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

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

Kell Smith  
Executive Director  
Mississippi Community College Board  
Jackson, Mississippi

### Report on the Audit of the Financial Statements

#### ***Qualified and Unqualified Opinions***

We have audited the accompanying financial statements of the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the Mississippi Community College Board (MCCB), of the State of Mississippi, as of and for the year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

#### ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
2229100000	Qualified
2229800000	Unmodified
3329100000	Qualified
3329200000	Unmodified
3329500000	Unmodified
3329700000	Unmodified
3329800000	Unmodified

#### ***Qualified Opinion on Funds 2229100000 and 3329100000***

In our opinion, except for the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of funds 2229100000 and 3329100000 for the MCCB of the State of Mississippi as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions on Funds 2229800000, 3329200000, 3329500000, 3329700000, and 3329800000***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of funds 2229800000, 3329200000, 3329500000, 3329700000, and 3329800000 for the MCCB of the State of Mississippi as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kell Smith  
Executive Director  
State of Mississippi Community College Board

***Basis for Qualified and Unmodified Opinions***

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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Mississippi Community College Board, 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 qualified and unmodified audit opinions.

***Matter Giving Rise to the Qualified Opinion on Funds 2229100000 and 3329100000***

Management has not adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accounting principles generally accepted in the United States of America require that all GASB statements are implemented when applicable. The amount by which this departure would affect assets, deferred inflows of resources, revenue, expenditures, and fund balance of funds 2229100000 and 3329100000 has not been determined.

***Emphasis of Matter***

As discussed in Note 1, the financial statements of funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the MCCB are intended to present the financial position and changes in financial position of only that portion of the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the State of Mississippi that is attributable to the transactions of the MCCB. They do not purport to, and do not, present fairly the financial position of the State of Mississippi as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***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.

Kell Smith  
Executive Director  
State of Mississippi Community College Board

### ***Auditors' 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 auditors' 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 GAAS and *Government 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 GAAS 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 MCCB'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.

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***

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

Kell Smith  
Executive Director  
State of Mississippi Community College Board

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of the MCCB of the State of Mississippi'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 the MCCB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MCCB's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
February 22, 2024



**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
BALANCE SHEETS  
JUNE 30, 2023**

	Fund 2229100000	Fund 2229800000	Fund 3329100000	Fund 3329200000	Fund 3329500000	Fund 3329700000	Fund 3329800000	Total
<b>ASSETS</b>								
Equity in State Treasury Funds	\$ 37,259	\$ -	\$ 10,870,648	\$ -	\$ 17,200	\$ 426,737	\$ 32,482,804	\$ 43,834,648
Accounts Receivable	-	-	30,000	-	-	163,473	-	193,473
Due from Other State Funds	-	-	2,378,153	-	-	-	-	2,378,153
Total Assets	<u>\$ 37,259</u>	<u>\$ -</u>	<u>\$ 13,278,801</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 590,210</u>	<u>\$ 32,482,804</u>	<u>\$ 46,406,274</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 25,357	\$ -	\$ 141,920	\$ -	\$ -	\$ 978	\$ -	\$ 168,255
Due to Other Governments	-	-	3,609	-	-	-	9,155,496	9,159,105
Due to Other State Funds	392	-	-	-	-	-	-	392
Due to Component Units of the State	119	-	10	-	-	-	-	129
Total Liabilities	<u>25,868</u>	<u>-</u>	<u>145,539</u>	<u>-</u>	<u>-</u>	<u>978</u>	<u>9,155,496</u>	<u>9,327,881</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue	-	-	-	-	-	117,203	-	117,203
<b>FUND BALANCES</b>								
Restricted for Education	-	-	13,133,262	-	-	472,029	23,327,308	36,932,599
Committed for Education	-	-	-	-	17,200	-	-	17,200
Unassigned	11,391	-	-	-	-	-	-	11,391
Total Fund Balances	<u>11,391</u>	<u>-</u>	<u>13,133,262</u>	<u>-</u>	<u>17,200</u>	<u>472,029</u>	<u>23,327,308</u>	<u>36,961,190</u>
Total Liabilities and Fund Balances	<u>\$ 37,259</u>	<u>\$ -</u>	<u>\$ 13,278,801</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 590,210</u>	<u>\$ 32,482,804</u>	<u>\$ 46,406,274</u>

See accompanying Notes to Financial Statements.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2023**

	Fund 2229100000	Fund 2229800000	Fund 3329100000	Fund 3329200000	Fund 3329500000	Fund 3329700000	Fund 3329800000	Total
<b>REVENUES</b>								
Licenses, Fees, and Permits	\$ -	\$ -	\$ 1,280,821	\$ -	\$ 17,200	\$ 243,559	\$ -	\$ 1,541,580
Other Income	-	-	30	-	-	-	33,098	33,128
Total Revenues	-	-	1,280,851	-	17,200	243,559	33,098	1,574,708
<b>EXPENDITURES</b>								
Subsidies	543,035	175,021,622	27,221,251	245,082	-	2,500	19,220,209	222,253,699
Salaries and Benefits	1,317,919	-	1,420,129	-	-	157,842	-	2,895,890
Travel	99,831	-	76,946	-	-	12,430	-	189,207
Contractual Services	238,505	-	2,710,394	-	-	41,377	-	2,990,276
Commodities	19,799	-	185,062	-	-	653	-	205,514
Total Expenditures	2,219,089	175,021,622	31,613,782	245,082	-	214,802	19,220,209	228,534,586
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,219,089)	(175,021,622)	(30,332,931)	(245,082)	17,200	28,757	(19,187,111)	(226,959,878)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	2,224,405	177,166,536	30,427,382	157,091	-	-	19,866,946	229,842,360
Transfers (Out)	-	(2,144,914)	(19,217)	-	-	-	(238,764)	(2,402,895)
Total Financing Sources (Uses)	2,224,405	175,021,622	30,408,165	157,091	-	-	19,628,182	227,439,465
<b>NET CHANGE IN FUND BALANCES</b>	5,316	-	75,234	(87,991)	17,200	28,757	441,071	479,587
Fund Balances - Beginning of Year	6,075	-	13,058,028	87,991	-	443,272	22,886,237	36,481,603
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 11,391</u>	<u>\$ -</u>	<u>\$ 13,133,262</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 472,029</u>	<u>\$ 23,327,308</u>	<u>\$ 36,961,190</u>

See accompanying Notes to Financial Statements.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Background Information**

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

**Financial Reporting Entity**

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

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

*Fund 2229100000* – MCCB Administrative Office Fund receives appropriations by law of the State Legislature for the purpose of defraying the administrative expenses of MCCB. This fund acts as the General fund of the agency.

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

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

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

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

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

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

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

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

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Accounts receivable consist of amounts due from the federal or state government in which the revenue is earned but not received by June 30, 2023. Accounts receivable is reported net of allowances for uncollectible accounts, where applicable. The Board deemed all accounts receivable fully collectible and did not record an allowance as of June 30, 2023.

**Deferred Inflows of Resources**

The MCCB's fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in fund balance that applies to a future period. The MCCB will not recognize the related revenue until a future event occurs. The MCCB has one type of deferred inflows of resources and it occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of MCCB's fiscal year) under the modified accrual basis of accounting.

**Account Classifications**

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

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Fund Accounting**

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

**Basis of Accounting/Measurement Focus**

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

**Use of Estimates**

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

**Revenue Recognition**

Grant revenue is recognized when the related and allowable expenditure is incurred. Other revenues in the funds are generally recognized when the revenue is received or appropriated by the state of Mississippi Legislature.

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Interfund Transfers**

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

As of June 30, 2023, fund transfers consisted of:

<b><u>Fund 2229100000</u></b>	<b><u>Transfers In</u></b>
Department Finance and Administration - Adjust Cash	<u>\$ 2,224,405</u>
<b><u>Fund 2229800000</u></b>	<b><u>Transfers In</u></b>
Department Finance and Administration - Adjust Cash	<u>\$ 177,166,536</u>
	<b><u>Transfers Out</u></b>
Other Agency Funds - 3329100000 Move Appropriated Funding	<u>\$ 2,144,914</u>
<b><u>Fund 3329100000</u></b>	<b><u>Transfers In</u></b>
Mississippi Department of Employment Security	<u>\$ 30,427,382</u>
	<b><u>Transfers Out</u></b>
Department Finance and Administration - Record Indirect Costs	<u>\$ 19,217</u>
<b><u>Fund 3329200000</u></b>	<b><u>Transfers In</u></b>
Other Agency Funds - 2229200000 Workforce Carryover FY22	<u>\$ 157,091</u>
<b><u>Fund 3329800000</u></b>	<b><u>Transfers In</u></b>
Other State Funds:	
Mississippi Department of Employment Security	<u>\$ 19,866,946</u>
	<b><u>Transfers Out</u></b>
Other State Funds:	
Mississippi Department of Employment Security	<u>\$ 238,764</u>

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Fund Balances – Governmental Funds**

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

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

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

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

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

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

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

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND OTHER DEPOSITS**

Custodial risk is the risk that in the event of bank failure, a government's deposits may not be returned. MCCBs' deposit policy for protection of custodial risk is handled under a statewide collateral program. The collateral for public entities' deposits in financial institutions is held by the depository bank in the name of the State Treasurer under a program established by the State of Mississippi Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entities' funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. More information can be found in the State of Mississippi's Annual Comprehensive Financial Report (ACFR).

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

At June 30, 2023, due from and due to other governments balances consisted of:

<b><u>Fund 2229100000</u></b>	<b><u>Due To</u></b>
Other State Funds:	
Information Technology Service	<u>\$          392</u>
Other Component Units of the State:	
Institutions of Higher Learning	<u>\$          119</u>
<b><u>Fund 3329100000</u></b>	<b><u>Due From</u></b>
Other State Funds:	
Office of Tech and Strategic Services Non-Traditional Funding	\$         19,452
Office of Tech and Strategic Services Traditional Funding	2,356,706
Department of Human Services	1,995
Total	<u>\$     2,378,153</u>
	<b><u>Due To</u></b>
Other Governments:	
Mississippi Gulf Coast Community College	<u>\$         3,609</u>
Other Component Units of the State:	
Institutions of Higher Learning	<u>\$          10</u>



**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

<u>Fund 3329800000</u>	<u>Due To</u>
Other Governments:	
Coahoma Community College	\$ 354,194
Copiah Lincoln Community College	729,943
East Central Community College	77,944
East Mississippi Community College	78,455
Hinds Community College	747,027
Holmes Community College	202,389
Itawamba Community College	200,789
Jones County Junior College	518,943
Meridian Community College	226,513
Mississippi Delta Community College	448,096
Mississippi Gulf Coast Community College	1,726,618
Northeast Mississippi Community College	1,832,401
Northwest Mississippi Community College	1,330,631
Pearl River Community College	646,731
Southwest Mississippi Community College	34,822
Total	<u>\$ 9,155,496</u>

All amounts due to MCCB are expected to be collected/liquidated in fiscal year 2024.

**NOTE 4 CONTINGENCIES AND COMMITMENTS**

**Federal Grants**

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

**Litigation**

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

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 RETIREMENT PLAN**

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

PERS members are required to contribute 9.00% of their annual covered salary and the Agency is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. MCCB retirement contribution, as of June 30, 2023, for funds selected for audit, was \$383,907.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the selected funds 2229100000, 2229800000, 3329100000, 3329200000, 3329500000, 3329700000, and 3329800000 of the State of Mississippi Community College Board (MCCB), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the MCCB's basic financial statements, and have issued our report thereon dated February 22, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

Kell Smith  
Executive Director  
State of Mississippi Community College Board

**Report on Compliance and Other Matters**

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
February 22, 2024

**STATE OF MISSISSIPPI  
COMMUNITY COLLEGE BOARD  
SELECTED FUNDS  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2023**

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***Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.