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**COAHOMA COMMUNITY COLLEGE
AND EARLY COLLEGE HIGH SCHOOL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
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J. E. VANCE & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET
POST OFFICE BOX 1280
TUPELO, MISSISSIPPI 38802

(662) 842-2123
FACSIMILE (662) 841-6809
E-MAIL: jev@jevance.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Coahoma Community College and Early College High School as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the college and high school's basic financial statements as listed in the table of contents. We audited the financial statements of the Coahoma Community College Foundation, Inc. as of and for the year ended June 30, 2021, which is the sole component unit.

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.

Auditor's 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. The financial statements of Coahoma Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Coahoma Community College and Early College High School as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 21, the Schedules of the Proportionate Share of Net Pension Liability and PERS Contributions on pages 64 and 65, the Schedules of the Proportionate Share of Net OPEB Liability and OPEB Contributions on pages 66 and 67, and the notes related to these schedules on pages 68 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by The Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Coahoma Community College and Early College High School's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022, on our consideration of Coahoma Community College and Early College High School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 Coahoma Community College and Early College High School'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 Coahoma Community College and Early College High School's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "J. E. Vance & Company". The signature is written in dark ink and is positioned above the printed text of the firm's name.

Tupelo, Mississippi
October 11, 2022

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

This section of the Coahoma Community College and Early College High School's 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, 2021. 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 the college and high school's management.

Using the Annual Report

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

Coahoma Community College and Early College High School reports the following discretely presented component unit: Coahoma Community College Foundation, Inc. (the Foundation). The main purpose of the Foundation is to raise money to supplement the college and high school's resources.

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 Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. 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 Position includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. The college and high school's net position (the difference between assets and liabilities) is one indicator of the college and high school's financial health. Over time, increases or decreases in net position 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 Position presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies state appropriations and gifts as non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the college 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.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Financial and Enrollment Highlights

- Enrollment decreased 6.1% from the prior year based on headcount.

Year	Total Students Enrolled in Fall
2011	2,301
2012	2,305
2013	2,072
2014	2,044
2015	2,209
2016	2,189
2017	2,077
2018	1,911
2019	1,662
2020	1,560

- Net revenue from tuition and fees decreased 149% from the prior year.
- Revenue from federal, state, and non-governmental grants increased by 23.6% from the prior year.
- Revenue from state and county appropriations decreased by 1.0% from the prior year.
- The value of the endowment fund increased by 32.2% from the prior year.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Condensed Statements of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Assets			
Current Assets	\$ 14,511,911	\$ 13,457,630	\$ 1,054,281
Noncurrent Assets:			
Capital Assets, Net	46,897,495	45,750,381	1,147,114
Other Assets	<u>7,487,052</u>	<u>4,854,896</u>	<u>2,632,156</u>
Total Assets	<u>68,896,458</u>	<u>64,062,907</u>	<u>4,833,551</u>
Deferred Outflows			
Pensions	4,487,038	2,659,822	1,827,216
Other Post-Employment Benefits	<u>381,817</u>	<u>293,432</u>	<u>88,385</u>
Total Deferred Outflows	<u>4,868,855</u>	<u>2,953,254</u>	<u>1,915,601</u>
Liabilities			
Current Liabilities	2,795,573	1,551,033	1,244,540
Noncurrent Liabilities:			
Deposits Refundable	19,085	15,000	4,085
Leases Payable	191,464	-0-	191,464
Net Pension Liability	37,546,466	33,764,274	3,782,192
Net OPEB Liability	<u>1,605,816</u>	<u>1,765,094</u>	<u>(159,278)</u>
Total Liabilities	<u>42,158,404</u>	<u>37,095,401</u>	<u>5,063,003</u>
Deferred Inflows			
Pensions	314,989	1,094,485	(779,496)
Other Post-Employment Benefits	<u>431,323</u>	<u>190,985</u>	<u>240,338</u>
Total Deferred Inflows	<u>746,312</u>	<u>1,285,470</u>	<u>(539,158)</u>
Net Position			
Net Investment in Capital Assets	46,645,543	45,750,381	895,162
Restricted:			
Nonexpendable Scholarships	3,838,290	2,904,358	933,932
Expendable Scholarships	1,535,700	1,601,244	(65,544)
Capital Projects	500,000	1,479,000	(979,000)
Unrestricted	<u>(21,658,936)</u>	<u>(23,099,693)</u>	<u>1,440,757</u>
Total Net Position	<u>\$ 30,860,597</u>	<u>\$ 28,635,290</u>	<u>\$ 2,225,307</u>

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

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 in the college and high school's financial statements was \$11,370,483 at June 30, 2021, an increase of \$777,415 from \$10,593,068 at June 30, 2020.

Accounts Receivable

Accounts receivable relate to several transactions including state and 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 \$2,492,874 at June 30, 2021, an increase of \$93,665 from \$2,399,209 at June 30, 2020.

Inventories

The college and high school maintain inventories of merchandise for resale in the bookstore 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 \$128,119 at June 30, 2021, a decrease of \$34,014 from \$162,133 at June 30, 2020.

Prepaid Expenses

Prepaid expenses include prepaid construction costs and prepaid insurance. Prepaid construction consists of amounts paid to the Mississippi Office of Buildings, Grounds and Real Property Management for various construction, renovation, and repair projects on campus. Prepaid construction at June 30, 2021 was \$358,869, an increase of \$207,822 from \$151,047 at June 30, 2020. Prepaid insurance consists of advance premiums paid on the college and high school's various insurance policies. Prepaid insurance at June 30, 2021 was \$161,566, an increase of \$9,393 from \$152,173 at June 30, 2020. Total prepaid expenses totaled \$520,435, an increase of \$217,215 from total prepaid expenses of \$303,220 at June 30, 2020.

Noncurrent Assets

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those funds that are held in the bank accounts, 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 was \$3,648,762 at June 30, 2021, an increase of \$1,698,224 from \$1,950,538 at June 30, 2020.

Investments

Investments include certificates of deposit and marketable securities held and managed by investment managers. These investments are recorded at their fair market value. The fair market value was \$3,838,290 at June 30, 2021, an increase of \$933,932 from \$2,904,358 at June 30, 2020.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Capital Assets, Net

Capital assets, net consist of land, infrastructure, buildings, equipment, and historical library holdings. The amount reported is net of accumulated depreciation. Capital assets, net totaled \$46,897,495 at June 30, 2021, an increase of \$1,147,114 from \$45,750,381 at June 30, 2020.

Deferred Outflows

Deferred outflows represent the amount of net position consumed by the college and high school's pension and other post-employment benefits plans that apply to future periods and will not be recognized as an outflow of resources (expense) until the applicable period. Deferred outflows for pensions were \$4,487,038 at June 30, 2021, an increase of \$1,827,216 from \$2,659,822 at June 30, 2020. Deferred outflows for other post-employment benefits were \$381,817 at June 30, 2021, an increase of \$88,385 from \$293,432 at June 30, 2020. The increase in deferred outflows related to pensions and the increase in deferred outflows related to other post-employment benefits are recognized in the performances of the State retirement system and the State other post-employment benefits plans for the fiscal year ending June 30, 2020.

Liabilities

Current Liabilities

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at June 30, 2021 for goods and services received before the end of the fiscal year. Accounts payable and accrued liabilities totaled \$2,131,719 at June 30, 2021, an increase of \$1,134,465 from \$997,254 at June 30, 2020.

Lease-Purchase Liability - Current Portion

Lease-purchase liability – current portion represents the portion of the lease-purchase liability that is due within one year. The current portion of the lease-purchase liability as of June 30, 2021 was \$60,488. The lease-purchase occurred in the current year, thus there was no liability at June 30, 2020.

Net Other Post-Employment Benefits Liability - Current Portion

Net other post-employment benefits liability – current portion represents the portion of the net other post-employments benefits liability that is due within one year. The current portion of the net other post-employment benefits liability as of June 30, 2021 was \$53,811, a decrease of \$12,375 from \$66,186 at June 30, 2020.

Other Current Liabilities

Other current liabilities consist of funds held for student clubs and organizations to be disbursed in the future years. Other current liabilities were \$549,555 at June 30, 2021, an increase of \$61,962 from \$487,593 at June 30, 2020.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Noncurrent Liabilities

Refundable Deposits

Refundable deposits consist of student housing deposits to be refunded to students. Student housing deposits refundable were \$19,085 at June 30, 2021, an increase of \$4,085 from \$15,000 at June 30, 2020.

Long-Term Liabilities

Long-term liabilities consist of the college's lease-purchase of a scoreboard for the football stadium and the college and high school's proportionate shares of the State's net pension liability and the State's other post-employment benefits liability. The scoreboard lease-purchase liability at June 30, 2021 was \$191,464. The lease-purchase occurred in the current year, thus there was no liability at June 30, 2020. The net pension liability was \$37,546,466 as of June 30, 2021, an increase of \$3,782,192 from \$33,764,274 as of June 30, 2020. The net other post-employment benefits liability as of June 30, 2021 was \$1,605,816, a decrease of \$159,278 from \$1,765,094 at June 30, 2020.

Deferred Inflows

Deferred inflows represent the amount of net position acquired by the college and high school's pension plan and other post-employment benefits that applies to future periods and will not be recognized as an inflow of resources (revenue) until the applicable period. Deferred inflows for pensions at June 30, 2021 were \$314,989, a decrease of \$779,496 from \$1,094,485 at June 30, 2020. Deferred inflows for other post-employment benefits at June 30, 2021 were \$431,323, an increase of \$240,338 from \$190,985 at June 30, 2020. The decrease in deferred inflows related pensions and the increase in deferred inflows related to other post-employment benefits are recognized in the performance of the State retirement system and the State's other post-employment benefits plans for the fiscal year ending June 30, 2020.

Net Position

Net position represents the difference between the college and high school's assets and deferred outflows of resources and its liabilities and deferred inflows of resources. The college and high school's net position increased by \$2,222,649 from normal operations in the current year. As a result, the total net position at June 30, 2021 was \$30,860,597, including a prior period adjustment of \$2,658, compared to \$28,635,290, at June 30, 2020.

Net Investment in Capital Assets

Net investment in capital assets consists of the college's net position invested in capital assets less the outstanding amount of capital related debt. Net position invested in capital assets was \$46,645,543 June 30, 2021, an increase of \$895,162 from \$45,750,381 at June 30, 2020.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Restricted Net Position

Restricted nonexpendable net position consists of endowment gifts with specific restrictions given on spending the principal. Restricted expendable net position consists of endowment gifts, gifts with specific restrictions, grants from third party agencies with expenditure restrictions, and amounts restricted for capital projects. Restricted net position at June 30, 2021 was \$5,873,990 of which \$3,838,290 was nonexpendable. Restricted net position at June 30, 2020 was \$5,984,602 of which \$2,904,358 was nonexpendable. Restricted net position decreased by \$110,612 from June 30, 2020 to June 30, 2021. The nonexpendable portion increased \$933,932 from June 30, 2020 to June 30, 2021.

Unrestricted Net Deficit

Unrestricted net deficit represents 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 deficit was \$21,658,936 at June 30, 2021, an increase of \$1,440,757 from the \$23,099,693 unrestricted net deficit at June 30, 2020. The change in the unrestricted net deficit is summarized in the following table:

Analysis of Unrestricted Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Unrestricted Net Position, General and Auxiliary Funds	\$ 12,266,175	\$ 9,930,721	\$ 2,335,454
Net Deficit, Pensions Fund	(32,196,278)	(31,341,368)	(854,910)
Net Deficit, OPEB Fund	<u>(1,728,833)</u>	<u>(1,689,046)</u>	<u>(39,787)</u>
Total Unrestricted Net Deficit	\$ <u>(21,658,936)</u>	\$ <u>(23,099,693)</u>	\$ <u>1,440,757</u>

The change in the unrestricted net position of the general and auxiliary funds is related to the changes in pension and other post-employment benefits expense adjustments between June 30, 2021 and June 30, 2020. The change in the pension and other post-employment benefits funds are related to the performances of the State retirement system and the State other post-employment benefits plans for the fiscal year ending June 30, 2020.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating Revenues:			
Tuition and Fees, Net	\$ (541,992)	\$ 1,105,815	\$ (1,647,807)
Grants and Contracts	21,219,669	17,162,826	4,056,843
Sales and Services - athletics	3,199	55,451	(52,252)
Auxiliary Enterprises, Net	847,467	1,183,993	(336,526)
Other Operating Revenues	<u>530,552</u>	<u>191,427</u>	<u>339,125</u>
Total Operating Revenues	22,058,895	19,699,512	2,359,383
Total Operating Expenses	<u>34,055,363</u>	<u>34,204,602</u>	<u>(149,239)</u>
Operating Loss	<u>(11,996,468)</u>	<u>(14,505,090)</u>	<u>2,508,622</u>
Nonoperating Revenues:			
State Appropriations	9,029,325	9,261,785	(232,460)
County Appropriations	3,111,410	3,006,419	104,991
Investment Income, Net	153,968	139,213	14,755
Other Nonoperating Revenues	<u>26,498</u>	<u>192,067</u>	<u>(165,569)</u>
Total Nonoperating Revenues	<u>12,321,201</u>	<u>12,599,484</u>	<u>(278,283)</u>
Income (Loss) Before Other Revenues (Expenses)	324,733	(1,905,606)	2,230,339
Other Revenues (Expenses)			
State Appropriations Restricted for Capital Projects	1,471,743	331,816	1,139,927
Other Additions and (Deletions)	<u>426,173</u>	<u>99,553</u>	<u>326,620</u>
Total Other Revenues (Expenses)	<u>1,897,916</u>	<u>431,369</u>	<u>1,466,547</u>
Increase (Decrease) in Net Position	2,222,649	(1,474,237)	3,696,886
Net Position, Beginning of Year, as originally reported	<u>28,635,290</u>	<u>30,109,527</u>	<u>(1,474,237)</u>
Prior period adjustment	<u>2,658</u>	<u>-0-</u>	<u>2,658</u>
Net Position, Beginning of Year, as restated	<u>28,637,948</u>	<u>30,109,527</u>	<u>(1,471,579)</u>
Net Position, End of Year	<u>\$ 30,860,597</u>	<u>\$ 28,635,290</u>	<u>\$ 2,225,307</u>

Coahoma Community College and Early College High School

Management's Discussion and Analysis For the Year Ended June 30, 2021

Total operating loss for the year ending June 30, 2021 was \$11,996,468, an increase of \$2,508,622 from \$14,505,090 for the year ending June 30, 2020. Since state and county 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 strive 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 the fiscal year ending June 30, 2021 were \$22,058,895, an increase of \$2,359,383 from total operating revenues of \$19,699,512, for the fiscal year ending June 30, 2020. Operating expenses totaled \$34,055,363 for the fiscal year ending June 30, 2021. Operating expenses for the fiscal year ending June 30, 2020 totaled \$34,204,602. The total operating expenses for the year ending June 30, 2021 decreased \$149,239 from the total operating expenses for the year ending June 30, 2020.

Revenues

Operating Revenues

Tuition and Fees

This category includes all tuition and fees assessed for educational purposes net of scholarship allowances. Tuition and fees before applying scholarship allowances for the fiscal year ending June 30, 2021 were \$6,491,806 an increase of \$248,896 from \$6,242,910 for the fiscal year ending June 30, 2020. Tuition and fees net of scholarship allowances were (\$541,992) for the fiscal year ending June 30, 2021, a decrease of \$1,647,807 from \$1,105,815 for the fiscal year ending June 30, 2020. The decrease is due to the additional scholarships made available from Covid-19 relief funds.

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 Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

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

	For the Year Ended:		Increase
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Federal Sources:			
Department of Education	\$ 17,501,474	\$ 13,137,998	\$ 4,363,476
Other Federal Sources	1,056,047	319,280	736,767
State Sources:			
Mississippi Community College Board	1,454,029	1,952,589	(498,560)
Mississippi Department of Education	672,771	665,054	7,717
Other Sources	<u>535,348</u>	<u>1,087,905</u>	<u>(552,557)</u>
Total All Sources	<u>\$ 21,219,669</u>	<u>\$ 17,162,826</u>	<u>\$ 4,056,843</u>

Sales and Services

Sales and services consist of income from athletic activities that totaled \$3,199 for the fiscal year ending June 30, 2021, a decrease of \$52,252 from \$55,451 for the fiscal year ending June 30, 2020. Athletic revenues declined due to no games being played during the Covid-19 pandemic.

Auxiliary Enterprises

Auxiliary enterprises consist 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 \$847,467 for the fiscal year ending June 30, 2021, a decrease of \$336,526 from \$1,183,993 for the fiscal year ending June 30, 2020. The decline was caused by the decline in on campus activities during the Covid-19 pandemic.

Operating Expenses

Operating expenses for the fiscal year ending June 30, 2021 totaled \$34,055,363, a decrease of \$149,239 from the total of \$34,204,602 for the fiscal year ending June 30, 2020. The changes in components of operating expenses from the year ending June 30, 2021 to the year ending June 30, 2020 are shown on the following table:

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

	For the Year Ended:		Increase
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Operating Expenses by Function:			
Instruction	\$ 13,672,113	\$ 12,170,912	\$ 1,501,201
Academic Support	2,756,419	1,873,962	882,457
Student Services	3,696,379	3,847,347	(150,968)
Institutional Support	2,996,428	4,419,808	(1,423,380)
Operation and Maintenance of Plant	3,554,083	3,884,008	(329,925)
Student Financial Aid	3,652,343	4,216,946	(564,603)
Auxiliary Enterprises	1,854,524	1,922,834	(68,310)
Depreciation	<u>1,873,074</u>	<u>1,868,785</u>	<u>4,289</u>
Total Operating Expenses by Function	\$ <u>34,055,363</u>	\$ <u>34,204,602</u>	\$ <u>(149,239)</u>

	For the Year Ended:		Increase
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Operating Expenses by Object:			
Salaries and Wages	\$ 12,663,791	\$ 13,250,372	\$ (586,581)
Fringe Benefits	5,561,250	5,255,755	305,495
Contractual Services	4,861,130	4,774,214	86,916
Commodities	3,850,563	3,199,814	650,749
Scholarships and Fellowships	3,652,343	4,216,946	(564,603)
Travel	167,828	248,195	(80,367)
Utilities and Insurance	1,425,384	1,390,521	34,863
Depreciation	<u>1,873,074</u>	<u>1,868,785</u>	<u>4,289</u>
Total Operating Expenses by Object	\$ <u>34,055,363</u>	\$ <u>34,204,602</u>	\$ <u>(149,239)</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 \$9,029,325 for operations for the fiscal year ending June 30, 2021, a decrease of \$232,460 from \$9,261,785 for the fiscal year ending June 30, 2020. An additional \$1,471,743 was received in state appropriations for the purchase, construction, renovation, and repair of capital assets for the year ending June 30, 2021, an increase of \$1,139,927 from \$331,816 in state capital appropriations received for the year ending June 30, 2020.

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

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 \$3,111,410 for the fiscal year ending June 30, 2021, an increase of \$104,991 from \$3,006,419 for the fiscal year ending June 30, 2020. 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 investments held by an outside agency. Investment income was \$153,968 for the year ending June 30, 2021, an increase of \$14,755 from \$139,213 for the year ending June 30, 2020.

Other Nonoperating Revenues and Expenses

Nonoperating revenues, consisting of insurance recoveries, were \$26,498 at June 30, 2021, a decrease of \$165,569 from \$192,067 for the year ending June 30, 2020.

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.

The following table summarizes the sources and uses of cash and cash equivalents for the year by activity and reconciles the beginning cash and cash equivalents to the ending cash and cash equivalents.

Condensed Statement of Cash Flows – Direct Method

	For the Year Ended:		Increase
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Cash and Cash Equivalents Provided (Used) By:			
Operating Activities	\$ (7,733,316)	\$ (11,939,606)	\$ 4,206,290
Noncapital Financing Activities	12,042,889	12,806,197	(763,308)
Capital Financing Activities	(1,987,903)	(430,396)	(1,557,507)
Investing Activities	<u>153,969</u>	<u>1,751</u>	<u>152,218</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,475,639	437,946	2,037,693
Cash and Cash Equivalents, Beginning of Year	<u>12,543,606</u>	<u>12,105,660</u>	<u>437,946</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,019,245</u>	<u>\$ 12,543,606</u>	<u>\$ 2,475,639</u>

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

The following table shows the changes in the major sources and uses of cash for the years ending June 30, 2021 and 2020.

	For the Year Ended:		Increase
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Sources:			
Operating Sources:			
Tuition and Fees	\$ (472,125)	\$ 1,029,968	\$ (1,502,093)
Grants and Contracts	21,044,229	16,709,777	4,334,452
Auxiliary Enterprises	847,467	1,183,993	(336,526)
Other Receipts	592,514	222,808	369,706
Noncapital Financing Sources:			
State Appropriations	8,975,320	9,444,402	(469,082)
Local Appropriations	3,031,409	3,070,175	(38,766)
Other Nonoperating Revenues	36,160	291,620	(255,460)
Capital Financing Sources:			
State Appropriations Restricted for Capital Projects	1,471,743	331,816	1,139,927
Uses:			
Operating Uses:			
Payments to Employees	17,117,742	17,668,063	(550,321)
Payments to Suppliers	7,543,738	7,864,178	(320,440)
Payments for Utilities and Insurance	1,434,777	1,392,417	42,360
Payments for Scholarships	3,652,343	4,216,945	(564,602)
Capital Financing Uses:			
Acquisition and Construction of Assets	3,392,236	762,212	2,630,024
Principal paid on capital debt	\$ 67,410	\$ -0-	\$ 67,410

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Selected Financial Analyses

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Current Ratio			
Current Assets	\$ 14,511,911	\$ 13,457,630	\$ 13,401,037
Current Liabilities	2,795,573	1,551,033	1,308,528
Current Ratio	5.19	8.68	10.24

Operational Income Excluding Depreciation

Operating Revenues	\$ 22,058,895	\$ 19,699,512	\$ 18,087,618
Nonoperating Revenues	12,321,201	12,599,484	12,426,000
Less: Operating Expenses	<u>(34,055,363)</u>	<u>(34,204,602)</u>	<u>(33,356,291)</u>
Operational (Loss) Income Including Depreciation	324,733	(1,905,606)	(2,842,673)
Less: Depreciation Expense	<u>(1,873,074)</u>	<u>(1,868,785)</u>	<u>(1,899,471)</u>
Operational (Loss) Income Excluding Depreciation	<u>\$ 2,197,807</u>	<u>\$ (36,821)</u>	<u>\$ (943,202)</u>

Cash Flows Before Capital Items

Net Cash Used by Operations	\$ (7,733,316)	\$ (11,939,606)	\$ (10,703,476)
Net Cash Provided by Noncapital Financing	<u>12,042,889</u>	<u>12,806,197</u>	<u>12,178,236</u>
Cash Flows Before Capital Items	<u>\$ 4,309,573</u>	<u>\$ 866,591</u>	<u>\$ 1,474,760</u>

Unrestricted Net Position Excluding Property, Plant and Equipment

Unrestricted Net Position	\$ 24,986,607	\$ 22,650,688	\$ 25,306,959
Less: Investment in Property, Plant and Equipment	<u>(46,897,495)</u>	<u>(45,750,381)</u>	<u>(46,998,169)</u>
Add: Plant Related Debt	<u>251,952</u>	<u>-0-</u>	<u>-0-</u>
Unrestricted Net Deficit Excluding Property, Plant and Equipment	<u>\$ (21,658,936)</u>	<u>\$ (23,099,693)</u>	<u>\$ (21,691,210)</u>

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Selected Financial Analyses (Continued)

Change in Unrestricted Net Position Excluding Property, Plant and Equipment and Debt

	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Revenues			
Tuition and Fees, Net	\$ (541,992)	\$ 1,105,815	\$ 415,385
Federal Grants and Contracts	19,637,711	13,457,278	13,278,941
State Grants and Contracts	1,278,352	2,617,643	1,949,576
Nongovernmental Grants and Contracts	303,606	1,087,905	589,344
Sales and Services - athletics	3,199	55,451	42,026
Auxiliary Enterprises	847,467	1,183,993	1,051,873
Other Operating Revenues	530,552	191,427	760,473
State Appropriations	9,029,325	9,261,785	9,270,534
Local Appropriations	3,111,410	3,006,419	3,002,551
Capital Appropriations	1,471,743	331,816	855,701
Investment Income	153,968	139,213	148,503
Other Nonoperating Revenues	26,498	192,067	4,412
Other Additions	<u>426,173</u>	<u>99,553</u>	<u>11,172,949</u>
Total Revenues	36,278,012	32,730,365	42,542,268
Expenses			
Instruction	13,672,113	12,170,912	12,068,505
Academic Support	2,756,419	1,873,962	2,250,225
Student Services	3,696,379	3,847,347	4,017,279
Institutional Support	2,996,428	4,419,808	4,310,103
Operations and Maintenance of Plant	3,554,083	3,884,008	4,074,976
Student Financial Aid	3,652,343	4,216,946	2,428,084
Auxiliary Enterprises	1,854,524	1,922,834	2,307,648
Depreciation	1,873,074	1,868,785	1,899,471
Add: Capital Additions, Net of Debt	3,118,083	520,713	1,237,673
Add: Reduction of Capital Debt	67,410	-0-	-0-
Less: Depreciation	<u>(1,873,074)</u>	<u>(1,868,785)</u>	<u>(1,899,471)</u>
Total Expenses	<u>35,367,782</u>	<u>32,856,530</u>	<u>32,694,493</u>
Change in Unrestricted Net Position Excluding Property, Plant and Equipment and Debt	\$ <u>910,230</u>	\$ <u>(126,165)</u>	\$ <u>9,847,775</u>

Coahoma Community College and Early College High School

Management's Discussion and Analysis
For the Year Ended June 30, 2021

Significant Capital Asset Transactions

During the 2014/2015 school year, the college contracted for a Campus Radio Station at a total estimated cost of \$150,000 to be initially funded by the college. The radio station itself is operating and will be permanently housed in the Student Services Building once the Student Services Building is completed. The current accumulated construction costs are being held in construction in progress while the broadcasting equipment in operation is included in the cost of capital assets, net of accumulated depreciation.

During the 2016/2017 school year, the Mississippi Office of Buildings, Grounds and Real Property Management approved funding for renovation student services building at an estimated cost of \$3,250,000 funded primarily by the Mississippi Office of Buildings, Grounds and Real Property Management. Preliminary work on this project began during the 2020/2021 school year.

During the 2017/2018 school year the college conducted preliminary analysis for a new Student Activity and Family Enhancement Center. Preliminary work on this project began during the 2020/2021 school year.

During the 2018/2019 school year the college contracted for elevator upgrades in Whiteside Hall at an estimated cost of \$105,000.00. This project is expected to be completed in the 2021/2022 school year.

During the 2020/2021 school year the college contracted for repairs to the roof of Whiteside Hall at a cost of \$557,000.00. These repairs are expected to be completed in the 2021/2022 school year.

Also, in the 2020/2021 school year the college contracted for renovations to Curry Hall at a cost of \$1,523,300.00. Curry Hall renovations are expected to be completed during the 2021/2022 school year.

Factors Impacting Future Periods

There are a number of issues of importance college and high school wide that directly impacted the fiscal year 2020/2021 financial situation. The level of federal, state, and private support, compensation increases, student tuition and fee increases, insurance and energy cost increases impact the college and high school'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.

FINANCIAL STATEMENTS

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,370,483
Accounts receivable, net	2,492,874
Inventories	128,119
Prepaid expenses	<u>520,435</u>
Total current assets	<u>14,511,911</u>

Noncurrent assets:

Restricted cash and cash equivalents	3,648,762
Investments	3,838,290
Capital assets, net of accumulated depreciation	<u>46,897,495</u>
Total noncurrent assets	<u>54,384,547</u>
Total assets	<u><u>68,896,458</u></u>

DEFERRED OUTFLOWS

Pensions	4,487,038
Other post employment benefits	<u>381,817</u>
Total deferred outflows	<u><u>4,868,855</u></u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	2,131,719
Leases payable, current portion	60,488
Net other post-employment benefits liability, current portion	53,811
Other current liabilities	<u>549,555</u>
Total current liabilities	<u>2,795,573</u>

Noncurrent liabilities:

Deposits refundable	19,085
Leases payable, long-term	191,464
Net pension liability	37,546,466
Net other post-employment benefits liability	<u>1,605,816</u>
Total noncurrent liabilities	<u>39,362,831</u>
Total liabilities	<u><u>\$ 42,158,404</u></u>

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

DEFERRED INFLOWS

Pensions	\$ 314,989
Other post employment benefits	<u>431,323</u>
Total deferred inflows	<u><u>746,312</u></u>

NET POSITION

Net investment in capital assets	46,645,543
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Restricted for:

Nonexpendable:	
Scholarships and fellowships	3,838,290
Expendable:	
Scholarships and fellowships	1,535,700
Capital projects	500,000

Unrestricted	<u>(21,658,936)</u>
Total net position	<u><u>\$ 30,860,597</u></u>

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

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Assets:			
Cash	\$ <u>134,024</u>	\$ <u>-0-</u>	\$ <u>134,024</u>
Total assets	<u>134,024</u>	<u>-0-</u>	<u>134,024</u>
Net assets:			
Without donor restrictions	134,024	-0-	134,024
With donor restrictions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total net assets	<u>134,024</u>	<u>-0-</u>	<u>134,024</u>
Total liabilities and net assets	\$ <u>134,024</u>	\$ <u>-0-</u>	\$ <u>134,024</u>

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

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Operating revenues:

Tuition and fees (net of scholarship allowances of \$7,033,798)	\$ (541,992)
Federal grants and contracts	19,637,711
State grants and contracts	1,278,352
Nongovernmental grants and contracts	303,606
Sales and services - athletics	3,199
Auxiliary enterprises:	
Student housing (net of scholarship allowances of \$533,778)	(45,565)
Food services (net of scholarship allowances of \$815,513)	(69,615)
Bookstore	945,262
Other auxiliary revenues	17,385
Other operating revenues	<u>530,552</u>
 Total operating revenues	 22,058,895

Operating expenses:

Salaries and wages	12,663,791
Fringe benefits	5,561,250
Contractual services	4,861,130
Commodities	3,850,563
Travel	167,828
Utilities and insurance	1,425,384
Scholarships and fellowships	3,652,343
Depreciation expense	<u>1,873,074</u>
 Total operating expenses	 <u>34,055,363</u>
 Operating loss	 \$ <u>(11,996,468)</u>

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Nonoperating revenues (expenses):	
State appropriations	\$ 9,029,325
Local appropriations	3,111,410
Investment income	153,968
Other nonoperating revenues (expenses)	<u>26,498</u>
Total nonoperating revenues (expenses)	<u>12,321,201</u>
Revenue (loss) before other revenues, expenses, gains and losses	324,733
Other revenues, (expenses), gains and (losses):	
State appropriations restricted for capital projects	1,471,743
Other additions (deletions)	<u>426,173</u>
Total other revenues, (expenses), gains and (losses):	<u>1,897,916</u>
Change in net position	2,222,649
Net position, beginning of year, as originally reported	28,635,290
Prior period adjustment	<u>2,658</u>
Net position, beginning of year, restated	28,637,948
Net position, end of year	<u><u>\$ 30,860,597</u></u>

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

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and support:			
Contributions	\$ 24,828	\$ -0-	\$ 24,828
Investment income	<u>46</u>	<u>-0-</u>	<u>46</u>
Total revenues, gains and support	<u>24,874</u>	<u>-0-</u>	<u>24,874</u>
Expenses:			
Program services:			
Student support and scholarships	16,096	-0-	16,096
College athletics	1,892	-0-	1,892
Institutional support	3,195	-0-	3,195
Supporting services:			
Fund raising	10,687	-0-	10,687
General and administrative	<u>683</u>	<u>-0-</u>	<u>683</u>
Total expenses	32,553	-0-	32,553
Decrease in net assets	(7,679)	-0-	(7,679)
Net assets, beginning of year	<u>141,703</u>	<u>-0-</u>	<u>141,703</u>
Net assets, end of year	\$ <u><u>134,024</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>134,024</u></u>

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

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services			Supporting Services		
	Student Support & Scholarships	College Athletics	Institutional Support	Fundraising	Management and General	Total
Student Equipment & Supplies	\$ 7,017	\$	\$	\$	\$	\$ 7,017
Student Scholarships	8,609					8,609
Student Tuition	470					470
Meals			1,882	2,900		4,782
Program Supplies		562	255			817
Concession Supplies				582		582
Entertainment Expenses				6,400		6,400
Lodging Expenses				251		251
Office Expenses			658			658
Ticket Charges				554		554
Ticket Sales		1,330				1,330
Bank and Credit Card Fees					241	241
Bereavement Gifts			400			400
P.O. Box					150	150
Surety Bonds					292	292
Totals	\$ <u>16,096</u>	\$ <u>1,892</u>	\$ <u>3,195</u>	\$ <u>10,687</u>	\$ <u>683</u>	\$ <u>32,553</u>

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:	
Tuition and fees	\$ (472,125)
Grants and contracts	21,044,229
Payments to suppliers	(7,543,738)
Payments to employees for salaries and benefits	(17,117,742)
Payments for utilities and insurance	(1,434,777)
Payments for scholarships and fellowships	(3,652,343)
Sales and services - athletics	3,199
Auxiliary enterprises:	
Student housing	(45,565)
Food services	(69,615)
Bookstore	945,262
Other auxiliary enterprises	17,385
Other receipts	<u>592,514</u>
Net cash used by operating activities	<u>(7,733,316)</u>
Cash flows from noncapital financing activities:	
State appropriations	8,975,320
Local appropriations	3,031,409
Other nonoperating revenues (expenses)	<u>36,160</u>
Net cash provided by noncapital financing activities	<u>12,042,889</u>
Cash flows from capital and related financing activities:	
Cash paid for acquisition and construction of capital assets	(3,392,236)
Appropriations restricted for capital projects received	1,471,743
Principal paid on capital debt	<u>(67,410)</u>
Net cash used by capital and related financing activities	<u>(1,987,903)</u>
Cash flows from investing activities:	
Interest received on investments	153,968
Sale of investments	156,142
Purchase of investments	<u>(156,141)</u>
Net cash provided by investing activities	<u>153,969</u>
Net increase in cash and cash equivalents	2,475,639
Cash and cash equivalents, beginning of year	<u>12,543,606</u>
Cash and cash equivalents, end of year	<u>\$ 15,019,245</u>

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of operating loss to net cash used by operating activities:

Operating Loss	\$ (11,996,468)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	1,873,074
GASB No. 68 pension expense adjustment	1,178,139
GASB No. 75 other post-employments benefits expense adjustment	(19,700)
Other receipts	100,169
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable, net	(93,664)
Inventories	34,014
Prepaid expenses	(9,393)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	1,134,465
Refundable deposits	4,085
Other liabilities	<u>61,963</u>
Total adjustments	<u>4,263,152</u>
Net cash used by operating activities	\$ <u><u>(7,733,316)</u></u>

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

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:

Decrease in net assets	\$	(7,679)
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Adjustments to reconcile decrease in net assets to cash used by operating activities		-0-
		-0-

Net cash used by operating activities		(7,679)
		(7,679)

Cash flows from investing activities:

		-0-
		-0-

Cash flows from financing activities:

		-0-
		-0-

Net decrease in cash and cash equivalents		(7,679)
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Cash and cash equivalents, beginning of year		141,703
		141,703

Cash and cash equivalents, end of year	\$	134,024
		134,024

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Coahoma Community College was founded in 1949 and is one of Mississippi's 15 public community colleges. The legal authority for the establishment of Coahoma Community College is found in Section 37-29-551, Miss. Code Ann. (1972). The legal authority for the establishment of Coahoma Early College High School is found in Section 37-27-1, Miss. Code Ann. (1972).

Coahoma Community College and Early College 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 trustee 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 fills 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 works jointly with the Mississippi Community College Board, which coordinates the efforts of all 15 community colleges as they serve the taxpayers of the State of Mississippi. Similarly, the Coahoma Early College High School works with the Mississippi Department of Education, which coordinates the efforts of all kindergarten through 12th grade schools as they serve the taxpayers of the State of Mississippi.

Coahoma Community College and Early College High School reports the following discretely presented component unit: Coahoma Community College Foundation, Inc. (the Foundation). The Foundation is a legally separate, tax-exempt nonprofit organization. The Foundation acts primarily as a fund-raising organization to supplement the resources available to Coahoma Community College in support of its programs.

Although the college does not control the timing or amounts of receipts from the Foundation, the majority of resources or income that the Foundation holds and invests is restricted to the activities of the college by its donors.

The Foundation reports its financial results under Financial Accounting Standards Board (FASB) statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the college's financial reporting entity for these differences. Significant note disclosures applicable to the Foundation's financial statements have been incorporated into the college's statements.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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 Colleges and Universities*, issued in June and November, 1999, respectively. Coahoma Community College and Early College 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.

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 cash on hand, demand deposits and short-term investments with an original maturity of three months or less to be cash equivalents. For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

Accounts Receivable, Net

Accounts receivable consists of tuition and fees charged to students, state, and county appropriations, and amounts due from federal, state, and nongovernmental grants and contracts. Accounts receivable are recorded net of an allowance for doubtful accounts.

Inventories

Inventories consist of bookstore merchandise 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. Donated commodities are received from the USDA and are valued at USDA cost.

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 Position.

Prepaid Expenses

Prepaid expenses include payments made to various agencies and reflect construction and insurance costs applicable to a subsequent accounting period.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

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 Position.

Capital Assets, Net of Accumulated Depreciation

Capital assets are recorded at cost at the date of acquisition, or, if donated, at acquisition 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 for all assets, excluding land, 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.

Unearned Revenues

Unearned revenues consist of 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 Early College 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until the applicable period. The college and high school present deferred outflows as deferred outflows related to pensions and OPEB.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until the applicable period. The college and high school present deferred inflows as deferred inflows related to pensions and OPEB.

See Note 13 for further details.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other than Pensions (OPEB)

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

Net Position

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, reports equity as "Net Position" rather than "Net Assets." Net position is classified in three categories:

Net investment in capital assets is the portion of net position that consists of capital assets net of accumulated depreciation and reduced by the outstanding balance of borrowings used to finance the purchase or construction of those assets.

Restricted expendable net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, or donors. Restricted nonexpendable net position is noncapital investment assets that must be approved by the college and high school's board of trustees before they can be used.

Unrestricted net position is the remaining net position less remaining noncapital liabilities which are not restricted – expendable.

The unrestricted net deficit balance of \$21,658,936 at June 30, 2021 included \$128,119 reserved for inventories.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Revenues

The college and high school have 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.

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, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, such as state appropriations, county appropriations and investment income.

State Appropriations

Coahoma Community College and Early College 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 was phased in over a 5-year period which shifted 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.

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 funds provided to students as awarded by third parties, 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-wide basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Cash Equivalents and Investments

Cash and Cash Equivalents:

Policies:

Coahoma Community College and Early College 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 (FDIC).

As of June 30, 2021, the total carrying value of the college and high school's deposits with financial institutions reported in all of its funds was \$15,019,245.

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 do not have a formal deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging 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, 2021, none of the college and high school's bank balance of \$15,166,830 was exposed to custodial credit risk.

Investments:

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

As of June 30, 2021, Coahoma Community College and Early College High School held the following investments:

Investment Type	Maturity (Years)	Fair Value	Rating
Certificates of deposit	< 1 to 2	\$ 12,998	Not rated
Money market funds	< 1	9,126	Not rated
Mutual funds	< 1	3,816,166	Not rated
Total investments		\$ <u>3,838,290</u>	

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Cash Equivalents and Investments (Continued)

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 Early College 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 Early College 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. Coahoma Community College and Early College High School does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2021, none of the \$3,838,290 investment balance was exposed to custodial credit risk since the investment companies held all investments in the name of the college and high school.

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 Early College High School does not have a formal investment policy that addresses concentration of credit risk. As of June 30, 2021, the college and high school did not have any investments requiring disclosure in accordance with the disclosure requirements described above.

The college and high school categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value of all of the college and high school's investments are based on Level 1 inputs.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Accounts Receivable

Accounts receivable consisted of the following at June 30, 2021:

		Balance <u>06/30/21</u>
Student Tuition and fees	\$ 4,636,122	
Less: Allowance for doubtful student accounts	\$ <u>(3,943,049)</u>	
Net student tuition and fees		\$ 693,073
Federal, state and nongovernmental grants and contracts		1,446,345
State appropriations		231,636
Local appropriations		<u>121,820</u>
Total accounts receivable		\$ <u><u>2,492,874</u></u>

Note 4: Inventories

Inventories at June 30, 2021 consist of the following:

<u>Inventory</u>	<u>Amount</u>
College bookstore	\$ 125,869
High school cafeteria	<u>2,250</u>
Total inventories	\$ <u><u>128,119</u></u>

Note 5: Prepaid Expenses

Prepaid expenses consist of prepaid construction and prepaid insurance. Prepaid construction consists of amounts paid to the Mississippi Office of Buildings, Grounds and Real Property management for various construction, renovation, and repair projects on the college campus. Prepaid insurance consists of advance premiums paid to various agencies for the college and high school's various insurance policies. The allocation of these prepaid expenses at June 30, 2021 is as follows:

<u>Prepaid Expense</u>	<u>Amount</u>
Prepaid construction costs	\$ 358,869
Prepaid insurance premiums	<u>161,566</u>
Total prepaid expenses	\$ <u><u>520,435</u></u>

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Capital Assets

A summary of the college and high school's changes in capital assets for the year ended June 30, 2021, is as follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Nondepreciable capital assets:				
Land	\$ 305,558	\$	\$	\$ 305,558
Construction in progress	276,182	2,312,461	(32,643)	2,556,000
Total nondepreciable capital assets	581,740	2,312,461	(32,643)	2,861,558
Depreciable capital assets:				
Buildings	58,347,491	72,190		58,419,681
Improvements other than buildings	10,366,457	715,386	(458,657)	10,623,186
Equipment	7,710,626	299,804	(126,670)	7,883,760
Library books	1,072,219	2,836		1,075,055
Total depreciable capital assets	77,496,793	1,090,216	(585,327)	78,001,682
Less accumulated depreciation for:				
Buildings	21,754,141	1,193,258		22,947,399
Improvements other than buildings	3,089,552	385,961	(110,078)	3,365,435
Equipment	6,428,465	290,034	(125,403)	6,593,096
Library books	1,055,994	3,821		1,059,815
Total accumulated depreciation	32,328,152	1,873,074	(235,481)	33,965,745
Total depreciable capital assets, net	45,168,641	(782,858)	(349,846)	44,035,937
Total capital assets, net	\$ 45,750,381	\$ 1,529,603	\$ (382,489)	\$ 46,897,495

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Capital Assets (Continued)

Construction in Progress consists of the following projects:

Project	Accumulated Cost
Curry Hall renovations	\$ 1,120,603
Dormitory project	3,290
Elevator upgrades	73,356
Music Hall renovation	6,685
Radio Station	78,252
Student Activity Family Enhancement Center	695,523
Student Services Center	77,959
Whiteside Hall computer lab	17,764
Whiteside Hall roof repairs	482,568
Total construction in progress	\$ <u>2,556,000</u>

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:

Classification	Estimated Useful Lives	Salvage Value	Capitalization Threshold
Buildings	40 Years	20%	\$50,000
Improvements Other Than Buildings	20 Years	20%	\$25,000
Equipment	3 to 15 Years	1% to 10%	\$5,000
Library Books	10 Years	0%	\$0

Note 7: Construction Commitments and Financing

During the current and previous fiscal year, the college has contracted for the construction and upgrade of various capital asset projects. These projects are expected to be completed in the 2021/2022 year. As of June 30, 2021, the estimated costs to complete these projects and the sources of anticipated funding are presented on the following table:

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 7: Construction Commitments and Financing (Continued)

Project	Total Costs	State Sources	Institutional Sources
Campus Radio Station*	\$ 164,515	\$ 137,000	\$ 27,515
Curry Hall Renovation	1,523,300	1,523,300	-0-
Music Hall Renovation	296,182	-0-	296,182
Student & Family Enhancement Building	1,472,417	-0-	1,472,417
Student Services Building	3,250,000	2,734,371	515,629
Whiteside Hall Computer Lab	1,233,700	-0-	1,233,700
Whiteside Hall Elevator Upgrades	105,000	-0-	105,000
Whiteside Hall Roof Repairs	557,000	450,000	107,000
Totals	\$ <u>8,602,114</u>	\$ <u>4,844,671</u>	\$ <u>3,757,443</u>

Note 8: Accounts Payable and Accrued Liabilities

All accounts payable and accrued liabilities are considered current liabilities by the college and high school. Accounts payable and accrued liabilities at June 30, 2021 consist of the following:

Component	Amount
Employee salaries and benefits	\$ 272,718
Payments to suppliers and contractors	<u>1,859,001</u>
Total accounts payable and accrued liabilities	\$ <u>2,131,719</u>

Note 9: Noncurrent Liabilities

Noncurrent liabilities of the college and high school consist of refundable deposits, an installment lease-purchase liability, the net pension liability, and the net other post-employment benefits liability, all of which are expected to be liquidated at least one year from June 30, 2021.

Refundable deposits consist of dormitory room deposits, which are refundable to students upon vacating the dormitory room. The details of the lease-purchase agreement are shown on the next page. The net pension and other post-employment benefits liabilities represent the college and high school's proportionate shares of the State's net pension plan liability and the State's other post-employment benefit plan liability.

Installment Lease-Purchase of Electronic Scoreboard

On August 10, 2020, the college entered into a lease-purchase agreement to acquire a new electronic scoreboard system for the college's football stadium at a cost of \$337,049 plus interest at an annual rate of 2.786%. The first installment of \$67,410 was made on the date of purchase and therefore, incurred no interest. The agreement allows the purchase of the scoreboard for the amount stated in the table below after the current payment is made.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Noncurrent Liabilities (Continued)

Details of future payments and optional purchase amounts are shown in the table below:

Year Ending June 30:	Interest	Principal	Total	Optional Purchase Amount
2022	\$ 6,922	\$ 60,488	\$ 67,410	\$ 194,024
2023	5,335	62,075	67,410	130,689
2024	3,605	63,805	67,410	66,023
2025	1,826	65,584	67,410	1
Totals	\$ <u>17,688</u>	\$ <u>251,952</u>	\$ <u>269,640</u>	

The schedule of outstanding refundable deposits, the lease-purchase liability, the net pension liability and the net other post-employment benefits liability included in the noncurrent liabilities balance at June 30, 2021 is shown below.

Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Refundable deposits	\$ 15,000	\$ 4,085	\$	\$ 19,085
Installment lease-purchase liability	-0-	319,362	(67,410)	251,952
Net pension liability	33,764,274	3,782,192		37,546,466
Net other post-employment benefits liability	<u>1,831,280</u>	<u></u>	<u>(171,653)</u>	<u>1,659,627</u>
Subtotal	\$ <u>35,610,554</u>	\$ <u>4,105,639</u>	\$ <u>(239,063)</u>	39,477,130
Less: Current portion of installment lease-purchase liability				(60,488)
Less: Current portion of other post employment-employment benefits liability				<u>(53,811)</u>
Total noncurrent liabilities				\$ <u>39,362,831</u>

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: 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.

Fiscal Year Ending June 30:	Amount
2022	\$ 33,048
2023	23,628
2024	10,457
2025	3,520
2026	1,960
Total minimum payments required	\$ <u>72,613</u>

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, 2021, was \$36,482.

Note 11: Pension Plan

General Information About the Pension Plan

Plan Description – Coahoma Community College and Early College 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. Plan provisions and the Board of Trustees' authority to determine contribution rates established by Miss. Code Ann. Section 25-11-1 et seq. (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at www.pers.ms.gov.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Pension Plan (Continued)

Benefits Provided – Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entities participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011) plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that a member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3 percent of the annual allowance for each full year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions – PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2021 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The college and high school's contributions to PERS for the years ending June 30, 2021, 2020, and 2019, were \$2,132,078, \$2,247,156, and \$1,968,735, respectively, which equaled the required contributions for each year.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Pension Plan (Continued)

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

At June 30, 2021, the college and high school reported a liability of \$37,546,466 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The college and high school's portion of the net pension liability was based on a projection of the college and high school's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, as actuarially determined. The college and high school's proportionate share used to calculate the June 30, 2021 net pension liability was 0.193950 percent, which was based on a measurement date of June 30, 2020. There was a 0.002020 percent increase from its proportionate share of 0.191930 percent used to calculate the June 30, 2020 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended June 30, 2021, the college and high school recognized pension expense of \$3,310,217. At June 30, 2021, the college and high school reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 325,784	\$
Net difference between expected and actual earnings on pension plan investments	1,521,732	
Changes of assumptions	207,847	
Changes in proportion and differences between contributions and proportionate share of contributions	299,597	314,989
Contributions subsequent to the measurement date	<u>2,132,078</u>	<u> </u>
Total	\$ <u>4,487,038</u>	\$ <u>314,989</u>

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Pension Plan (Continued)

The \$2,132,078 reported as deferred outflows of resources related to pensions resulting from the college and high school contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below:

<u>Fiscal year ending June 30:</u>	<u>Amount</u>
2022	\$ (82,315)
2023	831,522
2024	793,796
2025	<u>496,968</u>
Total	<u>\$ 2,039,971</u>

Actuarial Assumptions – The total pension liability as of June 30, 2020 was determined by actuarial valuation prepared as of June 30, 2019. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.00 to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates are projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.00 %
Total	<u>100.00 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College and High School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the college and high school's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the college and high school's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one (1) percentage-point lower (6.75 percent) or one (1) percentage-point higher (8.75 percent) than the current rate (7.75 percent):

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Proportionate share of net pension liability	\$ 48,599,287	\$ 37,546,466	\$ 28,423,448

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits

General Information About the OPEB Plan

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

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

Contributions – The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the college were \$50,339 and contributions from the high school were \$3,472 for a combined total of \$53,811 for the year ended June 30, 2021.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 12: Other Post-Employment Benefits (Continued)

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

At June 30, 2021, the college reported a liability of \$1,488,525 and the high school reported a liability of \$171,102 for a total combined total liability of \$1,659,627 for the college and high school's proportionate shares of the net OPEB liability. The net OPEB liability was measured at June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the college and high school's portion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2020, the college's proportionate share was 0.19127604 percent, a decrease of 0.00251411percent from the college's proportionate share of 0.19379015 percent as of the measurement date of June 30, 2019. The high school's proportionate share at the measurement date of June 30, 2020 was 0.02198661 percent, a decrease of 0.00003841 percent from the college's proportionate share of 0.02202502 percent as of the measurement date of June 30, 2019. The combined total proportionate share for the college and high school was 0.21326265 percent, a decrease of 0.00255252 percent from the college's and high school's combined proportionate share of 0.21581517 percent as of the measurement date of June 30, 2019.

For the year ended June 30, 2021, the college recognized OPEB expense of \$46,047 and the high school recognized a reduction of OPEB expense of (\$11,938) for a combined total OPEB expense of \$34,109. At June 30, 2021, the college and high school reported the deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown on the following page:

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
College	\$ 1,897	\$ 259,043
Early College High School	218	29,776
Net difference between expected and actual earnings on OPEB plan investments		
College	48	
Early College High School	5	
Changes of assumptions		
College	231,107	62,903
Early College High School	26,565	7,231
Changes in proportion and differences between contributions and proportionate share of contributions		
College	68,166	17,602
Early College High School		54,768
Contributions subsequent to the measurement date		
College	50,339	
Early College High School	3,472	
Total	\$ 381,817	\$ 431,323

The \$50,339 reported by the college and the \$3,472 reported by the high school as deferred outflows of resources related to OPEB resulting from the college and high school contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as shown on the following table:

Fiscal year ending June 30:

	College	High School	Total
2022	\$ (7,874)	\$ (18,136)	\$ (26,010)
2023	(7,874)	(18,136)	(26,010)
2024	(5,555)	(16,041)	(21,596)
2025	(1,224)	(8,481)	(9,705)
2026	(15,803)	(4,193)	(19,996)
Total	\$ (38,330)	\$ (64,987)	\$ (103,317)

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 12: Other Post-Employment Benefits (Continued)

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.00-18.25 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.19 percent
Prior Measurement Date	3.50 percent
Year FNP is projected to be depleted	
Measurement Date	2020
Prior Measurement Date	2019
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	2.19 percent
Prior Measurement Date	3.50 percent
Health Care Cost Trends	
Medicare Supplement Claims	7.00 percent for 2021 decreasing to an
Pre-Medicare	ultimate rate of 4.50 percent by 2030

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results of the last actuarial experience study, dated April 2, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

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

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.19 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.50% to 2.19%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2020, the trust has \$1,037,371. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2019 and the June 30, 2020 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2020 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the College and High School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the college and high school's proportionate share of the net OPEB liability, as well as what the college and high school's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

	1% Decrease 1.19%	Current Discount Rate 2.19%	1% Increase 3.19%
Net OPEB Liability College	\$ 1,644,922	\$ 1,488,525	\$ 1,354,380
Net OPEB Liability High School	189,079	171,102	155,682
Totals	<u>\$ 1,834,001</u>	<u>\$ 1,659,627</u>	<u>\$ 1,510,062</u>

Sensitivity of the College and High School's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the college and high school's proportionate share of the net OPEB liability, as well as what the college and high school's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate - Current	1% Increase
Net OPEB Liability College	\$ 1,374,425	\$ 1,488,525	\$ 1,617,796
Net OPEB Liability High School	157,986	171,102	185,961
Totals	<u>\$ 1,532,411</u>	<u>\$ 1,659,627</u>	<u>\$ 1,803,757</u>

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in a separately issued report that can be obtained at <http://knowyourbenefits.dfa.ms.gov>.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 13: Effect of Deferred Amounts on Net Position

The unrestricted net deficit amount of (\$21,658,936) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$2,132,078 resulting from the college and high school's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The \$2,354,960 balance of deferred outflow of resources related to pensions, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net deficit amount of (\$21,658,936) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$314,989 balance of deferred inflow of resources related to pensions at June 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net deficit amount of (\$21,658,936) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflow of resources related to OPEB in the amount of \$53,811 resulting from the college's contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The \$328,006 balance of deferred outflow of resources related to OPEB, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next 5 years.

The unrestricted net deficit amount of (\$21,658,936) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$431,323 balance of deferred inflow of resources related to OPEB at June 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next 5 years.

Note 14: Prior Period Adjustment

A summary of the Net Position prior period adjustment is as follows:

Statement of Revenues, Expenses and Changes in Net Position

<u>Explanation</u>	<u>Amount</u>
Correct the beginning balance of certain accounts from the prior year financial statement close-out	\$2,658

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 15: Natural Classifications with Functional Classifications

The following table lists the institution's operating expenses by natural and functional classifications as of June 30, 2021:

Functional Classification	Year Ended June 30, 2021								
	Natural Classification								
	Salaries & Wages	Fringe Benefits	Contractual Services	Commodities	Travel	Utilities & Insurance	Scholarships & Fellowships	Depreciation	Total
Instruction	\$ 7,142,322	\$ 3,090,809	\$ 824,908	\$ 2,563,375	\$ 50,699	\$ -0-	\$ -0-	\$ -0-	\$ 13,672,113
Academic Support	682,781	303,584	1,636,533	122,297	11,224	-0-	-0-	-0-	2,756,419
Student Services	2,109,369	892,138	183,161	424,550	87,161	-0-	-0-	-0-	3,696,379
Institutional Support	1,530,738	653,727	1,041,204	(247,749)	18,508	-0-	-0-	-0-	2,996,428
Operation of Plant	935,373	508,156	357,356	327,578	236	1,425,384	-0-	-0-	3,554,083
Student Aid	-0-	-0-	-0-	-0-	-0-	-0-	3,652,343	-0-	3,652,343
Auxiliary Enterprises	263,208	112,836	817,968	660,512	-0-	-0-	-0-	-0-	1,854,524
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,873,074	1,873,074
Total Operating Expenses	\$ <u>12,663,791</u>	\$ <u>5,561,250</u>	\$ <u>4,861,130</u>	\$ <u>3,850,563</u>	\$ <u>167,828</u>	\$ <u>1,425,384</u>	\$ <u>3,652,343</u>	\$ <u>1,873,074</u>	\$ <u>34,055,363</u>

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 16: Juvenile Detention Center Education Program

The Coahoma Early College High School entered into an Alternative School Agreement dated August 6, 2018 creating the Leflore County Juvenile Detention Center. This program was created in accordance with Section 43-21-321, Miss. Code Ann. (1972), which states a sponsoring school district must provide educational services to youths detained in juvenile detention centers. The agreement was approved by the Mississippi Department of Education and includes the Attala County School District, Carroll County School District, Coffeeville School District, Clarksdale Municipal School District, Coahoma County Early College High School, Coahoma County School District, East Tallahatchie School District, Greenwood Leflore Consolidated School District, Holmes County Consolidated School District, Humphreys County School District, Kosciusko School District, North Panola School District, Senatobia Municipal School District, South Panola School District, Sunflower County Consolidated School District, Tate County School District, Tunica County School District, Water Valley School District, West Tallahatchie Consolidated School District, and the Winona-Montgomery Consolidated School District. The Greenwood Leflore Consolidated School District has been designated as the lead school district for the Leflore County Juvenile Detention Center and the operations of the program are included in its financial statements.

Note 17: Alternative School Consortium

Coahoma Early College High School entered into an Alternative School Agreement dated February 13, 2019 creating The Coahoma Early College High School. This consortium was created pursuant to the provisions of Section 37-12-92 (6), Miss. Code Ann. (1972), and approved by the Mississippi Department of Education and includes the Quitman County School District, the Tunica County School District and the Coahoma Early College High School.

Section 37-12-92 (6), Miss. Code Ann. (1972) allows two or more adjacent school districts to enter into a contract to operate an alternative school program. The school board of the school district designated by the agreement as the lead district will serve as the governing board of the alternative school program. Transportation of students attending the alternative program is the responsibility of the individual school district sending the students.

Coahoma Early College High School has been designated as the lead school district for the Coahoma Early College High School. Coahoma Early College High School did not receive any funding from the participating districts in the 2020/2021 year. Therefore, there is no Statement of Revenues, Expenditures and Changes in Fund Balance – Government Funds presented for the year ending June 30, 2021.

Note 18: Mississippi Public School Consortium for Educational Access

Coahoma Early College High School entered into a cooperative agreement dated June 15, 2018 creating The Mississippi Public School Consortium for Educational Access. This consortium was created pursuant to the provisions of Section 37-31-73, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The consortium includes the Scott County School District, Aberdeen School District, Booneville School District, Coahoma Early College High School, Holmes County Consolidated School District, Pontotoc County School District, Quitman County School District and the South Panola School District. The agreement ended on May 31, 2021.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 18:Mississippi Public School Consortium for Educational Access (Continued)

Section 37-31-73, Miss. Code Ann. (1972) authorizes the above noted entities to enter into an agreement that would provide for the construction or operation of a regional education center. Any such agreement should designate the fiscal agent, provide the method of financing for the construction and operation of such facilities, the manner in which such facilities are to be controlled and staffed and detail procedures for student admission and transportation services for those students. The Scott County School District has been designated as the fiscal agent for the Mississippi Public School Consortium for Educational Access, and the operations of the center are included in its financial statements.

Note 19: Insurance Recoveries

During the year, the college received insurance recoveries in the amount of \$26,498 as reimbursement for vehicle collision damage.

Note 20: Concentrations

Coahoma Community College and Early College High School receives a significant portion of its revenues from federal and state funding programs and grants. Future funding of these programs is necessary for the college and high school to continue the current level of its programs and courses offered.

Note 21: Contingencies

Federal, State and Private Grants – Coahoma Community College and Early College High School receives federal and state and private 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 a grantor audit may become a liability of the college and high school.

Litigation – The college and high school are party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the college and/or high school with respect to the various proceedings. However, the college and high school’s legal counsel believes the ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the college or high school.

Note 22: Risk Management

Coahoma Community College and Early College High School is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The college and high school carry 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.

COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 23: Accounting Standards Update

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

Using this standard, Coahoma Community College and Early College High School evaluated the activities of all of its faculty and student clubs and organizations and has determined that none of the agency funds related to the college and high school's faculty and student clubs and organizations qualified as fiduciary activities in accordance with the standard. As a result, the college and high school's agency funds have been incorporated into the financial statements of the college and high school beginning in fiscal year 2021.

Note 24: Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Coahoma Community College and Early College High School evaluated the activity of the college and high school through October 11, 2022 (the date the financial statements were available to be issued), and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

As of the end of 2020/2021 fiscal year (June 30, 2021) and on July 1, 2021, The Mississippi Department of Education officially closed the Coahoma Early College High School. Although all educational operations were terminated as of June 30, 2021, the high school's financial activities continued into and are expected to be finalized the 2021/2022 fiscal year.

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Coahoma Community College Foundation, Inc. (The Foundation) is a legally separate, tax-exempt nonprofit organization founded in 1981 to promote, establish, maintain, and disperse Foundation funds to support the mission and objectives of Coahoma Community College, its students, alumni, and staff. 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 is exempt from corporate income taxes granted by the Internal Revenue Service (IRS) under Section 501(c) (3) of the Internal Revenue Code. The State of Mississippi income tax laws recognize the Foundation as a tax-exempt organization for Mississippi income tax purposes.

The accounting policies of Coahoma Community College Foundation, Inc. conform to the accounting principles generally accepted in the United States of America applicable to nonprofit organizations. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Foundation have been prepared using the accrual basis of accounting. The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Under ASC 958, the Foundation is required to report the information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are not subject to any donor-imposed restrictions. Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is limited by explicit donor restrictions. Expirations of temporary restrictions on net assets, that is, the donor-imposed restriction having been accomplished and/or the specified time period having elapsed, are reported as transfers between the applicable classes of net assets.

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions include gifts, unconditional promises to give, trusts and remainder interests, income, and gains which can be expended but for which the donor-imposed restrictions have not yet been met. Income and capital gains may or not be used depending upon the restrictions imposed by the donor. Examples of such restrictions would be where donors have specified the purpose for which the net assets are to be spent such as for scholarships, capital projects or athletic programs.

Contributions

Contributions received by the Foundation are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is when the designated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restriction.

Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents are considered to be all unrestricted highly liquid investments with maturities of three months or less at the time of their acquisition.

Fair Value of Financial Instruments

The carrying amount for cash and cash equivalents at June 30, 2021 are their fair values.

Fund Raising

The Foundation conducts fund raising activities throughout the year. Revenue related to fund raising activities is included under revenues in the Statement of Activities and is listed as contributions.

The expenses related to fund raising activities is included under supporting services in the Statement of Activities and are for expenses incurred in inducing individuals to make contributions to the Foundation for which the contributor will receive no direct economic benefit.

COAHOMA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Note 2: Concentrations of Credit Risks

Financial instruments which potentially subject the Foundation to concentrations of credit risk consists of cash. The Foundation places its cash in creditworthy, high quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) provides up to \$250,000 coverage on deposits at each financial institution. At June 30, 2021, all \$134,024 of the Foundation's cash deposits were fully insured by the FDIC.

Note 3: Subsequent Events

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of Coahoma Community College Foundation, Inc. has evaluated the activity of the Foundation through October 11, 2022 (the date the financial statements were available to be issued), and determined that no subsequent events have occurred that require disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Proportionate Share of Net Pension
Liability for the Last Ten Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015
Proportion of net pension liability	0.193950%	0.191930%	0.191436%	0.200000%	0.200000%	0.190000%	0.190000%
Proportionate share of net pension liability	\$ 37,546,466	\$ 33,764,274	\$ 31,841,494	\$ 33,246,788	\$ 35,724,994	\$ 29,370,253	\$ 23,062,521
Covered payroll	\$ 12,914,685	\$ 12,499,887	\$ 12,225,028	\$ 12,078,887	\$ 12,777,086	\$ 12,184,363	\$ 11,531,399
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.73%	270.12%	260.46%	275.25%	279.60%	241.05%	200.00%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

This schedule is presented to illustrate the requirement to show the data presented for the past ten years. However, GASB Statement No. 68 was implemented for the fiscal year ending June 30, 2015 and, until the full ten-year trend is compiled, the information is only presented for the years in which the information is available.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of PERS Contributions
for the Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 2,132,078	\$ 2,247,156	\$ 1,968,735	\$ 1,925,445	\$ 1,902,427	\$ 2,012,389	\$ 1,919,023
Contributions in relation to the contractually required contribution	<u>\$ (2,132,078)</u>	<u>\$ (2,247,156)</u>	<u>\$ (1,968,735)</u>	<u>\$ (1,925,445)</u>	<u>\$ (1,902,427)</u>	<u>\$ (2,012,389)</u>	<u>\$ (1,919,023)</u>
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Covered payroll	\$ 12,253,311	\$ 12,914,685	\$ 12,499,887	\$ 12,225,028	\$ 12,078,887	\$ 12,777,086	\$ 12,184,363
Contributions as a percentage of covered payroll	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show the data presented for the past ten years. However, GASB Statement No. 68 was implemented for the fiscal year ending June 30, 2015, and, until the full ten-year trend is compiled, the information is only presented for the years in which the information is available.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Proportionate Share of Net OPEB
Liability for the Last Ten Fiscal Years***

	2021	2020	2019	2018
Proportion of net OPEB liability	0.21%	0.22%	0.22%	0.21%
Proportionate share of net OPEB liability	\$ 1,659,627	\$ 1,831,280	\$ 1,750,375	\$ 1,667,703
Covered-employee payroll	\$ 10,277,886	\$ 9,883,096	\$ 9,870,258	\$ 9,434,723
Proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	16.15%	18.53%	17.73%	17.68%
Plan fiduciary net position as a percentage of the total OPEB liability	0.13%	0.12%	0.13%	0.00%

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

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

This schedule is presented to illustrate the requirement to show the data presented for the past ten years. However, GASB Statement No. 75 was implemented for the fiscal year ending June 30, 2018, and, until the full ten-year trend is compiled, the information is only presented for the years in which the information is available.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of OPEB Contributions
for the Last Ten Fiscal Years**

	2021	2020	2019	2018
Actuarially determined contributions	\$ 53,811	\$ 66,186	\$ 73,403	\$ 71,096
Contributions in relation to the actuarially determined contribution	\$ (53,811)	\$ (66,186)	\$ (73,403)	\$ (71,096)
Contribution deficiency (excess)	-0-	-0-	-0-	-0-
Covered-employee payroll	\$ 10,277,886	\$ 9,883,096	\$ 9,870,258	\$ 9,434,723
Contributions as a percentage of covered-employee payroll	0.52%	0.67%	0.74%	0.75%

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

This schedule is presented to illustrate the requirement to show the data presented for the past ten years. However, GASB Statement No. 75 was implemented for the fiscal year ending June 30, 2018, and, until the full ten-year trend is compiled, the information is only presented for the years in which the information is available. Prior year information is based on historical amounts reported in prior year audit reports.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Pension Schedules

Note 1: Changes of Benefit Terms

There are no changes of benefit terms to report.

Note 2: Changes of Assumptions

- 2019
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of females rates from ages 18 to 65 scaled up to 102% from ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The expectation of disabled mortality was changed to PubT.H-2010 Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 3.00% to 2.75%.
 - The wage inflation assumption was reduced from 3.25% to 3.00%.
 - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.
- 2017
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
 - The wage inflation assumption was reduced from 3.75% to 3.25%.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.
- 2016
 - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Pension Schedules (Continued)

Note 2: Changes of Assumptions (Continued)

- 2015
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
 - The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
 - Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
 - The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Note 3: Changes in Benefit Provisions

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

Note 4: Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 valuation for the June 30, 2020 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30.9 years
Asset valuation method	5-year smoothed market
Price inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB Schedules

Note 1: Changes of Benefit Terms

There are no changes of benefit terms to report.

Note 2: Changes of Assumptions

- 2020
 - The discount rate was changed from 3.50% for the prior measurement date to 2.19% for the current measurement date.
- 2019
 - The discount rate was changed from 3.89% for the prior measurement date to 3.50% for the current measurement date.
- 2018
 - The discount rate was changed from 3.56% for the prior measurement date to 3.89% for the current measurement date.
- 2017
 - The discount rate was changed from 3.01% for the prior measurement date to 3.56% for the current measurement date.

Note 3: Changes in Benefit Provisions

- 2020
 - The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums increased for the Select coverage and coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.
- There are no changes of benefit provisions to report for 2017 through 2019.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB Schedules (Continued)

Note 4: Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent valuation date. The following actuarial methods and assumptions (from June 30, 2019 actuarial valuation) were used to determine contribution rates reported in the schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75 percent
Salary increases, including wage inflation	3.00 percent to 18.25 percent
Initial health care cost trend rates	
Medicare Supplement Claims	
Pre-Medicare	7.00 percent
Ultimate health care cost trend rates	
Medicare Supplement Claims	
Pre-Medicare	4.75 percent
Year of ultimate trend rates	
Medicare Supplement Claims	
Pre-Medicare	2028
Long-term investment rate of return, Net of OPEB plan investment Expense, including price inflation	3.50 percent

SUPPLEMENTARY INFORMATION

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Assistance Listing Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster:			
Pass-Through Programs From:			
Mississippi Department of Education - National School Lunch Program	V000018220	10.555	\$ 126,669
Total Child Nutrition Cluster			126,669
Distance Learning and Telemedicine Grant	DLT 2019-044	10.855	198,205
Pass-Through Programs From:			
Mississippi Community College Board - Distance Learning and Telemedicine Grants	Virtual Reality	10.855	42,630
Total Distance Learning and Telemedicine Grant			240,835
Total U.S. Department of Agriculture			367,504
<u>U.S. Department of Justice</u>			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	2016-WA-AX-0031	16.525	34,631
Total U.S. Department of Justice			34,631
<u>U.S. Department of Labor</u>			
WIOA Cluster:			
Pass-Through Programs From:			
Delta Workforce Development Area - WIA/WIOA Youth Activities	20-501-102	17.259	111,897
Mississippi Department of Employment Security - Various WIA/WIOA Programs	None Assigned	17.XXX	56,201
Total WIOA Cluster			168,098
Total U.S. Department of Labor			168,098
<u>U.S. Department of Treasury</u>			
Pass-Through Programs From:			
South Delta Planning and Development District - Coronavirus Relief Fund	None Assigned	21.019	163,226
Mississippi Department of Finance and Administration Coronavirus Relief Fund	21/120101785/ 8499/PRBAA/024	21.019	36,726
Total Coronavirus Relief Fund			199,952
Total U.S. Department of Treasury			\$ 199,952

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Assistance Listing Number	Federal Expenditures
<u>National Aeronautics and Space Administration</u>			
Pass-Through Programs From:			
University of Mississippi - Office of Stem Engagement (OSTEM)	19-04-046	43.008	7,504
Total National Aeronautics and Space Administration			\$ 7,504
<u>National Endowment for the Arts</u>			
Pass-Through Programs From:			
Mississippi Arts Commission - Promotion of the Arts - Partnership Agreements	21-4965452-CD/PG	45.025	4,300
Total National Endowment for the Arts			4,300
<u>National Endowment for the Humanities</u>			
Pass-Through Programs From:			
Mississippi Humanities Council - Promotion of the Humanities - Federal/State Partnership	RG 20-17-112	45.129	5,000
Total National Endowment for the Humanities			5,000
<u>U.S. Department of Education</u>			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	P007A202232	84.007	317,201
Federal Work-Study Program	P033A202232	84.033	211,126
Federal Pell Grant Program	P063P201698	84.063	6,814,309
Total Student Financial Assistance Cluster			7,342,636
Special Education Cluster (IDEA):			
Pass-Through Programs From:			
Mississippi Department of Education - Special Education - Grants to States	1402	84.027	29,000
Total Special Education Cluster (IDEA)			29,000
TRIO Cluster:			
TRIO - Talent Search	P044A160645-19	84.044	337,969
Total TRIO Cluster			337,969
Other Department of Education Programs:			
Higher Education - Institutional Aid	P031B170045-19	84.031	97,092
Higher Education - Institutional Aid	P031B170045-20	84.031	2,327,148
Higher Education - Institutional Aid	P031E200024	84.031	784,552
Total Higher Education - Institutional Aid		84.031	\$ 3,208,792

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Assistance Listing Number	Federal Expenditures
Other Department of Education Programs (Continued):			
Rural Education	S358A184160	84.358	\$ 10,585
Educational Stabilization Funds - HEERF Student Aid	P425E201945	84.425E	596,687
Educational Stabilization Funds - HEERF Student Aid	P425E201945-20A	84.425E	761,960
Education Stabilization Fund - HEERF Institutional Funds	P425F200619	84.425F	1,230,499
Education Stabilization Fund - HEERF Institutional Funds	P425F200619-20A	84.425F	313,671
Education Stabilization Fund - HEERF HBCU Funds	P425J200035	84.425J	3,709,260
Total Education Stabilization Funds			6,612,077
Pass-Through Programs From:			
Mississippi Community College Board - Adult Education - Basic Grants to States	ABE 2019/2020	84.002	248,484
Mississippi Department of Education - Title I Grants to Local Education Agencies	1402	84.010	223,605
Mississippi Department of Education - Career and Technical Education - Basic Grants to States	None Assigned	84.048	222,506
Mississippi Department of Education - Supporting Effective Instruction - State Grants	1402	84.367	10,043
Mississippi Department of Education - Student Support and Academic Enrichment Program	1402	84.424	2,617
Total Other Department of Education Programs			10,538,709
Total U.S. Department of Education			18,248,314
<u>U.S. Department of Health and Human Services</u>			
CCDF Cluster:			
Pass-Through Programs From:			
Mississippi Community College Board - Child Care and Development Block Grant	None Assigned	93.575	116,306
Mississippi Community College Board - Child Care and Development Block Grant	2020 CCDF 6021287/6021288	93.575	73,750
Total CCDF Cluster			190,056
Pass-Through Programs From:			
South Delta Planning and Development District - Temporary Assistance for Needy Families	21-TANF-CCC	93.558	144,570
Total U.S. Department of Health and Human Services			334,626
Total Expenditures of Federal Awards			\$ 19,369,929

The notes to the supplementary information are an integral part of this schedule.

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Notes to the Schedule of Expenditures of Federal Awards

Note 1: Basis of Presentation

The Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Coahoma Community College and Early College High School under programs of the federal and state governments for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Coahoma Community College and Early College High School, it is not intended to and does not present the financial position, changes in net position, or cash flows of Coahoma Community College and Early College High School.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Entire program costs, including the college and high school's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Indirect Cost Rate

The college and high school have not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Other Items

Donated commodities of \$11,072 are included in the National School Lunch Program expenditures.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

J. E. VANCE & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET
POST OFFICE BOX 1280
TUPELO, MISSISSIPPI 38802

(662) 842-2123
FACSIMILE (662) 841-6809
E-MAIL: jev@jevance.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Coahoma Community College and Early College High School as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Coahoma Community College and Early College High School's basic financial statements, and have issued our report thereon dated October 11, 2022. The financial statements of Coahoma Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coahoma Community College and Early College High School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coahoma Community College and Early College High School's internal control. Accordingly, we do not express an opinion on the effectiveness of Coahoma Community College and Early College High School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that might 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 Coahoma Community College and Early College 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*.

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 of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "J. E. Vance & Company". The signature is written in dark ink and is positioned above the printed text of the firm's name.

Tupelo, Mississippi
October 11, 2022

J. E. VANCE & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET
POST OFFICE BOX 1280
TUPELO, MISSISSIPPI 38802

(662) 842-2123
FACSIMILE (662) 841-6809
E-MAIL: jev@jevance.com

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

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

Report on Compliance for Each Major Federal Program

We have audited Coahoma Community College and Early College High School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coahoma Community College and Early College High School's major federal programs for the year ended June 30, 2021. Coahoma Community College and Early College 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Coahoma Community College and Early College High School's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Coahoma Community College and Early College 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Coahoma Community College and Early College High School's compliance.

Opinion on Each Major Federal Program

In our opinion, Coahoma Community College and Early College High School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Coahoma Community College and Early College High School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Coahoma Community College and Early College High School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Coahoma Community College and Early College High School's internal control over compliance.

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

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

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



Tupelo, Mississippi
October 11, 2022

J. E. VANCE & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET
POST OFFICE BOX 1280
TUPELO, MISSISSIPPI 38802

(662) 842-2123
FACSIMILE (662) 841-6809
E-MAIL: jev@jevance.com

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of Coahoma Community College and Early College High School as of and for the year ended June 30, 2021, which collectively comprise Coahoma Community College and Early College High School's basic financial statements and have issued our report thereon dated October 11, 2022. 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 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 state laws and regulations and our audit of the financial statements disclosed the following immaterial instance of noncompliance with state laws and regulations. Our finding and recommendation and your response are as follows:

Finding – Due to the closure of the Coahoma Early College High School, we were unable to obtain sufficient records to evaluate compliance with Section 37-7-301 regarding activity funds and booster clubs, in which the aggregate total is immaterial. However, we were able to review the activity funds and booster clubs recorded in the Coahoma Early College High School's general ledger accounts. During that review, we noted that one of the activity funds included an immaterial activity fund for scholarships in violation of MS AG Opinion 1980WL 28797. Subsequent to the closure of Coahoma Early College High School all activity funds and booster club funds were transferred to the responsible parties.

Recommendation – Since the Coahoma Early College High School was closed effective July 1, 2021, no relevant action can be taken by the high school to respond to the finding.

Response – Since the Coahoma Early College High School has been closed, we were unable to receive a response.

The Office of the State Auditor or a public accounting firm will review, on the subsequent year's audit engagement, the finding in this report to ensure that any possible corrective action was taken.

The college and high school's response to the finding was not audited and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "J. E. Vance & Company". The signature is written in a cursive, flowing style.

Tupelo, Mississippi
October 11, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | Unmodified |
| 2. Material Noncompliance relating to the financial statements? | No |
| 3. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant Deficiency(ices) identified that are not considered to be material weaknesses? | None Reported |

Federal Awards:

- | | |
|---|---------------|
| 4. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 5. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant Deficiency(ices) identified that are not considered to be material weaknesses? | None Reported |
| 6. Any audit finding(s) reported as required by 2 CFR 200.516(a)? | No |
| 7. Federal programs identified as major programs: | |
| a. Student Financial Assistance Cluster: | |
| ALN 84.007 – Federal Supplemental Educational Opportunity Grants | |
| ALN 84.033 – Federal Work-Study Program | |
| ALN 84.063 – Federal Pell Grant Program | |
| b. ALN 84.031 – Higher Education – Institutional Aid | |

**COAHOMA COMMUNITY COLLEGE AND EARLY COLLEGE HIGH SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

- c. ALN 84.425E – Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: Higher Education Emergency Relief Fund – Student Portion
 - ALN 84.425F – Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: Higher Education Emergency Relief Fund – Institutional Portion
 - ALN 84.425J – Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: Higher Education Emergency Relief Fund – Historically Black Colleges and Universities Portion
- 8. The dollar threshold used to distinguish between Type A and Type B programs: \$750,000
 - 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 in accordance with 2 CFR 200.511(b)? No

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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