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COAHOMA COMMUNITY COLLEGE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

COAHOMA COMMUNITY COLLEGE
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JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Disclaimer of Opinion and Unmodified Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Coahoma Community College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the college's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Business-type Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer

Disclaimer of Opinion on the Aggregately Discretely Presented Component Units

We do not express an opinion on the financial statements of the aggregate discretely presented component unit of Coahoma Community College. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of Coahoma Community College.

Unmodified opinion on Business-type Activities

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Coahoma Community College as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of Coahoma Community College Foundation, Inc. could not be audited because insufficient financial records were provided to prepare and support its financial statements and notes.

Basis for Unmodified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coahoma Community College and its aggregate discretely presented component unit, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coahoma Community College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coahoma Community College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coahoma Community College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 23, 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 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Coahoma Community College'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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 July 27, 2023, on our consideration of Coahoma Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coahoma Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coahoma Community College's internal control over financial reporting and compliance.

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

Tupelo, Mississippi
July 27, 2023

This section of the Coahoma Community College's annual financial report represents our discussion and analysis of the financial performance of the college during the fiscal year ended June 30, 2022. This discussion has been prepared by management 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'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*.

The annual report consists of three basic financial statements that provide information on the college 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's net position (the difference between assets and liabilities) is one indicator of the college's financial health. Over time, increases or decreases in net position are one indicator of improvement or erosion of the college's financial health when considered along with non-financial factors such as enrollment levels and the condition of the facilities of the college.

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's ability to meet financial obligations as they mature. The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

Financial and Enrollment Highlights

- Enrollment decreased 3.9% from the prior year based on headcount.

Year	Total Students Enrolled in Fall
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
2021	1,499

- Gross revenue from tuition and fees increased 10.7% from the prior year.
- Revenue from federal, state and non-governmental grants increased by 15.7% from the prior year.
- Revenue from state and county appropriations decreased by 15.6% from the prior year.
- The value of the endowment fund decreased by 17.1% from the prior year.

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Condensed Statements of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Assets			
Current Assets	\$ 15,703,884	\$ 14,511,911	\$ 1,191,973
Noncurrent Assets:			
Intangible Right-To-Use Asset	52,382	-0-	52,382
Capital Assets, Net	48,526,181	46,897,495	1,628,686
Other Assets	<u>4,809,999</u>	<u>7,487,052</u>	<u>(2,677,053)</u>
Total Assets	<u>69,092,446</u>	<u>68,896,458</u>	<u>195,988</u>
Deferred Outflows			
Pensions	4,674,744	4,487,038	187,706
Other Post-Employment Benefits	<u>326,462</u>	<u>381,817</u>	<u>(55,355)</u>
Total Deferred Outflows	<u>5,001,206</u>	<u>4,868,855</u>	<u>132,351</u>
Liabilities			
Current Liabilities	2,985,923	2,795,573	190,350
Noncurrent Liabilities:			
Refundable Deposits	28,645	19,085	9,560
Leases Payable	27,931	-0-	27,931
Finance-Purchase Liability	129,388	191,464	(62,076)
Net Pension Liability	27,238,720	37,546,466	(10,307,746)
Net OPEB Liability	<u>1,301,655</u>	<u>1,605,816</u>	<u>(304,161)</u>
Total Liabilities	<u>31,712,262</u>	<u>42,158,404</u>	<u>(10,446,142)</u>
Deferred Inflows			
Pensions	9,527,636	314,989	9,212,647
Other Post-Employment Benefits	<u>576,069</u>	<u>431,323</u>	<u>144,746</u>
Total Deferred Inflows	<u>10,103,705</u>	<u>746,312</u>	<u>9,357,393</u>
Net Position			
Net Investment in Capital Assets	48,334,717	46,645,543	1,689,174
Restricted:			
Nonexpendable Scholarships	3,180,594	3,838,290	(657,696)
Expendable Scholarships	1,750,000	1,535,700	214,300
Capital Projects	500,000	500,000	-0-
Unrestricted	<u>(21,487,626)</u>	<u>(21,658,936)</u>	<u>171,310</u>
Total Net Position	<u>\$ 32,277,685</u>	<u>\$ 30,860,597</u>	<u>\$ 1,417,088</u>

Assets

Current Assets

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the college's bank accounts. The total amount of cash and cash equivalents reported as current assets in the college's financial statements was \$8,322,788 at June 30, 2022, a decrease of \$3,047,695 from \$11,370,483 at June 30, 2021.

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's receivables totaled \$6,438,954 at June 30, 2022, an increase of \$3,946,080 from \$2,492,874 at June 30, 2021.

Inventories

The college maintains inventories of merchandise for resale in the bookstore. Books, clothing, student supplies, and institutional memorabilia make up most of the resale inventory. Inventories totaled \$110,150 at June 30, 2022, a decrease of \$17,969 from \$128,119 at June 30, 2021.

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, 2022 was \$674,525, an increase of \$315,656 from \$358,869 at June 30, 2021. Prepaid insurance consists of advance premiums paid on the college's various insurance policies. Prepaid insurance at June 30, 2022 was \$157,467, a decrease of \$4,099 from \$161,566 at June 30, 2021. Total prepaid expenses at June 30, 2022 totaled \$831,992, an increase of \$311,557 from total prepaid expenses of \$520,435 at June 30, 2021.

Noncurrent Assets**Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents are those funds that are held in bank accounts 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 \$1,629,405 at June 30, 2022, a decrease of \$2,019,357 from \$3,648,762 at June 30, 2021.

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 \$3,180,594 at June 30, 2022, a decrease of \$657,696 from \$3,838,290 at June 30, 2021.

Intangible Right-To- Use Leased Assets

The college has intangible right-to-use leased assets as a lessee for various noncancellable leases of copiers. The intangible right-to-use leased assets at June 30, 2022 totaled \$52,382. There were no intangible right-to-use leased assets at June 30, 2021 as GASBS No. 87, *Leases*, was adopted at the beginning of the current year.

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 \$48,526,181 at June 30, 2022, an increase of \$1,628,686 from \$46,897,495 at June 30, 2021.

Deferred Outflows

Deferred outflows represent the amount of net position consumed by the college'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 \$4,674,744 at June 30, 2022, an increase of \$187,706 from \$4,487,038 at June 30, 2021. Deferred outflows for other post-employment benefits were \$326,462 at June 30, 2022, a decrease of \$55,355 from \$381,817 at June 30, 2021. The increase in deferred outflows related to pensions and the decrease 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, 2021.

Liabilities**Current Liabilities****Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities represent amounts due at June 30, 2022 for goods and services received before the end of the fiscal year. Accounts payable and accrued liabilities totaled \$2,177,047 at June 30, 2022, an increase of \$45,328 from \$2,131,719 at June 30, 2021.

Liabilities - Current Portion

Intangible right-to-use leased assets liability – current portion represents the amount of the college's copier leases liability that is due within one year. The current portion of the lease liability at June 30, 2022 was \$24,451. There was no current portion of the intangible right-to-use leased assets liability at June 30, 2021 as GASBS No. 87 *Leases* was adopted at the beginning of the current year. Finance-purchase liability – current portion represents the portion of the finance-purchase liability that is due within one year. The current portion of the finance-purchase liability as of June 30, 2022 was \$62,076, an increase of \$1,588 from \$60,488 June 30, 2021.

Net Other Post-Employment Benefits Liability - Current Portion

Net other post-employment benefits liability – current portion represents the portion of the net other post-employment benefits liability that is due within one year. The current portion of the net other post-employment benefits liability as of June 30, 2022 was \$37,135, a decrease of \$16,676 from \$53,811 at June 30, 2021.

Other Current Liabilities

Other current liabilities consists of funds held for student clubs and organizations to be disbursed in the future years and amounts due to other institutional funds. Other current liabilities were \$508,571 at June 30, 2022, a decrease of \$40,984 from \$549,555 at June 30, 2021.

Noncurrent Liabilities**Refundable Deposits**

Refundable deposits consist of student housing deposits to be refunded to students. Student housing deposits refundable were \$28,645 at June 30, 2022, an increase of \$9,560 from \$19,085 at June 30, 2021.

Long-Term Liabilities

Long-term liabilities consist of the college's intangible right-to-use leased assets liability, which is composed of the college's numerous copiers; the college's finance-purchase of a scoreboard for the football stadium; the college's share of the PERS net pension liability; and the college's share of the State's other post-employment benefits liability. The intangible right-to-use leased assets liability at June 30, 2022 was \$27,931. There was no intangible right-to-use leased assets liability at June 30, 2021 as GASBS No. 87, *Leases*, was adopted at the beginning of the current year. The scoreboard finance-purchase liability at June 30, 2022 was \$129,388, a decrease of \$62,076 from \$191,464 at June 30, 2021. The net pension liability was \$27,238,720 at June 30, 2022, a decrease of \$10,307,746 from \$37,546,466 at June 30, 2021. The net other post-employment benefits liability as of June 30, 2022 was \$1,301,655, a decrease of \$304,161 from \$1,605,816 at June 30, 2021.

Deferred Inflows

Deferred inflows represent the amount of net position acquired by the college'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, 2022 were \$9,527,636, an increase of \$9,212,647 from \$314,989 at June 30, 2021. Deferred inflows for other post-employment benefits at June 30, 2022 were \$576,069, an increase of \$144,746 from \$431,323 at June 30, 2021. The increase in deferred inflows related to pensions and 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, 2021.

Net Position

Net position represents the difference between the assets and deferred outflows of resources and its liabilities and deferred inflows of resources. The college's net position increased by \$1,384,200 from normal operations in the current year. As a result, the total net position at June 30, 2022 was \$32,277,685 including prior period adjustments of \$32,888 compared to \$30,860,597, including prior period adjustments of \$2,658 at June 30, 2021.

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 \$48,334,717 at June 30, 2022, an increase of \$1,689,174 from \$46,645,543 at 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, 2022 was \$5,430,594 of which \$3,180,594 was nonexpendable. Restricted net position at June 30, 2021 was \$5,873,990 of which \$3,838,290 was nonexpendable. Restricted net position decreased by \$443,396 from June 30, 2021 to June 30, 2022. The nonexpendable portion decreased \$657,696 from June 30, 2021 to June 30, 2022.

Unrestricted Net Deficit

Unrestricted net deficit represents those balances from operational activities that have not been restricted by parties external to the college 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 \$21,487,626 at June 30, 2022, a deficit increase of \$171,310 from the \$21,658,936 unrestricted net deficit at June 30, 2021. The change in the unrestricted net deficit is explained in the table below.

Analysis of Unrestricted Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Unrestricted Net Position, General and Auxiliary Funds	\$ 13,595,924	\$ 12,266,175	\$ 1,329,749
Net Deficit, Pensions Fund	(33,374,417)	(32,196,278)	(1,178,139)
Net Deficit, OPEB Fund	<u>(1,709,133)</u>	<u>(1,728,833)</u>	<u>19,700</u>
Total Unrestricted Net Deficit	\$ <u>(21,487,626)</u>	\$ <u>(21,658,936)</u>	\$ <u>171,310</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, 2022 and June 30, 2021. 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, 2021.

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Operating Revenues:			
Tuition and Fees, Net	\$ 420,425	\$ (541,992)	\$ 962,417
Grants and Contracts	24,550,090	21,219,669	3,330,421
Sales and Services - Athletics	19,124	3,199	15,925
Auxiliary Enterprises, Net	1,215,155	847,467	367,688
Other Operating Revenues	<u>169,780</u>	<u>530,552</u>	<u>(360,772)</u>
Total Operating Revenues	26,374,574	22,058,895	4,315,679
Total Operating Expenses	<u>35,392,064</u>	<u>34,055,363</u>	<u>1,336,701</u>
Operating Loss	<u>(9,017,490)</u>	<u>(11,996,468)</u>	<u>2,978,978</u>
Nonoperating Revenues:			
State Appropriations	7,728,718	9,029,325	(1,300,607)
County Appropriations	2,515,758	3,111,410	(595,652)
Investment Income, Net	243,735	153,968	89,767
Other Nonoperating Revenues (Expenses)	<u>2,757</u>	<u>26,498</u>	<u>(23,741)</u>
Total Nonoperating Revenues	<u>10,490,968</u>	<u>12,321,201</u>	<u>(1,830,233)</u>
Income (Loss) Before Other Revenues (Expenses)	1,473,478	324,733	1,148,745
Other Revenues (Expenses)			
State Appropriations Restricted for Capital Projects	827,163	1,471,743	(644,580)
Other Additions and (Deletions)	<u>(916,441)</u>	<u>426,173</u>	<u>(1,342,614)</u>
Total Other Revenues (Expenses)	<u>(89,278)</u>	<u>1,897,916</u>	<u>(1,987,194)</u>
Increase (Decrease) in Net Position	1,384,200	2,222,649	(838,449)
Net Position, Beginning of Year, as Originally Reported	<u>30,860,597</u>	<u>28,635,290</u>	<u>2,225,307</u>
Prior Period Adjustment	<u>32,888</u>	<u>2,658</u>	<u>30,230</u>
Net Position, Beginning of Year, Restated	30,893,485	28,637,948	2,255,537
Net Position, End of Year	<u>\$ 32,277,685</u>	<u>\$ 30,860,597</u>	<u>\$ 1,417,088</u>

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Total operating loss for the year ending June 30, 2022 was \$9,017,490 a loss increase of \$2,978,978 from \$11,996,468 for the year ending June 30, 2021. Since state and county appropriations are not included within operating revenue per GASB No. 35, the college shows a significant operating loss.

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

The college strives to provide students with the opportunity to obtain 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, 2022 were \$26,374,574, an increase of \$4,315,679 from total operating revenues of \$22,058,895, for the fiscal year ending June 30, 2021. Operating expenses totaled \$35,392,064 for the fiscal year ending June 30, 2022. Operating expenses for the fiscal year ending June 30, 2021 totaled \$34,055,363. The total operating expenses for the year ending June 30, 2022 increased \$1,336,701 from the total operating expenses for the year ending June 30, 2021.

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, 2022 were \$7,188,591, an increase of \$696,785 from \$6,491,806 for the fiscal year ending June 30, 2021. Tuition and fees net of scholarship allowances were \$420,425 for the fiscal year ending June 30, 2022, an increase of \$962,417 from (\$541,992) for the fiscal year ending June 30, 2021.

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

Management's Discussion and Analysis For the Year Ended June 30, 2022

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

	For the Year Ended:		Increase
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>(Decrease)</u>
Federal Sources:			
Department of Education	\$ 21,470,798	\$ 17,501,474	\$ 3,969,324
Other Federal Sources	1,027,808	1,056,047	(28,239)
State Sources:			
Mississippi Community College Board	1,541,332	1,454,029	87,303
Mississippi Department of Education	203,893	672,771	(468,878)
Other Sources	<u>306,259</u>	<u>535,348</u>	<u>(229,089)</u>
Total All Sources	\$ <u>24,550,090</u>	\$ <u>21,219,669</u>	\$ <u>3,330,421</u>

Sales and Services

Sales and services consist of income from athletic activities that totaled \$19,124 for the fiscal year ending June 30, 2022, an increase of \$15,925 from \$3,199 for the fiscal year ending June 30, 2021.

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 \$1,215,155 for the fiscal year ending June 30, 2022, an increase of \$367,688 from \$847,467 for the fiscal year ending June 30, 2021. The increase was caused by return to normal campus operations after the Covid-19 pandemic.

Operating Expenses

As indicated previously, operating expenses for the fiscal year ending June 30, 2022 totaled \$35,392,064, an increase of \$1,336,701 from the total of \$34,055,363 for the fiscal year ending June 30, 2021. The changes in components of operating expenses from the year ending June 30, 2022 to the year ending June 30, 2021 are shown on the next page.

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

	For the Year Ended:		Increase
	June 30, 2022	June 30, 2021	(Decrease)
Operating Expenses by Function:			
Instruction	\$ 11,508,938	\$ 13,672,113	\$ (2,163,175)
Academic Support	2,440,731	2,756,419	(315,688)
Student Services	3,492,753	3,696,379	(203,626)
Institutional Support	3,633,368	2,996,428	636,940
Operation and Maintenance of Plant	3,315,209	3,554,083	(238,874)
Auxiliary Enterprises	2,307,452	1,854,524	452,928
Student Financial Aid	6,539,477	3,652,343	2,887,134
Amortization	23,892	-0-	23,892
Depreciation	2,130,244	1,873,074	257,170
Total Operating Expenses by Function	\$ 35,392,064	\$ 34,055,363	\$ 1,336,701

	For the Year Ended:		Increase
	June 30, 2022	June 30, 2021	(Decrease)
Operating Expenses by Object:			
Salaries and Wages	\$ 12,072,156	\$ 12,663,791	\$ (591,635)
Fringe Benefits	2,540,508	5,561,250	(3,020,742)
Contractual Services	5,961,284	4,861,130	1,100,154
Commodities	4,244,327	3,850,563	393,764
Travel	343,541	167,828	175,713
Scholarships and Fellowships	6,539,477	3,652,343	2,887,134
Utilities and Insurance	1,536,635	1,425,384	111,251
Amortization	23,892	-0-	23,892
Depreciation	2,130,244	1,873,074	257,170
Total Operating Expenses by Object:	\$ 35,392,064	\$ 34,055,363	\$ 1,336,701

Nonoperating Revenues (Expenses)

State Aid

The college's largest source of nonoperating revenue is the State of Mississippi appropriations. The college received \$7,728,718 for operations for the fiscal year ending June 30, 2022, a decrease of \$1,300,607 from \$9,029,325 for the fiscal year ending June 30, 2021. The primary cause for the decrease is the closure of Coahoma Early College High School at the end of the prior year. An additional \$827,163 was received in state appropriations for the purchase, construction, renovation and repair of capital assets for the year ending June 30, 2022, a decrease of \$644,580 from \$1,471,743 in state capital appropriations received for the year ending June 30, 2021.

County Appropriations

The college receives revenue from the five counties in the district in which it resides. Funding received by the college 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 received \$2,515,758 for the fiscal year ending June 30, 2022, a decrease of \$595,652 from \$3,111,410 for the fiscal year ending June 30, 2021. The decrease is primarily due to the closure of Coahoma Early College High School. The remaining high school appropriations received during the fiscal year were fully recorded by the college.

Investment Income, Net

Investment income includes interest income from the college's investments held by an outside agency. Investment income was \$243,735 for the year ending June 30, 2022, an increase of \$89,767 from \$153,968 for the year ending June 30, 2021.

Other Nonoperating Revenues and Expenses

Nonoperating revenues, consisting of insurance recoveries, were \$14,604 at June 30, 2022, a decrease of \$11,894 from \$26,498 for the year ending June 30, 2021. Nonoperating expenses at June 30, 2022 consists of interest expense related to the college's leases in the amount of \$11,847. There were no nonoperating expenses at June 30, 2021. Thus, the college had a net amount of nonoperating revenues and expenses of \$2,757 at June 30, 2022 resulting in a \$23,741 decrease in net nonoperating revenues of \$26,498 at June 30, 2021.

Statement of Cash Flows

Another way to assess the financial health of the college 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 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 table on the following page 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.

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Condensed Statement of Cash Flows – Direct Method

	For the Year Ended:		Increase
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>(Decrease)</u>
Cash and Cash Equivalents Provided (Used) By:			
Operating Activities	\$ (11,317,038)	\$ (7,733,316)	\$ (3,583,722)
Noncapital Financing Activities	9,717,776	12,042,889	(2,325,113)
Capital Financing Activities	(3,711,525)	(1,987,903)	(1,723,622)
Investing Activities	<u>243,735</u>	<u>153,969</u>	<u>89,766</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,067,052)	2,475,639	(7,542,691)
Cash and Cash Equivalents, Beginning of Year	<u>15,019,245</u>	<u>12,543,606</u>	<u>2,475,639</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,952,193</u>	<u>\$ 15,019,245</u>	<u>\$ (5,067,052)</u>

The following table shows the changes in the major sources and uses of cash for the years ending June 30, 2022 and 2021.

	For the Year Ended:		Increase
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>(Decrease)</u>
Sources:			
Operating Sources:			
Tuition and Fees	\$ 343,388	\$ (472,125)	\$ 815,513
Grants and Contracts	21,406,975	21,044,229	362,746
Auxiliary Enterprises	1,215,155	847,467	367,688
Other Receipts	128,796	592,514	(463,718)
Noncapital Financing Sources:			
State Appropriations	7,357,594	8,975,320	(1,617,726)
Local Appropriations	2,345,578	3,031,409	(685,831)
Capital Financing Sources:			
State Appropriations Restricted for Capital Projects	827,163	1,471,743	(644,580)
Uses:			
Operating Uses:			
Payments to Employees	16,000,348	17,117,742	(1,117,394)
Payments to Suppliers	10,519,681	7,543,738	2,975,943
Payments for Scholarships	6,539,477	3,652,343	2,887,134
Payments for Utilities and Insurance	1,370,970	1,434,777	(63,807)
Capital Financing Uses:			
Acquisition and Construction of Assets	4,444,039	3,392,236	1,051,803
Principal Paid on Capital Debt	\$ 84,380	\$ 67,410	\$ 16,970

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Selected Financial Analyses

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>
Current Ratio			
Current Assets	\$ 15,703,884	\$ 14,511,911	\$ 13,457,630
Current Liabilities	\$ 2,985,923	\$ 2,795,573	\$ 1,551,033
Current Ratio	5.26	5.19	8.68

Operational Income Excluding Amortization and Depreciation

Operating Revenues	\$ 26,374,574	\$ 22,058,895	\$ 19,699,512
Nonoperating Revenues and Expenses	10,490,968	12,321,201	12,599,484
Less: Operating Expenses	<u>(35,392,064)</u>	<u>(34,055,363)</u>	<u>(34,204,602)</u>
Operational (Loss) Income	1,473,478	324,733	(1,905,606)
Less: Amortization and Depreciation Expense	<u>(2,154,136)</u>	<u>(1,873,074)</u>	<u>(1,868,785)</u>
Operational (Loss) Income	<u>\$ 3,627,614</u>	<u>\$ 2,197,807</u>	<u>\$ (36,821)</u>

Cash Flows Before Capital Items

Net Cash Used by Operations	\$ (11,317,038)	\$ (7,733,316)	\$ (11,939,606)
Net Cash Provided by Noncapital Financing	<u>9,717,776</u>	<u>12,042,889</u>	<u>12,806,197</u>
Cash Flows Before Capital Items	<u>\$ (1,599,262)</u>	<u>\$ 4,309,573</u>	<u>\$ 866,591</u>

Unrestricted Net Position Excluding Property, Plant and Equipment

Unrestricted Net Deficit Excluding Property, Plant and Equipment	\$ 26,603,245	\$ 24,986,607	\$ 22,650,688
Less: Investment in Property, Plant and Equipment	(48,334,717)	(46,897,495)	(45,750,381)
Add: Plant Related Debt	<u>243,846</u>	<u>251,952</u>	<u>-0-</u>
Unrestricted Net Deficit Excluding Property, Plant and Equipment	<u>\$ (21,487,626)</u>	<u>\$ (21,658,936)</u>	<u>\$ (23,099,693)</u>

Coahoma Community College

Management's Discussion and Analysis For the Year Ended June 30, 2022

Selected Financial Analyses (Continued)

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

	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>
Revenues			
Tuition and Fees, Net	\$ 420,425	\$ (541,992)	\$ 1,105,815
Federal Grants and Contracts	22,984,388	19,637,711	13,457,278
State Grants and Contracts	1,357,622	1,278,352	2,617,643
Nongovernmental Grants and Contracts	208,080	303,606	1,087,905
Sales and Services - athletics	19,124	3,199	55,451
Auxiliary Enterprises	1,215,155	847,467	1,183,993
Other Operating Revenues	169,780	530,552	191,427
State Appropriations	7,728,718	9,029,325	9,261,785
Local Appropriations	2,515,758	3,111,410	3,006,419
Capital Appropriations	827,163	1,471,743	331,816
Investment Income	243,735	153,968	139,213
Other Nonoperating Revenues	14,604	26,498	192,067
Other Additions	<u>-0-</u>	<u>426,173</u>	<u>99,553</u>
Total Revenues	37,704,552	36,278,012	32,730,365
Expenses			
Instruction	11,508,938	13,672,113	12,170,912
Academic Support	2,440,731	2,756,419	1,873,962
Student Services	3,492,753	3,696,379	3,847,347
Institutional Support	3,633,368	2,996,428	4,419,808
Operations and Maintenance of Plant	3,315,209	3,554,083	3,884,008
Auxiliary Enterprises	2,307,452	1,854,524	1,922,834
Student Financial Aid	6,539,477	3,652,343	4,216,946
Amortization and Depreciation	2,154,136	1,873,074	1,868,785
Interest Expense on Capital Debt	11,847	-0-	-0-
Other Deletions	916,441	-0-	-0-
Add: Capital Additions, Net of Debt	3,536,770	3,118,083	520,713
Add: Reduction of Capital Debt	84,380	67,410	-0-
Less: Amortization and Depreciation	<u>(2,154,136)</u>	<u>(1,873,074)</u>	<u>(1,868,785)</u>
Total Expenses	<u>37,787,366</u>	<u>35,367,782</u>	<u>32,856,530</u>
Change in Unrestricted Net Position Excluding Property, Plant and Equipment and Debt	\$ <u>(82,814)</u>	\$ <u>910,230</u>	\$ <u>(126,165)</u>

Significant Capital Asset Transactions

In the normal course of its daily operations, the college contracts for construction and maintenance of various capital assets. In any given year, several construction and maintenance projects are ongoing during the year. The college's current projects are addressed in the notes to the financial statements.

Factors Impacting Future Periods

There are a number of issues of importance college wide that directly impacted the fiscal year 2021/2022 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'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 in future years.

Various committees, partnerships and individuals are assessing the college'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
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 8,322,788
Accounts receivable, net	6,438,954
Inventories	110,150
Prepaid expenses	<u>831,992</u>
Total current assets	<u>15,703,884</u>

Noncurrent assets:

Restricted cash and cash equivalents	1,629,405
Investments	3,180,594
Intangible right-to-use leased assets	52,382
Capital assets, net of accumulated depreciation	<u>48,526,181</u>
Total noncurrent assets	<u>53,388,562</u>
Total assets	<u><u>69,092,446</u></u>

DEFERRED OUTFLOWS

Pensions	4,674,744
Other post employment benefits	<u>326,462</u>
Total deferred outflows	<u><u>5,001,206</u></u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	2,177,047
Deferred revenue	175,065
Interest payable	1,578
Leases payable, current portion	24,451
Finance-purchase liability, current portion	62,076
Net other post-employment benefits liability, current portion	37,135
Other current liabilities	<u>508,571</u>
Total current liabilities	<u>2,985,923</u>

Noncurrent liabilities:

Deposits refundable	28,645
Leases payable, long-term	27,931
Finance-purchase liability - long-term	129,388
Net pension liability	27,238,720
Net other post-employment benefits liability	<u>1,301,655</u>
Total noncurrent liabilities	<u>28,726,339</u>
Total liabilities	<u><u>\$ 31,712,262</u></u>

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

COAHOMA COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

DEFERRED INFLOWS

Pensions	\$ 9,527,636
Other post employment benefits	<u>576,069</u>
Total deferred inflows	<u><u>10,103,705</u></u>

NET POSITION

Net investment in capital assets	48,334,717
Restricted for:	
Nonexpendable:	
Scholarships and fellowships	3,180,594
Expendable:	
Scholarships and fellowships	1,750,000
Capital projects	500,000
Unrestricted	<u>(21,487,626)</u>
Total net position	<u><u>\$ 32,277,685</u></u>

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

COAHOMA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating revenues:	
Tuition and fees (net of scholarship allowances of \$6,768,166)	\$ 420,425
Federal grants and contracts	22,984,388
State grants and contracts	1,357,622
Nongovernmental grants and contracts	208,080
Sales and services - athletics	19,124
Auxiliary enterprises:	
Student housing (net of scholarship allowances of \$546,828)	33,797
Food services (net of scholarship allowances of \$887,011)	54,821
Bookstore	1,071,837
Other auxiliary revenues	54,700
Other operating revenues	<u>169,780</u>
Total operating revenues	26,374,574
Operating expenses:	
Salaries and wages	12,072,156
Fringe benefits	2,540,508
Contractual services	5,961,284
Commodities	4,244,327
Travel	343,541
Scholarships and fellowships	6,539,477
Utilities and insurance	1,536,635
Amortization expense	23,892
Depreciation expense	<u>2,130,244</u>
Total operating expenses	<u>35,392,064</u>
Operating loss	\$ <u>(9,017,490)</u>

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

COAHOMA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Nonoperating revenues (expenses):	
State appropriations	\$ 7,728,718
Local appropriations	2,515,758
Investment income	243,735
Other nonoperating revenues (expenses)	<u>2,757</u>
Total nonoperating revenues (expenses)	<u>10,490,968</u>
Revenue (loss) before other revenues, expenses, gains and losses	1,473,478
State appropriations restricted for capital projects	827,163
Other additions (deletions)	<u>(916,441)</u>
Change in net position	1,384,200
Net position, beginning of year, as originally reported	30,860,597
Add: Prior period adjustments	<u>32,888</u>
Net position, beginning of year, restated	<u>30,893,485</u>
Net position, end of year	<u><u>\$ 32,277,685</u></u>

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

**COAHOMA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

Cash flows from operating activities:	
Tuition and fees	\$ 343,388
Grants and contracts	21,406,975
Payments to suppliers	(10,519,681)
Payments to employees for salaries and benefits	(16,000,348)
Payments for utilities and insurance	(1,370,970)
Payments for scholarships and fellowships	(6,539,477)
Sales and services - athletics	19,124
Auxiliary enterprises:	
Student housing	33,797
Food services	54,821
Bookstore	1,071,837
Other auxiliary enterprises	54,700
Other receipts	<u>128,796</u>
Net cash used by operating activities	<u>(11,317,038)</u>
Cash flows from noncapital financing activities:	
State appropriations	7,357,594
Local appropriations	2,345,578
Other nonoperating revenues (expenses)	<u>14,604</u>
Net cash provided by noncapital financing activities	<u>9,717,776</u>
Cash flows from capital and related financing activities:	
Cash paid for acquisition and construction of capital assets	(4,444,039)
Appropriations restricted for capital projects received	827,163
Principal paid on capital debt	(84,380)
Interest paid on capital debt	<u>(10,269)</u>
Net cash used by capital and related financing activities	<u>(3,711,525)</u>
Cash flows from investing activities:	
Interest received on investments	243,735
Sale of investments	245,926
Purchase of investments	<u>(245,926)</u>
Net cash provided by investing activities	<u>243,735</u>
Net decrease in cash and cash equivalents	(5,067,052)
Cash and cash equivalents, beginning of year	<u>15,019,245</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,952,193</u></u>

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

**COAHOMA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

Operating Loss	\$ (9,017,490)
Adjustments to reconcile net loss to net cash used by operating activities:	
Amortization expense	23,892
Depreciation expense	2,130,244
GASB No. 68 pension expense adjustment	(1,282,806)
GASB No. 75 other post-employments benefits expense adjustment	(120,736)
Other receipts	143,598
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable, net	(3,404,777)
Inventories	17,969
Prepaid expenses	4,099
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	45,328
Refundable deposits	9,560
Other liabilities	<u>134,081</u>
Total adjustments	<u>(2,299,548)</u>
Net cash used by operating activities	\$ <u><u>(11,317,038)</u></u>

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

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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).

Coahoma Community College 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.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 29, *Determining Whether certain Organizations are Component Units*, an Amendment to GASB Statement No. 14, and GASB Statement No. 80, *Blending Requirements for Certain Component Units*, the Mississippi Coahoma Community College Foundation, Inc. (the Foundation) is deemed a component unit of the institution and is included as a discretely presented component unit in the financial statements. The Foundation is a legally separate, tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fund-raising organization to supplement the resources of Coahoma Community College in support of its programs.

The Foundation's financial statements were not able to be audited in the current year and a disclaimer opinion was issued on the component unit.

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 now follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive one-line look at the college's financial activities.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

Cash Equivalents

For purposes of the Statement of Cash Flows, the college 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.

Inventory

Inventory consists of bookstore merchandise. This inventory is generally valued at the lower of cost or market, on either the first-in, first-out (FIFO) basis or on the average cost basis.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that are internally or externally restricted for specific purposes are classified as restricted cash and cash equivalents on the Statement of Net 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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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* and GASB Statement No. 72 *Fair Value Measurement and Application*. 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.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

Unearned Revenues

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

Compensated Absences

Coahoma Community College 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. Deferred outflows related to pensions were \$4,674,744 and deferred outflows related to other post-employment benefits were \$326,462 for the year ending June 30, 2022.

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 a acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until the applicable period. Deferred inflows related to pensions were \$9,527,636 and deferred inflows related to other post-employment benefits were \$576,069 for the year ending June 30, 2022.

See Notes 11 through 13 for further details.

Leases

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASBS 87) to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASBS 87 was implemented at the beginning of fiscal year 2022.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The college uses the interest rate it would be charged to borrow money from its bank to calculate the present value of lease payments when the rate implicit in the lease is not known. Current year principal payments are recorded as amortization expense and the related interest expense are both recorded in the Statement of Revenue, Expenses and Changes in Net Position.

See note 10 for further details.

Long-Term Liabilities

Long-term liabilities represent amounts of the college's debt that is due more than one year from the date of the financial statements. The college's long-term liabilities consist of the college's intangible right-to-use leased assets liability, which is composed of the college's numerous copiers; the college's finance-purchase of a scoreboard for the football stadium; the college's share of the PERS net pension liability; and the college's share of the State's other post-employment benefits liability. More details are provided in the subsequent sections below.

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.

See note 11 for further details.

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.

See Note 12 for further details.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

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 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 \$21,487,626 at June 30, 2022 included \$110,150 reserved for inventories.

Classification of Revenues

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

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition, net of scholarship discounts and 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.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

State Appropriations

Coahoma Community College receives funds from the State of Mississippi based on the number of full-time students actually enrolled and in attendance on the last day of the sixth week of the fall semester of the previous year, counting only those students who reside within the state of Mississippi. 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.

Note 2: Cash and Cash Equivalents and Investments

Cash and Cash Equivalents:

Policies:

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

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

The collateral pledged for the college'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'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, 2022, the total carrying value of the college's deposits with financial institutions reported in all of its funds was \$9,952,193.

Custodial Credit Risk – Deposits – Custodial credit risk is defined as risk that, in the event of the failure of a financial institution, the college will not be able to recover deposits or collateral securities that are in the possession of an outside party. The college does not have a 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. As of June 30, 2022, none of the college's bank balance of \$11,419,351 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 to invest in equity securities, bonds and other securities. Investments are reported at fair (market) value.

As of June 30, 2022, Coahoma Community College held the following investments:

<u>Investment Type</u>	<u>Maturity (Years)</u>	<u>Fair Value</u>	<u>Rating</u>
Certificates of deposit	< 1 to 2	\$ 13,009	Not rated
Money market funds	< 1	9,127	Not rated
Mutual funds	< 1	3,158,458	Not rated
Total investments		\$ <u>3,180,594</u>	

COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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

Interest Rate Risk – Interest rate risk is the risk that the college may face should interest rate variances affect the fair value of its investments. Coahoma Community College 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 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 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 does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2022, none of the \$3,180,594 investment balance was exposed to custodial credit risk since the investment companies held all investments in the name of the college.

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 does not have a formal investment policy that addresses concentration of credit risk. As of June 30, 2022, the college did not have any investments requiring disclosure in accordance with the disclosure requirements described above.

The college categorizes its 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's investments is based on Level 1 inputs.

COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 3: Accounts Receivable

The college's accounts receivable consisted of the following at June 30, 2022:

		Balance <u>06/30/22</u>
Student Tuition and fees	\$ 5,197,791	
Less: Allowance for doubtful student accounts	\$ <u>(4,418,123)</u>	
Net student tuition and fees		\$ 779,668
Federal, state and nongovernmental grants and contracts		4,764,526
State appropriations		602,760
Local appropriations		<u>292,000</u>
Total accounts receivable		\$ <u><u>6,438,954</u></u>

Note 4: Inventory

The college's inventory at June 30, 2022 consists of bookstore merchandise including textbooks, clothing, various supplies, and institutional memorabilia all totaling \$110,150.

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's various insurance policies. The allocation of these prepaid expenses at June 30, 2022 is as follows:

<u>Prepaid Expense</u>	<u>Amount</u>
Prepaid construction costs	\$ 674,525
Prepaid insurance premiums	<u>157,467</u>
Total prepaid expenses	\$ <u><u>831,992</u></u>

COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Capital Assets

A summary of the college's changes in capital assets for the year ended June 30, 2022, is shown below:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Nondepreciable capital assets:				
Land	\$ 305,558	\$	\$	\$ 305,558
Construction in progress	<u>2,556,000</u>	<u>1,980,466</u>	<u>(1,729,613)</u>	<u>2,806,853</u>
Total nondepreciable capital assets	<u>2,861,558</u>	<u>1,980,466</u>	<u>(1,729,613)</u>	<u>3,112,411</u>
Depreciable capital assets:				
Buildings	58,419,681	1,538,697		59,958,378
Improvements other than buildings	10,623,186	302,517		10,925,703
Equipment	7,883,760	1,675,438	(150,000)	9,409,198
Library books	1,075,055	6,425		1,081,480
Intangible right-to-use equipment	<u>76,274</u>	<u>76,274</u>	<u>76,274</u>	<u>76,274</u>
Total depreciable capital assets	78,001,682	3,599,351	(150,000)	81,451,033
Less accumulated depreciation for:				
Buildings	22,947,399	1,212,890		24,160,289
Improvements other than buildings	3,365,435	398,061		3,763,496
Equipment	6,593,096	515,138	(135,000)	6,973,234
Library books	1,059,815	4,155		1,063,970
Intangible right-to-use equipment	<u>23,892</u>	<u>23,892</u>	<u>23,892</u>	<u>23,892</u>
Total accumulated depreciation	<u>33,965,745</u>	<u>2,154,136</u>	<u>(135,000)</u>	<u>35,984,881</u>
Total depreciable capital assets, net	<u>44,035,937</u>	<u>1,445,215</u>	<u>(15,000)</u>	<u>45,466,152</u>
Total capital assets, net	\$ <u>46,897,495</u>	\$ <u>3,425,681</u>	\$ <u>(1,744,613)</u>	\$ <u>48,578,563</u>
Total capital assets, net including intangible right-to-use assets				\$ 48,578,563
Less: Intangible right-to use-assets, net				(52,382)
Total capital assets, net as reported in the statement of net position				\$ <u>48,526,181</u>

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 6: Capital Assets (Continued)

Construction in Progress consists of the following projects:

Project	Accumulated Cost
Curry Hall renovations	\$ 1,813,048
Dormitory project	3,290
Elevator upgrades	73,356
Mechanical upgrades	102,777
Pitts Plaza	9,631
Radio Station	78,252
Student Services Center	77,959
Whiteside Hall computer lab	112,701
Whiteside Hall roof repairs	535,839
Total construction in progress	\$ <u>2,806,853</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	10 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
Intangible Assets	*	NA	\$ *

* The estimated useful life of the college's right-to-use leased assets is based on the length of each individual lease, which varies based on the asset's lease period.

Note 7: Construction Commitments and Financing

During its normal operations, the college contracts for various capital construction and maintenance projects on an ongoing basis. The current projects are expected to be completed within the next two years. As of June 30, 2022, the estimated costs to complete the current projects and the sources of anticipated funding are presented on the next page.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 7: Construction Commitments and Financing (Continued)

Project	Total Costs	State Sources	Institutional Sources
Curry Hall Renovation	\$ 2,308,613	\$ 2,090,335	\$ 218,278
Preplan Female Dormitory	301,497	301,497	-0-
Mechanical Upgrades Phase I	3,249,000	-0-	3,249,000
Mechanical Upgrades Phase II	3,105,000	1,552,500	1,552,500
Pitts Plaza	1,900,000	-0-	1,900,000
Radio Station*	164,515	-0-	164,515
Student Services Building	2,308,613	1,972,879	335,734
Student Union Renovation	300,000	300,000	-0-
Whiteside Hall Elevator Upgrades	105,000	-0-	105,000
Whiteside Hall Roof Repairs	557,000	450,000	107,000
Whiteside Hall Science Labs	1,233,700	-0-	1,233,700
Totals	\$ <u>15,532,938</u>	\$ <u>6,667,211</u>	\$ <u>8,865,727</u>

* The campus radio station will be housed in the Student Services Building upon completion of the building.

State sources are capital grants provided by the Mississippi Office of Buildings, Grounds and Real Property Management with funding supplied through the State's bond issues.

Note 8: Accounts Payable and Accrued Liabilities

All accounts payable and accrued liabilities are considered current liabilities by the college. Accounts payable and accrued liabilities at June 30, 2022 consist of the following:

Component	Amount
Payments to suppliers and contractors	\$ 1,888,472
Employee salaries and benefits	<u>288,575</u>
Total accounts payable and accrued liabilities	\$ <u>2,177,047</u>

COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: Other Current Liabilities

Other current liabilities consist of funds held for faculty and student clubs and organizations and amounts due to other institutional funds to be disbursed in future years. For the year ending June 30, 2022 other current liabilities were \$508,571.

Note 10: Noncurrent Liabilities

Noncurrent liabilities of the college consist of refundable deposits, an intangible right-to-use leased assets liability for the lease of numerous copiers, an installment finance-purchase liability, the net pension liability, and the net other post-employment benefits liability, all of which are expected to be liquidated beyond one year from June 30, 2022.

Refundable deposits consist of dormitory room deposits, which are refundable to students upon vacating the dormitory room. The details of the intangible right-to-use leased assets liability and the finance-purchase agreement are shown on the next few pages. The net pension and other post-employment benefits liabilities represent the college's proportionate shares of the State's net pension plan liability and the State's other post-employment benefit plan liability with their details described in Notes 11 and 12, respectively.

The schedule of outstanding refundable deposits, the intangible right-to-use leased assets liability, the finance-purchase liability, the net pension liability and the net other post-employment benefits liability included in the noncurrent liabilities balance at June 30, 2022 is shown in the table below.

Description	Balance 07/01/21	Additions	Reductions	Balance 06/30/22
Refundable deposits	\$ 19,085	\$ 9,560	\$	\$ 28,645
Right-to-use asset lease liability	-0-	76,274	(23,892)	52,382
Installment finance-purchase liability	251,951		(60,487)	191,464
Net pension liability	37,546,466		(10,307,746)	27,238,720
Net other post-employment benefits liability	<u>1,659,627</u>		<u>(320,837)</u>	<u>1,338,790</u>
Subtotal	\$ <u>39,477,129</u>	\$ <u>85,834</u>	\$ <u>(10,712,962)</u>	\$ <u>28,850,001</u>
Less: Current portion of right-to-use asset lease liability				(24,451)
Less: Current portion of installment finance-purchase liability				(62,076)
Less: Current portion of other post employment-employment benefits liability				<u>(37,135)</u>
Total noncurrent liabilities				\$ <u>28,726,339</u>

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10: Noncurrent Liabilities (Continued)

Intangible Right-To-Use Leased Assets Liability

The college is a lessee for various noncancellable leases of copiers. GASB Statement No. 87, *Leases* (GASBS 87), was implemented by the college on July 1, 2021, and the effects of this implementation are incorporated into these financial statements. Under GASBS 87, leases that have a maximum term of 12 months or less at commencement are classified as short-term leases and allow the college to recognize the lease expense based on the provisions of the lease contract. For all leases, other than short term, the college recognizes an intangible right-to-use lease asset and a lease liability.

At lease commencement, the college initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized as amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The college generally uses 6.25% as the discount rate for leases unless the rate that the lessor charges is known. The college establishes the discount rate based on the rate of interest its bank would charge to borrow funds for an equipment loan.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either a college or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the college and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

The college currently leases twenty copiers of which eighteen have a five-year term, one has a three-year term, and one has a one-year term. The start date of the leases ranges from January 2018 to March 2021 with the ending dates ranging from August 2021 to May 2027. Individual monthly lease payments range from \$40 to \$420. The lease terms generally include all parts, labor, drum replacement and toner with additional charges for the copies produced each month, which are separately expensed.

The total amount of the leased copiers and the related accumulated amortization at the inception of GASB Statement No.87, *Leases* is shown in the table on the next page.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10: Noncurrent Liabilities (Continued)

Intangible Right-To-Use Leased Assets Liability (Continued)

<u>Total Value of Leased Assets</u>	<u>Current Year Amortization Expense</u>	<u>Accumulated Amortization</u>	<u>Balance of Leased Assets 06/30/22</u>
\$ <u>76,274</u>	\$ <u>23,892</u>	\$ <u>23,892</u>	\$ <u>52,382</u>

The following schedule reflects the remaining lease obligation for the right-to-use leased assets.

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,451	\$ 2,537	\$ 26,988
2024	13,763	1,265	15,028
2025	6,174	706	6,880
2026	5,273	327	5,600
2027	<u>2,721</u>	<u>78</u>	<u>2,799</u>
	\$ <u>52,382</u>	\$ <u>4,913</u>	\$ <u>57,295</u>

For the year ending June 30, 2022, the college recorded amortization expense of \$23,892 and interest expense of \$3,346 for its right-to-use leased assets.

The copier with the one-year lease term had nine months of the lease term remaining during the current fiscal year. Payments totaling \$2,160 for the copier were expensed as contractual expenditures for the year ending June 30, 2022. As stated earlier, under GASBS 87, leases that have a maximum term of 12 months or less at commencement are classified as short-term leases and allow the college to recognize the lease expense based on the provisions of the lease contract.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10: Noncurrent Liabilities (Continued)

Installment Finance-Purchase of Electronic Scoreboard

On August 10, 2020, the college entered into a finance-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 agreement allows for the purchase of the scoreboard for the contractually stated amount after the current payment is made. The details of future payments and the optional purchase amounts are shown in the table below.

Year Ending 06/30:	Principal	Interest	Total	Optional Purchase Amount
2023	\$ 62,076	\$ 5,334	\$ 67,410	\$ 130,689
2024	63,805	3,605	67,410	66,023
2025	65,583	1,827	67,410	\$ 1
Totals	\$ <u>191,464</u>	\$ <u>10,766</u>	\$ <u>202,230</u>	

Total interest expense for the scoreboard finance-purchase for the year ending June 30, 2022 was \$8,500, including accrued interest.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Pension Plan

General Information About the Pension Plan

Plan Description – Coahoma Community College contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates 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.

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.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Pension Plan (Continued)

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, 2022 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's contributions to PERS for the year ended June 30, 2022 were \$1,950,684, which equaled the required contributions for the year. Since the high school ceased its operations as of June 30, 2021, the high school had no contributions to PERS for the year ending June 30, 2022 and none will be reported in future years. The college and high school's contributions to PERS for the years ending June 30, 2021, and 2020, were \$2,132,078, and \$2,247,156, respectively, which equaled the required contributions for each year.

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

At June 30, 2022, the college and high school reported a liability of \$27,238,720 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The college and high school's portion of the net pension liability was based on a projection of the college'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, 2022 net pension liability was .184289 percent, which was based on a measurement date of June 30, 2021. There was an .009661 percent decrease from its proportionate share of .193950 percent used to calculate the June 30, 2021 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended June 30, 2022, the college and high school recognized pension expense of \$667,878. At June 30, 2022, the college and high school reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on the next page.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Pension Plan (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 445,382	\$
Net difference between projected and actual earnings on pension plan investments		8,121,951
Changes of assumptions	2,099,576	
Changes in proportion and differences between contributions and proportionate share of contributions	179,102	1,405,685
Contributions subsequent to the measurement date	<u>1,950,684</u>	
Total	\$ <u>4,674,744</u>	\$ <u>9,527,636</u>

The \$1,950,684 reported as deferred outflows of resources related to pensions resulting from the college's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below:

<u>Fiscal year ending June 30:</u>	<u>Amount</u>
2023	\$ (1,317,100)
2024	(1,354,826)
2025	(1,687,158)
2026	<u>(2,444,492)</u>
Total	\$ <u>(6,803,576)</u>

Since the high school ceased its operations as of June 30, 2021, the remaining portion of their net pension liability, deferred outflows, deferred inflows and pension expense will be reported in future years until exhausted, beginning with the year ending June 30, 2023.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Pension Plan (Continued)

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

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

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

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

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

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Pension Plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	1.00	(1.00) %
Total	<u>100.00 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.55 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’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the college’s proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the college’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 (6.55 percent) or one (1) percentage-point higher (8.55 percent) than the current rate (7.55 percent):

	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Proportionate share of net pension liability	\$ 38,576,413	\$ 27,238,720	\$ 17,895,558

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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 12: Other Post-Employment Benefits (Continued)

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 \$37,135 for the year ended June 30, 2022. There were no contributions for the high school for the year ended June 30, 2022 due to its closure as of June 30, 2021. Therefore, no contributions will be reported for the high school in future years.

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

At June 30, 2022, the college reported a liability of \$1,252,416 and the high school reported a liability of \$86,374 for a total combined total liability of \$1,338,790 for the college and high school's proportionate shares of the net OPEB liability. The net OPEB liability was measured at June 30, 2021, 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, 2021, the college's proportionate share was .19457063 percent, an increase of .00329459 percent from the college's proportionate share of .19127604 percent as of the measurement date of June 30, 2020. The high school's proportionate share at the measurement date of June 30, 2021 was .01341866 percent, a decrease of .00856795 percent from the high school's proportionate share of .02198661 percent as of the measurement date of June 30, 2020. The combined total proportionate share for the college and high school was .20798929 percent at the measurement date of June 30, 2021, a decrease of .00527336 percent from the college and high school's combined proportionate share of .21326265 percent as of the measurement date of June 30, 2020.

For the year ended June 30, 2022, the college recognized a reduction of OPEB expense of (\$51,301) and the high school recognized a reduction of OPEB expense of (\$32,316) for a combined total reduction of OPEB expense of (\$83,617). At June 30, 2022 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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
College	\$ 1,362	\$ 391,614
Early College High School	94	27,008
Net difference between projected and actual earnings on OPEB plan investments		
College	58	
Early College High School	4	
Changes of assumptions		
College	202,838	42,358
Early College High School	13,989	2,921
Changes in proportion and differences between contributions and proportionate share of contributions		
College	70,982	14,082
Early College High School	-0-	98,086
Contributions subsequent to the measurement date		
College	37,135	
Early College High School	-0-	
Total	<u>\$ 326,462</u>	<u>\$ 576,069</u>

Since the high school ceased its operations as of June 30, 2021, the remaining portion of their net OPEB liability, deferred outflows, deferred inflows and OPEB expense will be reported in future years until exhausted, beginning with the year ending June 30, 2023.

The \$37,135 reported by the college as deferred outflows of resources related to OPEB resulting from the college's contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ending June 30, 2023. Other amounts reported by the college and high school as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as shown on the following page:

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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)

Fiscal year ending June 30:

	College	Early College High School	Total
2023	\$ (37,113)	\$ (31,337)	\$ (68,450)
2024	(34,725)	(29,423)	(64,148)
2025	(30,158)	(22,479)	(52,637)
2026	(44,871)	(17,834)	(62,705)
2027	(25,947)	(12,855)	(38,802)
Total	\$ <u>(172,814)</u>	\$ <u>(113,928)</u>	\$ <u>(286,742)</u>

Since the high school ceased its operations as of June 30, 2021, the remaining portion of their net OPEB liability, deferred outflows, deferred inflows and OPEB expense will be reported in future years until exhausted, beginning with the year ending June 30, 2023.

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

Inflation	2.40 percent
Salary increases	2.65-17.90 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.13 percent
Prior Measurement Date	2.19 percent
Year FNP is projected to be depleted	
Measurement Date	2021
Prior Measurement Date	2020
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	2.13 percent
Prior Measurement Date	2.19 percent
Health Care Cost Trends	
Medicare Supplement Claims	6.50 percent for 2022 decreasing to an
Pre-Medicare	ultimate rate of 4.50 percent by 2030

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 12: Other Post-Employment Benefits (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

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

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 12: Other Post-Employment Benefits (Continued)

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 (1.13%) or 1-percentage-point higher (3.13%) than the current discount rate:

	1% Decrease 1.13%	Current Discount Rate 2.13%	1% Increase 3.13%
Net OPEB Liability College	\$ 1,386,246	\$ 1,252,416	\$ 1,138,306
Net OPEB Liability Early College High School	<u>95,603</u>	<u>86,374</u>	<u>78,504</u>
Totals	\$ <u>1,481,849</u>	\$ <u>1,338,790</u>	\$ <u>1,216,810</u>

Since the high school ceased its operations as of June 30, 2021, the remaining portion of their net OPEB liability, deferred outflows, deferred inflows and OPEB expense will be reported in future years until exhausted, beginning with the year ending June 30, 2023.

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 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	\$ 1,160,061	\$ 1,252,416	\$ 1,356,932
Net OPEB Liability Early College High School	<u>80,004</u>	<u>86,374</u>	<u>93,581</u>
Totals	\$ <u>1,240,065</u>	\$ <u>1,338,790</u>	\$ <u>1,450,513</u>

Since the high school ceased its operations as of June 30, 2021, the remaining portion of their net OPEB liability, deferred outflows, deferred inflows and OPEB expense will be reported in future years until exhausted, beginning with the year ending June 30, 2023.

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
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 13: Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$21,487,626) 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 \$1,950,684 resulting from the college's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The remaining \$2,724,060 balance of deferred outflow of resources related to pensions, at June 30, 2022 will be recognized as an expense and will decrease the unrestricted net position over the next three years.

The unrestricted net deficit amount of (\$21,487,626) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$9,527,636 balance of deferred inflow of resources related to pensions, at June 30, 2022 will be recognized as revenue and will increase the unrestricted net position over the next four years.

The unrestricted net position amount of (\$21,487,626) 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 \$37,135 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, 2023. The remaining \$289,327 balance of deferred outflow of resources related to OPEB, at June 30, 2022 will be recognized as an expense and will decrease the unrestricted net position over the next 5 years.

The unrestricted net position amount of (\$21,487,626) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$576,069 balance of deferred inflow of resources related to OPEB, at June 30, 2022 will be recognized as revenue and will increase the unrestricted net position over the next 5 years.

COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: Natural Classifications with Functional Classifications

The following table lists the institution's operating expenses by natural and functional classifications as of June 30, 2022:

Functional Classification	Year Ended June 30, 2022								
	Natural Classification								
	Salaries & Wages	Fringe Benefits	Contractual Services	Commodities	Travel	Utilities & Insurance	Scholarships & Fellowships	Amortization and Depreciation	Total
Instruction	\$ 6,791,373	\$ 1,449,162	\$ 1,344,602	\$ 1,814,816	\$ 108,985	\$ -0-	\$ -0-	\$ -0-	\$ 11,508,938
Academic Support	694,549	153,031	1,255,370	293,251	44,530	-0-	-0-	-0-	2,440,731
Student Services	2,149,393	379,601	302,627	497,106	164,026	-0-	-0-	-0-	3,492,753
Institutional Support	1,406,686	286,819	1,149,063	767,994	22,806	-0-	-0-	-0-	3,633,368
Operation of Plant	767,685	202,312	511,154	294,229	3,194	1,536,635	-0-	-0-	3,315,209
Auxiliary Enterprises	262,470	69,583	1,398,468	576,931	-0-	-0-	-0-	-0-	2,307,452
Student Aid	-0-	-0-	-0-	-0-	-0-	-0-	6,539,477	-0-	6,539,477
Amortization	-0-	-0-	-0-	-0-	-0-	-0-	-0-	23,892	23,892
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,130,244	2,130,244
Total Operating Expenses	\$ <u>12,072,156</u>	\$ <u>2,540,508</u>	\$ <u>5,961,284</u>	\$ <u>4,244,327</u>	\$ <u>343,541</u>	\$ <u>1,536,635</u>	\$ <u>6,539,477</u>	\$ <u>2,154,136</u>	\$ <u>35,392,064</u>

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: Prior Period Adjustments

A summary of the Net Position prior period adjustments are as follows:

Statement of Revenues, Expenses and Changes in Net Position

<u>Explanation</u>	<u>Amount</u>
Partial elimination of accounts due to the closure of Coahoma Early College High School	(\$19,494)
Net effect of capitalized intangible right-to-use leased assets	<u>52,382</u>
Total prior period adjustments	<u>\$ 32,888</u>

Note 16: Insurance Recoveries

During the year the college received insurance recoveries in the amount of \$14,604 as reimbursement for damage to the college's vehicles.

Note 17: Concentrations

Coahoma Community College 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 to continue the current level of its programs and courses offered.

Note 18: Contingencies

Federal, State and Private Grants – Coahoma Community College 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.

Litigation – The college is party to legal proceedings, many of which occur in the normal course of the college's operations. It is not possible at the present time to estimate the outcome or liability, if any, of the college with respect to the various proceedings. However, the college'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.

**COAHOMA COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Risk Management

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

Note 20: Accounting Standards Update

GASB Statement No. 87, *Leases* (GASBS 87), was implemented at the beginning of fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of the college's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASBS 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effects of the adoption of this standard are shown in the financial statements and the details provided in Note 10 of the financial statements.

Note 21: 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 evaluated the activity of the college through July 27, 2023 (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
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of net pension liability	0.184289%	0.193950%	0.191930%	0.191436%	0.20%	0.20%	0.19%	0.19%
Proportionate share of net pension liability	\$ 27,238,720	\$ 37,546,466	\$ 33,764,274	\$ 31,841,494	\$ 33,246,788	\$ 35,724,994	\$ 29,370,253	\$ 23,062,521
Covered payroll	\$ 12,253,311	\$ 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	222.30%	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	70.44%	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
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,950,684	\$ 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	\$ (1,950,684)	\$ (2,132,078)	\$ (2,247,156)	\$ (1,968,735)	\$ (1,925,445)	\$ (1,902,427)	\$ (2,012,389)	\$ (1,919,023)
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Covered payroll	\$ 11,210,828	\$ 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%	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
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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

	2022	2021	2020	2019	2018
Proportion of net OPEB liability	0.20798929%	0.21326265%	0.21581517%	0.22%	0.21%
Proportionate share of net OPEB liability	\$ 1,338,790	\$ 1,659,627	\$ 1,831,280	\$1,750,375	\$1,667,703
Covered-employee payroll	\$ 9,888,223	\$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	13.54%	16.15%	18.53%	17.73%	17.68%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16%	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
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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

	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 37,135	\$ 53,811	\$ 66,186	\$ 73,403	\$ 71,096
Contributions in relation to the actuarially determined contribution	\$ (37,135)	\$ (53,811)	\$ (66,186)	\$ (73,403)	\$ (71,096)
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-
Covered-employee payroll	\$ 9,888,223	\$10,277,886	\$9,883,096	\$9,870,258	\$9,434,723
Contributions as a percentage of covered-employee payroll	0.38%	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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

Pension Schedules

Note 1: Changes of Benefit Terms

There are no changes of benefit terms to report.

Note 2: Changes of Assumptions

- 2021
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: for males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77; for females, 84% of female rates up to age 72, 100% for ages above 76; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments: for males, 134% of male rates at all ages; for females, 121% of female rates at all ages; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments: for males, 97% of male rates at all ages; for females, 110% of female rates at all ages; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 2.75% to 2.40%.
 - The wage inflation assumption was reduced from 3.00% to 2.65%.
 - The investment rate of return assumption was changed from 7.75% to 7.55%.
 - The assumed load for administrative expenses was increased from 0.25% to 0.28%.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
 - The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

COAHOMA COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Pension Schedules (Continued)

Note 2: Changes of Assumptions (Continued)

- 2019
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of 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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

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

COAHOMA COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

OPEB Schedules

Note 1: Changes of Benefit Terms

There are no changes of benefit terms to report.

Note 2: Changes of Assumptions

- 2021
 - The discount rate was changed from 2.19% for the prior measurement date to 2.13% for the current measurement date.
- 2020
 - The discount rate was changed from 3.50% for the prior measurement date to 2.19% for the current measurement date.
- 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

- 2021
 - The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

**COAHOMA COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

OPEB Schedules (Continued)

Note 3: Changes in Benefit Provisions (Continued)

- 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.

Years 2017 through 2019 had no changes in benefit provisions.

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, 2020 actuarial valuation) were used to determine contribution rates reported in the schedule for the year ending June 30, 2021:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75 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	2.19 percent

SUPPLEMENTARY INFORMATION

**COAHOMA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal ALN	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	\$ 6,069
Total Child Nutrition Cluster			6,069
Distance Learning and Telemedicine Loans and Grants	MS0737-C16	10.855	371,434
Total U.S. Department of Agriculture			377,503
<u>U.S. Department of Justice</u>			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	OVM 2021	16.525	47,579
Total U.S. Department of Justice			47,579
<u>U.S. Department of Labor</u>			
WIOA Cluster:			
Pass-Through Programs From:			
Delta Workforce Development Area - WIA/WIOA Youth Activities	21-501-102	17.259	108,721
Mississippi Department of Employment Security - Various WIA/WIOA Programs	None Assigned	17.XXX	49,618
Total WIOA Cluster			158,339
Pass-Through Programs From:			
Delta Healthcare Alliance - WIOA Dislocated Worker Reserve Demonstration	MI-35529- 60-60-A-28	17.280	27,300
Total U.S. Department of Labor			185,639
<u>U.S. Department of Treasury</u>			
Pass-Through Programs From:			
Mississippi Department of Finance and Administration - Coronavirus Relief Fund	21/120101785/ 8499/PRBAA/024	21.019	273
Total U.S. Department of Treasury		\$	273

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

COAHOMA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal ALN	Federal Expenditures
<u>National Aeronautics and Space Administration</u>			
Pass-Through Programs From:			
University of Mississippi - Office of STEM Engagement	21-12-020	43.008	\$ <u>7,196</u>
Total National Aeronautics and Space Administration			<u>7,196</u>
<u>National Endowment for the Arts</u>			
Pass-Through Programs From:			
Mississippi Arts Commission - Promotion of the Arts - Partnership Agreements	21-17873771-CD/PD	45.025	<u>4,500</u>
Total National Endowment for the Arts			<u>4,500</u>
<u>National Endowment for the Humanities</u>			
Pass-Through Programs From:			
Mississippi Humanities Council - Promotion of the Humanities - Federal/State Partnership	RG 21-20-031	45.129	<u>7,500</u>
Total National Endowment for the Humanities			<u>7,500</u>
<u>U.S. Department of Education</u>			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	P007A212232	84.007	248,866
Federal Work-Study Program	P033A212232	84.033	332,581
Federal Pell Grant Program	P063P211698	84.063	<u>5,947,674</u>
Total Student Financial Assistance Cluster			<u>6,529,121</u>
Special Education Cluster (IDEA):			
Pass-Through Programs From:			
Mississippi Department of Education - Special Education - Grants to States	1402	84.027	<u>6,283</u>
Total Special Education Cluster (IDEA)			\$ <u>6,283</u>
TRIO Cluster:			
TRIO - Talent Search	P044A210458	84.044	\$ <u>274,255</u>
Total TRIO Cluster			<u>274,255</u>

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

COAHOMA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal ALN	Federal Expenditures
U. S. Department of Education Programs (Continued):			
Other Department of Education Programs:			
Higher Education - Institutional Aid	P031B170045-20	84.031	474,239
Higher Education - Institutional Aid	P031B170045-21	84.031	2,037,916
Higher Education - Institutional Aid	P031E200024-21	84.031	<u>492,082</u>
Total Higher Education - Institutional Aid		84.031	<u>3,004,237</u>
Pass-Through Programs From:			
Mississippi Office of Financial Aid - Educational			
Stabilization Funds - GEER		84.425C	<u>26,000</u>
Total Pass-Through From Mississippi Office of Financial Aid			<u>26,000</u>
Educational Stabilization Funds - HEERF Student Aid	P425E201945-20A	84.425E	4,410,182
Education Stabilization Fund - HEERF Institutional Funds	P425F200619-20A	84.425F	2,367,479
Education Stabilization Fund - HEERF HBCU Funds	P425J200035-20A/B	84.425J	<u>4,949,463</u>
Total Education Stabilization Funds			<u>11,753,124</u>
Pass-Through Programs From:			
Mississippi Community College Board - Adult			
Education - Basic Grants to States	2022-201-023	84.002	281,888
Mississippi Department of Education - Title I Grants			
to Local Education Agencies	1402	84.010	1,366
Mississippi Department of Education - Career and			
Technical Education - Basic Grants to States	None Assigned	84.048	177,049
Mississippi Department of Education - Supporting			
Effective Instruction - State Grants	1402	84.367	1,098
Mississippi Department of Education - Student			
Support and Academic Enrichment Program	1402	84.424	<u>792</u>
Total Other Department of Education Programs			<u>15,219,554</u>
Total U.S. Department of Education			\$ <u>22,029,213</u>

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

COAHOMA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal ALN	Federal Expenditures
<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	CCDF 2021 6023537-39	93.575	\$ <u>189,090</u>
Total CCDF Cluster			<u>189,090</u>
Pass-Through Programs From:			
South Delta Planning and Development District - Temporary Assistance for Needy Families	22-TANF-CCC	93.558	114,662
University of Southern Mississippi - Biomedical Research and Research Technology	8006914-16.05CC	93.859	<u>6,864</u>
Total U.S. Department of Health and Human Services			<u>310,616</u>
Total Expenditures of Federal Awards			\$ <u>22,970,019</u>

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

**COAHOMA COMMUNITY COLLEGE
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

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 under programs of the federal and state governments for the year ended June 30, 2022. 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, it is not intended to and does not present the financial position, changes in net position, or cash flows of Coahoma Community College.

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'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 has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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

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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
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 aggregate discretely presented component unit of Coahoma Community College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coahoma Community College's basic financial statements, and have issued our report thereon dated July 27, 2023. The financial statements of Coahoma Community College Foundation, Inc., the discretely presented component unit, were not audited and a disclaimer of opinion was issued on the component unit.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Coahoma Community College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coahoma Community College's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Coahoma Community College's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 typed name of the firm.

Tupelo, Mississippi
July 27, 2023

J. E. VANCE & COMPANY, P.A.
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**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Tupelo, Mississippi
July 27, 2023

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

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

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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of Coahoma Community College as of and for the year ended June 30, 2022, which collectively comprise Coahoma Community College's basic financial statements and have issued our report thereon dated July 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Coahoma Community College Foundation, Inc., the discretely presented component unit, were not audited and a disclaimer of opinion was issued on the component unit.

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 did not disclose any instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the college'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.



Tupelo, Mississippi
July 27, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**COAHOMA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:

Business-type Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer

2. Material Noncompliance relating to the financial statements? No

3. Internal control over financial reporting:

a. Material weakness(es) identified? Yes

b. Significant Deficiency(ies) identified that are not considered
to be material weaknesses? 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(ies) 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. Higher Education – Institutional Aid
ALN 84.031

**COAHOMA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

- c. ALN 84.425E – Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: Higher Education Emergency Relief Fund – Student Aid 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

Material Weakness

2022-001 – Finding – Failure to properly reconcile bank accounts in a timely manner.

Repeat Finding – No

Criteria – Accounting principles generally accepted in the United States of America require an effective system of internal controls to ensure all bank accounts are reconciled in a timely manner.

Condition – We noted that none of the college’s nine year-end bank reconciliations were available until seven months after the year-end.

Cause – Internal controls were not sufficient to ensure that bank accounts were reconciled in a timely manner.

Effect – Failure to reconcile bank accounts in a timely manner represents a fraud risk that could allow the college’s funds to be misappropriated.

Recommendation – The college should ensure that all bank accounts are reconciled monthly no later than 30 days after the date of the bank statement.

Response – See the college’s Corrective Action Plan on page 90.

Material Weakness

2022-002 Finding - Financial data for component units not included in the financial statements.

Repeat Finding – No

Criteria – Accounting principles generally accepted in the United States of America require the financial data for the College's component units to be included in the financial data of the College unless the College also issues financial statements for the financial reporting entity that includes the financial data for its component units. The College has not issued such reporting entity financial statements.

Condition – The financial statements of the College do not include the financial data of the College's legally separate component units.

Cause – The financial statements of the College's legally separate component units could not be audited due to insufficient financial records.

Effect – The failure to include the financial statements of the component units could result in the financial statements of the College to be misleading. The failure to include the component unit financial statements also resulted in a disclaimer of opinion on the component unit.

Recommendation – In order for the College to comply with accounting principles generally accepted in the United States of America, the College should include the College's component units.

Response – See the College's Corrective Action Plan on page 90.

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.

COAHOMA COMMUNITY COLLEGE

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



Auditee's Corrective Action Plan For the Year Ended June 30, 2022

As required by Section 2 CFR 200.511(a) of the Uniform Guidance, Coahoma Community College has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2022:

Finding

Corrective Action Plan Details

2022-001

Name of Contact Person Responsible for Corrective Action

Dorothy Smith-Conley, Chief Financial Officer (662) 621-4124

Corrective Action Planned:

The College now has a full-time accountant with the responsibility of ensuring that all bank accounts are reconciled in a timely manner (no more than 20 days after the month's end). This position has also been assigned the responsibility of reviewing the journal entries daily to ensure banking transactions are posted to the appropriate general ledger account.

Anticipated Completion Date: May 1, 2023

2022-002

Name of Contact Person Responsible for Corrective Action

Karen Done, Director of Student Engagement, (662) 621-4153

Trina Cox, Coordinator of Career services, (662) 621-4674

Corrective Action Planned:

The Coahoma Community College Foundation is acquiring accounting software (Quicken) to properly record all bank accounts, revenue and expense transactions along with their appropriate classifications. The Foundation will provide financial statements and the supporting records requested, to the auditors each year beginning with the fiscal year ending June 30, 2023.

Anticipated Completion Date: August 31, 2023