000	Fund 3329800000	Total
<b>ASSETS</b>								
Equity in State Treasury Funds	\$ 30,424	\$ -	\$ 15,023,981	\$ 29,266	\$ -	\$ 272,957	\$ 19,378,203	\$ 34,734,831
Accounts Receivable	-	-	30,000	-	-	-	7,445	37,445
Due from Other State Funds	-	-	42,796	-	-	-	-	42,796
Total Assets	<u>\$ 30,424</u>	<u>\$ -</u>	<u>\$ 15,096,777</u>	<u>\$ 29,266</u>	<u>\$ -</u>	<u>\$ 272,957</u>	<u>\$ 19,385,648</u>	<u>\$ 34,815,072</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 10,731	\$ -	\$ 60,037	\$ -	\$ -	\$ 7,819	\$ 7,657	\$ 86,244
Due to Other Governments	-	-	2,246,553	-	-	-	4,598,409	6,844,962
Due to Other State Funds	19,711	-	13	-	-	13	-	19,737
Total Liabilities	<u>30,442</u>	<u>-</u>	<u>2,306,603</u>	<u>-</u>	<u>-</u>	<u>7,832</u>	<u>4,606,066</u>	<u>6,950,943</u>
<b>FUND BALANCES</b>								
Restricted for Education	-	-	12,790,174	-	-	265,125	14,779,582	27,834,881
Committed for Education	-	-	-	29,266	-	-	-	29,266
Unassigned	(18)	-	-	-	-	-	-	(18)
Total Fund Balances	<u>(18)</u>	<u>-</u>	<u>12,790,174</u>	<u>29,266</u>	<u>-</u>	<u>265,125</u>	<u>14,779,582</u>	<u>27,864,129</u>
Total Liabilities and Fund Balances	<u>\$ 30,424</u>	<u>\$ -</u>	<u>\$ 15,096,777</u>	<u>\$ 29,266</u>	<u>\$ -</u>	<u>\$ 272,957</u>	<u>\$ 19,385,648</u>	<u>\$ 34,815,072</u>

See accompanying Notes to Financial Statements.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2021**

	Fund 2229100000	Fund 2229800000	Fund 3329100000	Fund 3329200000	Fund 3329500000	Fund 3329700000	Fund 3329800000	Total
<b>REVENUES</b>								
Licenses, Fees, and Permits	\$ -	\$ -	\$ 1,695,813	\$ -	\$ -	\$ 246,850	\$ 303,360	\$ 2,246,023
Other Income	-	-	147,615	-	-	-	804,715	952,330
Total Revenues	-	-	1,843,428	-	-	246,850	1,108,075	3,198,353
<b>EXPENDITURES</b>								
Subsidies	542,791	160,138,534	28,891,245	132,862	215,936	-	10,551,192	200,472,560
Salaries and Benefits	1,444,159	-	1,723,338	-	-	151,614	-	3,319,111
Travel	23,859	-	3,100	-	-	366	-	27,325
Contractual Services	185,050	-	2,609,718	-	-	50,607	200,000	3,045,375
Commodities	17,772	-	161,484	-	-	121	-	179,377
Capital Outlay	-	-	65,057	-	-	-	-	65,057
Total Expenditures	2,213,631	160,138,534	33,453,942	132,862	215,936	202,708	10,751,192	207,108,805
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,213,631)	(160,138,534)	(31,610,514)	(132,862)	(215,936)	44,142	(9,643,117)	(203,910,452)
<b>OTHER FINANCING SOURCES (USES)</b>								
Indirect Cost	-	-	10,680	-	-	-	-	10,680
Transfers In	2,190,608	162,533,448	31,271,022	138,429	1,000	250	18,963,033	215,097,790
Transfers (Out)	(138,429)	(2,395,914)	-	-	-	-	-	(2,534,343)
Total Financing Sources (Uses)	2,052,179	160,137,534	31,281,702	138,429	1,000	250	18,963,033	212,574,127
<b>NET CHANGE IN FUND BALANCES</b>	(161,452)	(1,000)	(328,812)	5,567	(214,936)	44,392	9,319,916	8,663,675
Fund Balances - Beginning of Year	161,434	1,000	13,118,986	23,699	214,936	220,733	5,459,666	19,200,454
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (18)</u>	<u>\$ -</u>	<u>\$ 12,790,174</u>	<u>\$ 29,266</u>	<u>\$ -</u>	<u>\$ 265,125</u>	<u>\$ 14,779,582</u>	<u>\$ 27,864,129</u>

See accompanying Notes to Financial Statements.



**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Background Information**

Mississippi Community College Board (MCCB), an agency of the state of Mississippi, follows fund accounting pursuant to applicable state statutes. These funds represent funds selected for audit by the state of Mississippi, Office of the State Auditor, and the accompanying presentation does not purport to present the financial position and changes in financial position of MCCB.

**Financial Reporting Entity**

MCCB is a state agency in the State of Mississippi's Annual Comprehensive Financial Report. The selected governmental funds presented in these financial statements are part of the larger entity that in whole comprises the financial reporting entity of the Mississippi Community College Board.

**Purpose of Funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000**

*Fund 2229100000* – MCCB Administrative Office Fund receives appropriations by law of the State Legislature for the purpose of defraying the administrative expenses of MCCB.

*Fund 2229800000* – Community and Junior College (CJC) Support Fund receives appropriations by law of the State Legislature for the aid and support of the public community and junior colleges.

*Fund 3329100000* – MCCB Board Community and Junior College Special Funds is a special fund that receives and disburses federal funds for approved projects at local community and junior colleges.

*Fund 3329200000* – MCCB Workforce Carryover Fund is a special fund into which shall be deposited any funds which were appropriated by the State Legislature to the Workforce Program which said funds were allocated but unexpended.

*Fund 3329500000* – CJC Health & Life Carryover Fund is a special fund into which shall be deposited any funds which were appropriated by the State Legislature to fund life and health insurance for all employees of the public community and junior colleges which said funds were allocated but unexpended.

*Fund 3329700000* – MCCB Proprietary School and College Registration Fund is a special fund that receives license, fee and permit revenue from external entities to defray the costs of regulation and administration of the Mississippi Proprietary School and College Registration Law.

*Fund 3329800000* – MCCB Workforce Enhancement Training (WET) Fund is a special fund that receives license, fee, and permit revenue as well as contributions of unemployment compensation contributions to provide training at no charge to employers and employees in order to enhance employee productivity.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The accompanying fund financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

**Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposit accounts and equity in State Treasury Funds. Equity in State Treasury Funds consists of pooled cash held by the Treasurer of the state of Mississippi.

**Accounts Receivable**

Accounts receivable consist of amounts due from the federal or state government in which the revenue is earned but not received by June 30, 2021. Accounts receivable is reported net of allowances for uncollectible accounts, where applicable. The Board deemed all accounts receivable fully collectible and did not record an allowance as of June 30, 2021.

**Account Classifications**

The account classifications used in the financial statements conform to the board classifications recommended in Governmental Accounting, Auditing and Financial Reporting, as issued by the Government Finance Officers Association.

**Fund Accounting**

The financial activities of the funds audited are recorded in individual funds used to report financial position and changes in financial position. Fund accounting demonstrates the legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

**Basis of Accounting/Measurement Focus**

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are considered to be available when they are both measurable and available to finance expenditures of the current period. Management considers revenue to be available if collected within 60 days. Expenditures are recorded when a liability is incurred.

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires MCCB to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and other changes in fund balances during the period. Actual results could differ from those estimates.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Grant revenue is recognized when the related and allowable liability is paid. Other revenues in the funds are generally recognized when the revenue is received or appropriated by the State of Mississippi Legislature.

**Interfund Transfers**

Interfund transfers received from other funds are reported as Other Financing Sources rather than revenue, and interfund transfers sent to other funds are recorded as Other Financing Uses. In the selected governmental funds financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures of the disbursing fund.

As of June 30, 2021, fund transfers consisted of:

**Fund 2229100000**

<u>Description</u>	<u>Transfers In</u>
Department Finance and Administration - Adjust Cash	\$ 2,190,608
	<u>Transfers Out</u>
Other State Agency - Department of Corrections	\$ 138,429

**Fund 2229800000**

<u>Description:</u>	<u>Transfers In</u>
Department Finance and Administration - Adjust Cash	\$ 162,533,448
	<u>Transfers Out</u>
Other Agency Funds - 3329100000	\$ 2,394,914
Other Agency Funds - 3329500000	1,000
Total	\$ 2,395,914

**Fund 3329100000**

<u>Description:</u>	<u>Transfers In</u>
Other Agency Funds - 2229800000	\$ 2,394,914
Other State Agency - Office of Tech and Strategic Services	28,300,473
Other State Agency - Employment Security - Business Management	552,291
Department Finance and Administration - Adjust Cash	23,344
Total	\$ 31,271,022

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Transfers (Continued)**

**Fund 3329200000**

<u>Description:</u>	<u>Transfers In</u>
Other State Governments:	
Mississippi Gulf Coast Community College	\$ 138,429

**Fund 3329500000**

<u>Description:</u>	<u>Transfers In</u>
Other Agency Funds - 2229800000	\$ 1,000

**Fund 3329700000**

<u>Description:</u>	<u>Transfers In</u>
Department Finance and Administration - Adjust Cash	\$ 250

**Fund 3329800000**

<u>Description:</u>	<u>Transfers In</u>
Other State Funds:	
Mississippi Department of Employment Security	\$ 18,963,033

**Fund Balances – Governmental Funds**

MCCB presents defined fund balance categories to demonstrate the nature and extent of the constraint placed on the selected funds' fund balances. The classifications used in the selected governmental funds financial statements are based on the following methodology:

Nonspendable – This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that may only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – This classification includes amounts that can be used only for the specific purposes determined by enabling legislations by the State Legislature.

Assigned – This classification includes amounts where constraints are imposed on the use of resources through the intent of the State Legislature or by its delegation to each agency director.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balances – Governmental Funds (Continued)**

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications. The unassigned classification is also used to report a deficit balance resulting from overspending for specific purposes for which amount had been restricted, committed or assigned.

MCCB considers restricted amounts to have been spent when the expenditure is incurred for purposes determined for which both restricted and unrestricted fund balances are available.

**NOTE 2 CASH AND OTHER DEPOSITS**

Custodial risk is the risk that in the event of bank failure, a government's deposits may not be returned. MCCBs' deposit policy for protection of custodial risk is handled under a statewide collateral program. The collateral for public entities' deposits in financial institutions is held by the depository bank in the name of the State Treasurer under a program established by the State of Mississippi Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entities' 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 Deposit Insurance Corporation.

**NOTE 3 DUE FROM AND DUE TO OTHER GOVERNMENTS**

At June 30, 2021, due from and due to other governments balances consisted of:

<b>Fund 2229100000</b>		<b>Due To</b>
Other State Funds:		
Institutions of Higher Learning		\$ 6,385
Department of Finance and Administration		13,326
	<b>Total</b>	<b>\$ 19,711</b>
<b>Fund 3329100000</b>		<b>Due From</b>
Other State Funds:		
Mississippi Department of Education-OTSS		\$ 42,796

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DUE FROM AND DUE TO OTHER GOVERNMENTS (CONTINUED)**

<b>Fund 3329100000 (Continued)</b>		<b>Due To</b>
Other Governments:		
Coahoma County Community College	\$	63,128
Copiah-Lincoln Community College		83,491
East Central Community College		83,987
East Mississippi Community College		127,756
Hinds County Community College		306,138
Holmes County Community College		142,050
Itawamba Community College		125,941
Jones County Junior College		148,575
Meridian Community College		110,520
Mississippi Delta Community College		65,983
Mississippi Gulf Coast Community College		366,384
Northeast Mississippi Community College		115,778
Northwest Mississippi Community College		172,134
Pearl River Community College		209,402
ED - Office of Tech and Strategic Service		23,343
Southwest Mississippi Community College		101,943
Total	\$	<u>2,246,553</u>
Other State Funds:		
Institutions of Higher Learning	\$	<u>13</u>
<b>Fund 3329700000</b>		<b>Due From</b>
Other State Funds:		
Institutions of Higher Learning	\$	<u>13</u>
<b>Fund 3329800000</b>		<b>Due To</b>
Other Governments:		
Coahoma County Community College	\$	103,744
Copiah-Lincoln Community College		122,354
East Central Community College		68,712
East Mississippi Community College		113,223
Hinds County Community College		997,846
Holmes County Community College		290,752
Itawamba Community College		511,432
Jones County Junior College		369,059
Meridian Community College		162,073
Mississippi Delta Community College		49,424
Mississippi Gulf Coast Community College		907,871
Northeast Mississippi Community College		322,853
Northwest Mississippi Community College		340,408
Pearl River Community College		164,886
Southwest Mississippi Community College		43,318
Central Mississippi Planning and Development District		7,655
Three Rivers Planning and Development		22,799
Total	\$	<u>4,598,409</u>

All amounts due to MCCB are expected to be collected in fiscal year 2022.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 CONTINGENCIES AND COMMITMENTS**

**Federal Grants**

MCCB receives federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreement and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance of program uses of funds may be a liability of MCCB's.

**Litigation**

MCCB is party to various legal proceedings that arise in the normal course of governmental operations. If an unfavorable outcome of the litigation is determined to be likely and probable, MCCB will record a liability to reflect the estimated outcome of the litigation.

**NOTE 5 RETIREMENT PLAN**

MCCB contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiemployer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

PERS members are required to contribute 9.00% of their annual covered salary and the Agency is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. MCCB retirement contribution, as of June 30, 2021 for funds selected for audit, was \$442,653.



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

Kell Smith  
Interim Executive Director  
State of Mississippi Community College Board  
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the Mississippi Community College Board (MCCB) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2022, which contained an unmodified opinion with an Other Matter paragraph regarding the omission of management's discussion and analysis. These financial statements will be consolidated into the State of Mississippi's Annual Comprehensive Financial Report (ACFR).

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements of the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000, we considered MCCB's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000, but not for the purpose of expressing an opinion on the effectiveness of MCCB's internal control. Accordingly, we do not express an opinion on the effectiveness of MCCB's internal control.

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



Kell Smith  
Interim Executive Director  
State of Mississippi Community College Board

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MCCB's funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 27, 2022