MISSISSIPPI DELTA COMMUNITY COLLEGE

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the President and Board of Trustees
Mississippi Delta Community College
P.O. Box 668
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Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Mississippi Delta Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Mississippi Delta Community College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Mississippi Delta Community College, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Mississippi Delta Community College Development Foundation, Inc. (the Foundation), the College's discretely presented component unit, as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mississippi Delta Community College Development Foundation, Inc. is based solely on the report of the other auditors.

Basis for 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 (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 Mississippi Delta Community College, 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 audit opinions. The financial statements of Mississippi Delta Community College Development Foundation, Inc. were not audited in accordance with *Government Auditing Standards.*

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 the 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 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 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 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 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 8 through 15, the Schedules of the Proportionate Share of Net Pension Liability and PERS Contributions on pages 67 and 68, the Schedules of the Proportionate Share of Net OPEB Liability and OPEB Contributions on pages 69 and 70, and the notes related to these schedules on pages 71 through 76 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 Mississippi Delta 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 January 25, 2024, on our consideration of Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta Community College's internal control over financial reporting and compliance.

J. E. Vance & Company

Tupelo, Mississippi
January 25, 2024

MISSISSIPPI DELTA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Introduction

The following discussion and analysis of Mississippi Delta Community College's financial performance provides an overview of the College's financial activities for the year ended June 30, 2023. 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. We have included in this discussion comparative data for 2022. The financial statements, footnotes, and this discussion are the responsibility of management.

Overview of the Financial Statements

The College's financial report consists of two sections – Management's Discussion and Analysis, which is required supplementary information (this section), and the basic financial statements including the notes to the financial statements. The annual report consists of a series of financial statements, prepared in accordance with the Governmental Auditing Standards Board Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These financial statements focus on the financial condition of the College, the results of its operations, and the cash flows of the College as a whole.

Basic Financial Statements

The Statement of Net Position presents the financial position at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position of the College. The College's net position (the difference between assets and deferred outflows less liabilities and deferred inflows) is one indicator of the College's financial health. Over time, increases or decreases in the net position is one indicator of improvement or erosion of the College's financial health.

The **Statement of Revenues, Expenses and Changes in Net Position** presents the results of operations, as well as non-operating revenues and expenses. In general terms, operating revenues are received for providing goods and services and operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues. Non-operating revenues are those received for which goods and services are not provided as an exchange transaction. For example, State Appropriations revenue is classified as non-operating revenues because the State Legislature provides them, without the legislature receiving commensurate goods or services in return. Due to this classification treatment, the College's financial statements typically depict an overall operating loss. Non-operating expenses are those incurred for which goods and services are not provided as an exchange transaction. Other revenue sources include gifts, grants and appropriations restricted for capital purposes.

The Statement of Cash Flows provides another perspective on the results of operations. This statement provides detailed information about the sources and uses of cash. Additional details concerning this statement are explained later in this analysis and discussion.

Other non-financial factors such as enrollment trends and the condition of the physical plant are also useful in evaluating the overall financial health of the College.

The notes provide additional information that is essential to a full understanding of the data provided in the College's financial statements. The notes can be found immediately following the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information related to the implementation of Governmental Accounting Standards Board Statement No. 68 (GASB 68) *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71 (GASB 71) *Pension Transition for Payments Made Subsequent to the Measurement Date*, and Governmental Accounting Standards Board Statement No. 75 (GASB 75) *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This includes information about the College's proportionate share of the net pension liability, pension contributions, and net pension liability of the Mississippi Public Employees Retirement System (PERS), and the College's proportionate share of the net OPEB liability, the College's OPEB contributions, and the net OPEB liability of the State and School Employees' Life and Health Insurance Plan established for state employees.

Effective for fiscal year 2023, the College adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting by governments. The College has evaluated all of its operations and has determined that none of its activities are affected by this Standard.

Statement of Net Position

Net position is divided into three major categories:

- **Net Investment in Capital Assets** – represents the equity in property, plant and equipment owned by the College.

- **Restricted Net Position** – represents those assets that are not available for spending as a result of legislative requirements, donor agreements or grant requirements.

- **Unrestricted Net Position** – represents those assets that are available for any lawful purpose.

From the data presented, readers of the Statement of Net Position are able to determine the following:

- the assets available to continue the operations of the College,

- the liabilities of the College, which includes the amounts owed to vendors and lending institutions, and

- the net position available for expenditure by the College.

Current assets total $34,979,646, and consist primarily of cash and cash equivalents, short-term investments, and net receivables. Current liabilities total $3,635,079, and consist primarily of accounts payable, accrued liabilities, unearned revenues, and short-term bond and note obligations.

Non-current assets total $52,642,840, and primarily includes capital assets, net of accumulated depreciation, in the amount of $52,035,728. Other non-current assets include cash and investments that are restricted externally by endowment arrangements, or internally by management so as to maximize investment earnings.

Non-current liabilities total $47,778,811, which includes faculty housing deposits in the amount of $2,100, funds held for the Department of Corrections for vocational night instructional payroll in the amount of $30,000, a General Obligation Bond in the amount of $9,655,000 and its related Bond Premium in the amount of $1,200,981, a General Obligation Note in the amount of $524,197, the net pension liability in the amount of $35,434,735 and the other post-employment benefits liability of $931,798.

Restricted non-expendable net position totals $10,000 and consists of endowment and similar type funds, which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained intact and invested for the purpose of producing income that may either be expended or added to the principal.

The College’s total net position of $39,397,189 is made up of the net investment in capital assets of $40,328,658, restricted nonexpendable net position of $10,000, restricted expendable net positions of $15,659,307, which includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, and an unrestricted net deficit of ($16,600,776). The table on the next page shows the analysis of the unrestricted net deficit.

Analysis of the Unrestricted Net Deficit

Unrestricted Net Position Without GASB Adjustments	Net Deficit Pension Fund	Net Deficit OPEB Fund	Unrestricted Net Deficit With GASB Adjustments
$ 16,625,166	(1,352,073)	$ (31,873,869)	$ (16,600,776)

The changes in the unrestricted net position (deficit) are related to the effect of recording the activity of the State’s pension and other post-employment benefit plans.

Deferred outflows of resources consist of pension related outflows in the amount of $5,720,058 and other post-employment benefits outflows in the amount of $217,165. Deferred inflows of resources consists of pension related outflows in the amount of $2,159,192 and other post-employment benefits related inflows in the amount of $589,438.

Condensed Statements of Net Position for the years ended June 30, 2023 and June 30, 2022 are shown on the next page.

Condensed Statements of Net Position

	June 30, 2023	June 30, 2022	Increase (Decrease)
Assets			
Current Assets	$ 34,979,646	$ 32,239,415	$ 2,740,231
Noncurrent Assets:			
Capital Assets, Net	52,035,728	50,849,917	1,185,811
Long-term investments	607,112	562,708	44,404
Total Assets	87,622,486	83,652,040	3,970,446
Deferred Outflows			
Pensions	5,720,058	4,686,321	1,033,737
Other Post-Employment Benefits	217,165	274,425	(57,260)
Total Deferred Outflows	5,937,223	4,960,746	976,477
Liabilities			
Current Liabilities	3,635,079	3,118,280	516,799
Noncurrent Liabilities:			
Bonds and notes payable	10,179,198	10,463,197	(283,999)
Bond premium	1,200,980	1,243,873	(42,893)
Net pension liability	35,434,735	26,817,034	8,617,701
Net OPEB liability	931,798	1,263,526	(331,728)
Deposits refundable	32,100	32,250	(150)
Total Liabilities	51,413,890	42,938,160	8,475,730
Deferred Inflows			
Pensions	2,159,192	9,499,194	(7,340,002)
Other Post-Employment Benefits	589,438	521,281	68,157
Total Deferred Inflows	2,748,630	10,020,475	(7,271,845)
Net Position			
Net Investment in Capital Assets	40,328,658	38,823,955	1,504,703
Restricted - Nonexpendable	10,000	10,000	-
Restricted - Expendable	15,659,307	14,845,966	813,341
Unrestricted	(16,600,776)	(18,025,770)	1,424,994
Total Net Position	$ 39,397,189	$ 35,654,151	$ 3,743,038

The Statement of Revenues, Expenses and Changes in Net Position (SRECNP) displays information on how the College's assets changed as a result of current year operations. This statement presents the College's operating and non-operating revenues and expenditures.

The SRECNP at June 30, 2023 indicates an operating loss of $15,858,532. The operting loss does not include the 2023 effects of non-operating items, which include state and local appropriations, gifts or net investment earnings.

Condensed Statements of Revenues, Expense and Changes Net Position for the years ended June 30, 2023 and June 30, 2022 are shown below.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended: June 30, 2023	For the Year Ended: June 30, 2022	Increase (Decrease)
Operating Revenues	$ 16,269,764	$ 20,069,839	$ (3,800,075)
Operating Expenses	(32,128,296)	(36,007,839)	3,879,543
Operating Loss	(15,858,532)	(15,938,000)	79,468
Nonoperating Revenues	19,524,392	17,511,400	2,012,992
Change in Net Position	3,665,860	1,573,400	2,092,460
Net Position, Beginning of Year, As Previously Reported	35,654,151	30,465,911	5,188,240
Prior Period Adjustment	77,178	3,614,840	(3,537,662)
Net Position, Beginning of Year, Restated	35,731,329	34,080,751	1,650,578
Net Position, End of Year	$ 39,397,189	$ 35,654,151	$ 3,743,038

Operating Revenues

Operating revenues for the College totaled $16,269,764 at June 30, 2023. The following table summarizes the major categories of operating revenues for the years ended June 30, 2023 and June 30, 2022.

	For the Year Ended: June 30, 2023	For the Year Ended: June 30, 2022	Increase (Decrease)
Tuition and Fees, Net	$ 1,854,073	$ 2,115,156	$ (261,083)
Grants and Contracts	12,430,837	16,413,787	(3,982,950)
Auxiliary Enterprises, Net	1,576,513	1,063,393	513,120
Other Revenues	408,341	477,503	(69,162)
Total Operating Revenues	$ 16,269,764	$ 20,069,839	$ (3,800,075)

Operating Expenses

Operating expenses for the College totaled $32,128,296 at June 30, 2023. The following table summarizes the major categories of operating expenses and June 30, 2023 and June 30, 2022.

	For the Year Ended: June 30, 2023	For the Year Ended: June 30, 2022	Increase (Decrease)
Operating Expenses by Object:			
Salaries and Wages	$ 12,499,780	$ 12,318,265	$ 181,515
Fringe Benefits	4,232,655	4,924,884	(692,229)
Contractual Services	4,472,123	4,087,602	384,521
Commodities	4,276,889	5,321,875	(1,044,986)
Travel	288,992	289,839	(847)
Utilities	1,009,091	1,027,548	(18,457)
Scholarships and Fellowships	3,508,920	6,155,898	(2,646,978)
Depreciation	1,839,846	1,881,928	(42,082)
Total Operating Expenses by Object	$ 32,128,296	$ 36,007,839	$ (3,879,543)

As an alternative presentation, the College's fiscal year 2023 and 2022 expenses are shown below by major function. Functional classifications are the traditional categories that Colleges have used. They represent the types of programs and services that Colleges provide.

	For the Year Ended: June 30, 2023	For the Year Ended: June 30, 2022	Increase (Decrease)
Operating Expenses by Function:			
Instruction	$ 12,670,891	$ 12,632,553	$ 38,338
Academic Support	319,666	403,248	(83,582)
Student Services	3,361,329	5,181,023	(1,819,694)
Institutional Support	4,687,974	4,122,738	565,236
Operation of Plant	3,364,774	2,953,951	410,823
Student Financial Aid	3,508,920	6,155,898	(2,646,978)
Auxiliary Enterprises	2,374,896	2,676,500	(301,604)
Depreciation	1,839,846	1,881,928	(42,082)
Total Operating Expenses by Function	$ 32,128,296	$ 36,007,839	$ (3,879,543)

Capital Assets

At June 30, 2023, the College had invested in a broad range of capital assets. The assets are comprised of land, construction projects, intangible assets, buildings and improvements, equipment and library books. The schedule on the following page shows the cost of the major asset classifications and the accumulated depreciation for the years ended June 30, 2023 and June 30, 2022.

Classification		June 30, 2023		June 30, 2022		Increase (Decrease)
Assets Not Depreciated	$	4,464,497	$	2,978,316	$	1,486,181
Depreciable Assets						
Intangibles		1,113,228		1,113,228		-0-
Improvements Other Than Buildings		3,164,012		3,048,289		115,723
Buildings		64,802,770		64,052,770		750,000
Equipment		9,961,102		9,288,926		672,176
Library Books		868,516		866,939		1,577
Total Cost of Capital Assets		84,374,125		81,348,468		3,025,657
Less: Accumulated Depreciation		(32,338,397)		(30,498,551)		(1,839,846)
Capital Assets, Net	$	52,035,728	$	50,849,917	$	1,185,811

The assets totaling $4,464,497 that are not depreciated at June 30, 2023 consist of land in the amount of $285,247 and construction in progress in the amount of $4,179,250.

Debt Administration

At June 30, 2023 the College had $11,707,070 in outstanding long-term debt, including a bond premium of $1,243,873, of which $326,892 is due within one year. The flowing table shows a summary of the College's outstanding debt.

Description		June 30, 2023		June 30, 2022		Increase (Decrease)
2013 GO Note	$	633,197	$	739,197	$	(106,000)
2022 SO Bond		9,830,000		10,000,000		(170,000)
2022 SO Unamortized Bond Premium		1,243,873		1,286,765		(42,892)
Totals	$	**11,707,070**	$	**12,025,962**	$	**(318,892)**

Additional details on the College's long-term debt can be found in Note 11 included in this report.

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 following schedule shows the major categories of cash flows for the years ended June 30, 2023 and June 30, 2022.

Condensed Statements of Cash Flows (Direct Method)

	For the Year Ended: June 30, 2023	For the Year Ended: June 30, 2022	Increase (Decrease)
Cash and Cash Equivalents Provided (Used) By:			
Operating Activities	$ (12,235,375)	$ (14,563,821)	$ 2,328,446
Noncapital Financing Activities	17,102,632	15,068,771	2,033,861
Capital Financing Activities	(1,278,712)	9,277,588	(10,556,300)
Investing Activities	481,779	129,241	352,538
Net Increase (Decrease) in Cash and Cash Equivalents	4,070,324	9,911,779	(5,841,455)
Cash and Cash Equivalents, Beginning of Year	18,147,329	8,235,550	9,911,779
Cash and Cash Equivalents, End of Year	$ 22,217,653	$ 18,147,329	$ 4,070,324

The major sources of cash represented in operating activities group include $2,266,748 received for student tuition and fees, $13,068,178 received for grants and contracts, $1,541,934 received for auxiliary enterprises sales and services, and $606,695 received for other operating revenues. The major uses of cash in operation activities group include $16,652,982 for payments made to employees for wages and benefits, $8,547,937 for payments made to suppliers and $3,508,920 for payments made to students for financial aid.

The largest inflows of cash in the noncapital financing activities group was $11,916,167 received for state appropriations and $5,003,025 received for county appropriations. The largest inflows of cash in the capital and related financing activities group was $2,624,799 of state capital improvement funds for the construction of a new men's residence hall and relocation of the culinary arts program; elevator upgrades; and facility repairs. The largest use of cash in the capital and related financing activities group was $3,182,671 for the construction and purchase of capital assets. The largest inflows of cash in the investing activities group was $481,779 of interest earned on investments.

Economic Outlook

After many years of decreasing enrollment numbers, the College has experienced an increase in enrollment in recent years. The Mississippi Delta region is losing its population to other areas of the state, and, as a result, the College had suffered enrollment decreases for many years. The College has been looking for ways to generate new sources of revenue while still providing an excellent College experience for its vocational, technical and academic students. The College has also invested more resources in recruiting students.

Requesting Additional Information

This financial report is designed to provide a general overview of the College's finances for all those with interest. Questions concerning any of the information contained in this report or requests for additional information should be addressed to the Dean of Businesses Services, Mississippi Delta Community College, PO Box 668, Highway 3 and Cherry Street, Moorhead, Mississippi 38761.

FINANCIAL STATEMENTS

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2023

Assets		
Current assets:		
Cash and cash equivalents	$	22,217,653
Short-term investments		6,175,000
Accounts receivable, net		4,060,096
Inventories		197,709
Prepaid expenses		2,329,188
Total current assets		34,979,646
Noncurrent assets:		
Long-term investments		607,112
Capital assets, net of accumulated depreciation		52,035,728
Total noncurrent assets		52,642,840
Total assets		87,622,486
Deferred outflows of resources:		
Deferred pension related outflows		5,720,058
Deferred other post employment benefits related outflows		217,165
Total deferred outflows of resources		5,937,223
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		2,233,501
Unearned revenues		524,317
Bonds and notes payable, current portion		284,000
Bond premium, current portion		42,892
Interest payable		98,249
Net other post-employment benefits liability, current portion		48,002
Other current liabilities		404,118
Total current liabilities		3,635,079
Noncurrent liabilities:		
Bonds and notes payable		10,179,197
Bond premium		1,200,981
Net pension liability		35,434,735
Net other post-employment benefits liability		931,798
Deposits refundable		32,100
Total noncurrent liabilities		47,778,811
Total liabilities	$	51,413,890

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023

Deferred inflows of resources:		
Deferred pension related inflows	$	2,159,192
Deferred other post employment benefits related inflows		589,438
Total deferred inflows of resources		2,748,630
Net Position:		
Net investment in capital assets		40,328,658
Restricted for:		
Nonexpendable:		
Scholarships and fellowships		10,000
Expendable:		
Scholarships and fellowships		275,161
Capital projects		15,276,650
Grants		29,898
Unemployment compensation		77,598
Unrestricted		(16,600,776)
Total net position	$	39,397,189

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

MISSISSIPPI DELTA COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

Assets:		
Cash	$	170,247
Certificates of deposit		662,041
Investments		2,751,803
Unconditional promises to give		46,989
Total assets		3,631,080
Liabilities:		
Accounts payable		9,516
Total liabilities		9,516
Net assets:		
Net assets without donor restrictions		1,379,551
Net assets with donor restrictions		2,242,013
Total net assets		3,621,564
Total liabilities and net assets	$	3,631,080

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Operating revenues:	
Tuition and fees (net of scholarship allowances of $5,412,759)	$ 1,854,073
Federal grants and contracts	10,715,551
State grants and contracts	1,489,116
Nongovernmental grants and contracts	226,170
Auxiliary enterprises:	
Housing (net of scholarship allowances of $267,097)	453,149
Food services (net of scholarship allowances of $563,044)	480,397
Bookstore (net of scholarship allowances of $291,182)	642,967
Other operating revenues	408,341
Total operating revenues	16,269,764
Operating expenses:	
Salaries and wages	12,499,780
Fringe benefits	4,232,655
Contractual services	4,472,123
Commodities	4,276,889
Travel	288,992
Utilities	1,009,091
Scholarships and fellowships	3,508,920
Depreciation expense	1,839,846
Total operating expenses	32,128,296
Operating loss	$ (15,858,532)

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Nonoperating revenues (expenses):		
State appropriations	$	11,317,074
State bond monies		2,624,799
Local appropriations		5,271,929
Investment income		481,779
Interest expense		(399,034)
Unrealized gain on valuation of stock		44,405
Other nonoperating revenues		183,440
Total nonoperating revenues (expenses)		19,524,392
Change in net position		3,665,860
Net position, beginning of year, as previously reported		35,654,151
Prior period adjustment		77,178
Net position, beginning of year, as restated		35,731,329
Net position, end of year	$	39,397,189

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

MISSISSIPPI DELTA COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net assets without donor restrictions:	
Revenues, gains and losses without donor restrictions:	
Contributions	$ 54,841
Investment income	
Interest	5,044
Dividends	43,654
Realized capital gains (losses)	(1,981)
Net appreciation in fair value of investments	76,312
Investment fees	(13,192)
Total revenues, gains and losses without donor restrictions	164,678
Net assets released from restriction	278,602
Total revenues, gains, losses and other support without donor restrictions	443,280
Expenses:	
Program services:	
Scholarship and student support	227,275
College athletics	25,439
Instructional support	26,672
Alumni activities	8,990
College promotions	35,800
Supporting services:	
Management and general	27,511
Total expenses	351,687
Increase in net assets without donor restrictions	91,593
Net assets with donor restrictions:	
Contributions	549,590
Investment income	
Interest	742
Dividends	46,098
Realized capital gains (losses)	(2,091)
Net appreciation in fair value of investments	80,583
Net assets released from restriction	(278,602)
Increase (Decrease) in net assets with donor restrictions	396,320
Increase (Decrease) in net assets	487,913
Net assets, beginning of year	3,133,651
Net assets, end of year	$ 3,621,564

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:		
Tuition and fees	$	2,266,748
Grants and contracts		13,068,178
Payments to suppliers		(8,547,937)
Payments to employees for salaries and benefits		(16,652,982)
Payments for utilities		(1,009,091)
Payments for scholarships and fellowships		(3,508,920)
Auxiliary enterprises:		
Housing		454,130
Food services		480,397
Bookstore		607,407
Other operating revenues		606,695
Net cash used by operating activities		(12,235,375)
Cash flows from noncapital financing activities:		
State appropriations		11,916,167
Local appropriations		5,003,025
Other nonoperating revenues		183,440
Net cash provided by noncapital financing activities		17,102,632
Cash flows from capital and related financing activities:		
Cash paid for acquisition and construction of capital assets		(3,182,671)
Capital grants and contracts received		2,624,799
Principal paid on capital debt		(318,892)
Interest paid on capital debt		(401,948)
Net cash used by capital and related financing activities		(1,278,712)
Cash flows from investing activities:		
Interest received on investments		481,779
Net cash provided by investing activities		481,779
Net increase (decrease) in cash and cash equivalents		4,070,324
Cash and cash equivalents, beginning of year		18,147,329
Cash and cash equivalents, end of year	$	22,217,653

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

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

Operating loss	$	(15,858,532)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense		1,839,846
Gain on investments		(44,405)
GASB pension and OPEB expense adjustments		45,724
Other receipts		281,362
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable, net		578,366
Inventories		51,738
Prepaid expenses		369,800
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities		102,258
Unearned revenues		344,412
Other current liabilities		54,056
Total adjustments		3,623,157
Net cash used by operating activities	$	(12,235,375)

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

MISSISSIPPI DELTA COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Operating activities:		
Increase in net assets	$	487,913
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Unrealized (gains) losses on investments		(156,894)
Realized loss (gain) on sale of investments		4,072
Increase (decrease) in contributions receivable, net of discount		27,333
Increase (decrease) in accounts payable		(644)
Depreciation		
Net cash provided by operating activities		361,780
Cash flows from investing activities:		
Purchase of certificates of deposit		(335,000)
Reinvested interest earned on certificates of deposit		(4,014)
Proceeds from sale of securities		238,443
Purchase of securities		(352,101)
Net cash used by investing activities		(452,672)
Net increase (decrease) in cash and cash equivalents		(90,892)
Cash and cash equivalents, beginning of year		261,139
Cash and cash equivalents, end of year	$	170,247

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

MISSISSIPPI DELTA COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services	
	Student Support & Scholarships	Alumni Activities	College Athletics	College Promotions	Instructional Support	Management and General	Total
Student scholarships	$ 208,478	$	$	$	$	$	$ 208,478
Emergency student support	2,617						2,617
Database and subscription support	3,500						3,500
Luncheon, homecoming and events	2,777	8,990		23,788			35,555
Nursing banquet	5,471						5,471
Golf tournament	2,184						2,184
Seminars	2,248						2,248
Football camp support			2,523				2,523
Women's basketball club			1,456				1,456
Men's & Women's basketball livestream			3,854				3,854
Softball club and recruiting			2,460	1,133			3,593
Athletic Gala			10,146	364			10,510
Consulting fees			5,000	3,750			8,750
Awards and recognition				6,765			6,765
Faculty and staff professional development					26,672		26,672
Operating supplies						243	243
Insurance						3,460	3,460
Professional fees						9,209	9,209
Dues and subscriptions						88	88
Travel						4,367	4,367
Fundraising activities						942	942
Bank charges						20	20
Processing fees						3,154	3,154
Software						5,490	5,490
Postage and communications						538	538
Totals	$ 227,275	$ 8,990	$ 25,439	$ 35,800	$ 26,672	$ 27,511	$ 351,687

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

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Sunflower Agricultural High School was established in Moorhead, Mississippi in 1911. Sunflower Junior College was founded in conjunction with the Agricultural High School in early 1926, with the first freshman class enrolling in September of the same year. The College was fully accredited as a two-year junior College in April 1928, by the Accrediting Commission of the Senior Colleges of Mississippi. It was admitted to full membership in the Southern Association of Colleges and Schools in December 1930 and is now a member of the American Association of Community and Junior Colleges. The name of the school was officially changed from Sunflower Junior College to Mississippi Delta Junior College at the beginning of the 1960-1961 session. On July 1, 1989, the name was changed to its present name of Mississippi Delta Community College.

Mississippi Delta Community College is one of Mississippi's 15 public community Colleges. The legal authority for the establishment of Mississippi Delta Community College is found in Section 37-29-31, Miss. Code Ann. (1972).

Mississippi Delta Community College is governed by an 18-member board of trustees, selected by the board of supervisors of Bolivar, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington 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, Mississippi Delta 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 Delta Community College Development 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 Mississippi Delta Community College in support of its programs.

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

During the year ended June 30, 2023, the Foundation distributed $351,687 to the College. The complete financial statements of the Foundation can be obtained by writing to P.O. Box 668, Moorhead, MS 38761.

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 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. Mississippi Delta Community College now follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive look at the College's financial activities.

Beginning June 30, 2015, the College was required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* as well as GASB Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures for pension plans. For defined benefit pensions, these statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Beginning June 30, 2018, the College was required to implement GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employers Plans*. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures for other post-employment benefits. For defined benefit OPEBs, these statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis of accounting 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.

Short Term Investments

Short term investments consist of certificates of deposits held at a local bank.

Accounts Receivable, Net

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

Inventories

Inventories consist of bookstore merchandise and supplies. Inventories are stated at cost, with cost being determined principally on the first-in, first-out (FIFO) basis.

Prepaid Expenses

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

Endowment Investments

Endowment investments are generally subject to the restrictions of donor gift instruments. Mrs. James W. Lucas, Jr. of Jackson, Mississippi established the James W. Lucas, Jr. Scholarship award in memory of her late husband. She donated $10,000 with the restriction that only the income earned on the principal is to be utilized.

Note 1: Summary of Significant Accounting Policies (Continued)

Other Long-Term Investments

The College accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of Nonoperating Revenues 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, with the exception of the library books category, which is computed using a composite method, over the estimated useful life of the asset as shown below and is not allocated to the functional expenditure categories. The following useful lives, salvage values, and capitalization thresholds are used to compute depreciation:

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

Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is not capitalized.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued

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

The Statement of Net Position will report deferred outflows and inflows of resources as they relate to the pension reporting requirements of GASB Statement Nos. 68 and other post-employment benefit reporting requirements of GASB Statement No. 75.

Unearned Revenues

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

Compensated Absences

Mississippi Delta 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.

Long-Term Notes Payable

Long-term notes payable is the unmatured principal of General Obligation notes held by the College.

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. Pension investments are reported at fair value.

Note 1: Summary of Significant Accounting Policies (Continued)

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. OPEB investments are reported at fair value as determined by the state.

Net Position

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

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

Restricted expendable net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, or donors. Restricted nonexpendable net position is noncapital investment assets that must be approved by the College 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 net position balance of $39,397,189 at June 30, 2023, includes $40,328,658 invested in capital assets, net of depreciation and debt, $10,000 reserved for endowment, $275,161 reserved for scholarships, $15,276,650 reserved for capital projects, $29,898 reserved for grants, $77,598 reserved for unemployment compensation, and an unrestricted net deficit of ($16,600,776).

Restricted resources are used first to fund appropriations.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

State Appropriations

Mississippi Delta 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.

Local Appropriations

Mississippi Delta Community College receives funds from taxes levied by the counties in the district for general support, maintenance and capital improvements.

Note 1: Summary of Significant Accounting Policies (Continued)

Scholarship Discounts and Allowances

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). All aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenue. 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.

Use of Estimates

The financial statements have been prepared in conformity with generally accepted accounting principles and include amounts that are based on management's informed judgments and estimates. Accordingly, actual results could differ from those estimates.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value as follows:

Level 1 – Unadjusted price quotations in active market/exchanges for identical assets or liabilities that each fund has the ability to access.

Level 2 – Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Inputs and Methodologies and Hierarchy (Continued)

Level 3 – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the College's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Note 2: Cash and Cash Equivalents and Investments

Cash and Cash Equivalents and Short-Term Investments:

Investment policies as set forth by policy and state statute authorize the College to invest in demand deposits and interest-bearing time deposits such as savings accounts, certificates of deposit, money market funds, U.S. Treasury bills and notes, and repurchase agreements. For the year ending June 30, 2023, the College had $22,217,653 in cash and cash equivalents and $6,175,000 in short-term investments.

The collateral pledged for the College 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 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).

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

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, 2023, none of the College 's bank balance of $22,703,976 was exposed to custodial credit risk.

At June 30, 2023, the College had the following certificates of deposits with a local bank.

Investment Type	Interest Rate	Maturity	Fair Value
Certificate of Deposit	2.25%	July 25, 2023	$ 1,000,000
Certificate of Deposit	3.00%	January 25, 2024	1,225,000
Certificate of Deposit	0.90%	June 18, 2024	2,775,000
Certificate of Deposit	1.00%	June 17, 2024	1,175,000
Total Short-Term Investments			$ 6,175,000

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

As of June 30, 2023, Mississippi Delta Community College held the following long-term investments:

Classification	Level 1	Level 2	Level 3
Stocks	$ 4,868	$	$
Mutual Funds	602,244		
Total Long-Term Investments	$ 607,112	$ -0-	$ -0-

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. Mississippi Delta 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.

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

Credit Risk – State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). Mississippi Delta 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. Mississippi Delta Community College does not have a formal investment policy that addresses custodial credit risk. Of the College's $602,244 investment in mutual funds, $380,026 is invested in Lord Abbett Affiliated Fund, $222,218 is invested in the Columbia Balanced Fund with the balance invested in other stocks that are held by investment companies 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. Mississippi Delta Community College does not have a formal investment policy that addresses concentration of credit risk. As of June 30, 2023, the College did not have any investments requiring disclosure in accordance with the disclosure requirements described above.

Note 3: Accounts Receivable

Accounts receivable consisted of the following at June 30, 2023:

		Balance 06/30/23
Student tuition and fees	$	807,813
Less: Allowance for doubtful accounts		(391,374)
Net student tuition and fees		416,439
Auxiliary enterprises and other operating activities		54,689
Federal, state and nongovernmental grants and contracts		2,172,983
State appropriations		905,705
Local appropriations		347,615
Other receivables		162,665
Total accounts receivable	$	4,060,096

Note 4: Inventory

Inventory consists of bookstore inventory, which includes, books, clothing, supplies, memorabilia and refreshments. Total bookstore inventory at June 30, 2023 was $197,709.

Note 5: Prepaid Expenses

Prepaid expenses consist primarily of insurance and service contracts and construction costs paid in the current year that will not be expensed until future years. Prepaid expenses at June 30, 2023 were $2,329,188 consisting of $234,974 in prepaid insurance and service contracts and $2,094,214 in prepaid construction costs.

Note 6: Capital Assets

A summary of the College's changes in capital assets for the year ended June 30, 2023, is shown on the table below.

	Balance 07/01/22	Additions	Deletions	Adjustments	Balance 06/30/23
Nondepreciable capital assets:					
Land	$ 285,247	$	$	$	$ 285,247
Construction in progress	2,693,069	2,624,799	(1,138,618)		4,179,250
Total nondepreciable capital assets	2,978,316	2,624,799	(1,138,618)	-0-	4,464,497
Depreciable capital assets:					
Intangibles	1,113,228				1,113,228
Improvements other than buildings	3,048,289	147,503	(31,780)		3,164,012
Buildings	64,052,770	750,000			64,802,770
Equipment	9,288,926	824,261	(221,959)	69,874	9,961,102
Library books	866,939	3,425	(1,848)		868,516
Total depreciable capital assets	78,370,152	1,725,189	(255,587)	69,874	79,909,628
Less accumulated depreciation for:					
Intangibles	1,113,228				1,113,228
Improvements other than buildings	1,450,357	65,644			1,516,001
Buildings	21,619,701	1,092,068			22,711,769
Equipment	5,466,030	856,202	(206,937)	29,686	6,144,981
Library books	849,235	3,183			852,418
Total accumulated depreciation	30,498,551	2,017,097	(206,937)	29,686	32,338,397
Total depreciable capital assets, net	47,871,601	(291,908)	(48,650)	40,188	47,571,231
Total capital assets, net	$ 50,849,917	$ 2,332,891	$ (1,187,268)	$ 40,188	$ 52,035,728

Amounts in the Adjustments column reflect adjustments made to correct the cost of various assets placed in service in previous years and correct depreciation amounts recorded on manual summary schedules to agree with the amounts computed by the College's asset management software.

Note 6: Capital Assets (Continued)

The following table provides a listing of the projects that are included in construction in progress along with their accumulated and estimated remaining costs:

Project Number	Project Description	Accumulated Costs	Remaining Costs	
Projects Managed by the State of Mississippi				
Main Campus				
210-066	Campus Roofing - Phase II	$ -0-	$ 422,000	
210-070	New Bookstore	812,954	56,007	
210-073	New Men's Residence Hall	527,550	11,529,937	
210-074	ARPA Infrastructure	-0-	433,334	
210-077	HB 1353 MDCC	-0-	1,655,500	
210-078	ARPA Infrastructure - Water Distribution	-0-	400,000	
Greenville Higher Education Center				
217-008	Pre-Plan Academic Building	385,609	3,550,000	
217-019	Culinary Arts Program Relocation	1,616,528	530,152	
217-020	General Facility Repairs	768,983	283,017	
Total Projects Managed by the State of Mississippi		4,111,624	18,859,947	
Projects Managed by the College				
	Men's Residence Hall	3,750	3,750	*
	New Bookstore	13,886	-0-	*
	Culinary Arts Program Relocation	6,515	-0-	*
	Cafeteria Renovations Phase II	43,475	276,525	
Total Projects Managed by the College		67,626	280,275	
Total Construction in Progress		$ 4,179,250	$ 19,140,222	

* The accumulated costs paid by the college will be removed from construction in progress when the state's portion of these projects is removed upon completion of the project.

Note 7: Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities of the College primarily consist of amounts due to outside vendors for products, services, payroll-related liabilities and sales taxes. Accrued liabilities include amounts due to employees. The total amount of accounts payable and accrued liabilities at June 30, 2023 was $2,233,501.

Note 8: Other Current Liabilities

Other current liabilities consist of interest payable in the amount of $98,249.

Note 9: Deposits Refundable

Deposits refundable represent faculty housing deposits of $2,100 and funds held on deposit for the Department of Corrections from vocational night instructional payroll in the amount of $30,000.

Note 10: Lease Agreement

The College leases a building in Greenwood, Mississippi. The total lease expense for the year was $178,440. The College had a previous lease agreement, which became effective on July 1, 2014, and was extended in the 2021/2022 fiscal year for an additional year with a termination date of June 30, 2023. Monthly payments for that lease were $11,370. However, near the end of the current one-year extension of the lease, the College began to look for an alternative location to lease at a lower rate. As a result, the lessor allowed the College to enter into a new month-to-month lease agreement until the alternative location was identified. The current lease agreement was entered into on April 25, 2023, at a cost of $6,000 per month beginning in July 1, 2023 until submission of a 30-day notice by either party. Since the new lease term is expected to be less than one year, a lease asset and a lease liability is not required to be reported under GASB Statement 87.

Note 11: Notes Payable

Notes payable consist of general obligation notes. General obligation notes are direct obligations and pledge the full faith and credit of the College. General obligation notes currently outstanding is as follows:

Description	Total Balance 07/01/22	Additions	Reductions	Total Balance 06/30/23	Amounts Due Within One Year	Long-Term Balance
General Obligation Note Series 2013	$ 739,197	$	$ (106,000)	$ 633,197	$ (109,000)	$ 524,197
Special Obligation Bond Series 2022	10,000,000		(170,000)	9,830,000	(175,000)	9,655,000
Unamortized Premium	1,286,765		(42,892)	1,243,873	(42,892)	1,200,981
Totals	$ 12,025,962	$ -0-	$ (318,892)	$ 11,707,070	$ (326,892)	$ 11,380,178

The General Obligation Note, Series 2013 was issued on August 9, 2013 in the amount of $1,550,000. The GO Note was financed over a period of 15 years at 3.2192296 percent interest and matures on August 9, 2028. The purpose of the note was to provide funding for the construction, equipping and furnishing of a student activity center, the Vandiver Student Union, on the main campus of the Mississippi Delta Community College and the payment of the issuance cost of the note. The amounts due and the dates due are shown below.

Due Date	Principal	Interest	Total
August 9, 2023	$ 109,000	$ 25,836	$ 134,836
August 9, 2024	113,000	22,348	135,348
August 9, 2025	116,000	18,506	134,506
August 9, 2026	120,000	14,330	134,330
August 9, 2027	124,000	9,830	133,830
August 9, 2028	51,197	2,022	53,219
Totals	$ 633,197	$ 92,872	$ 726,069

Note 11: Notes Payable (Continued)

The Special Obligation Bond, Series 2022 was issued on May 3, 2022 in the amount of $10,000,000. The bond was financed over a period of 30 years at an interest varying from 3 percent through April 30, 2025, 4 percent from May 1, 2025 through April 30, 2033 and 5 percent thereafter. Semiannual interest payments are due on November first and May first each year. The $1,286,765 premium was capitalized and is being amortized over the remaining life of the bond. The bond is due to mature on May 1, 2052. The purpose of the bond was to provide funding for the construction of a new men's dormitory on the main campus of the Mississippi Delta Community College and for payment of the issuance costs of the bond.

The amounts due and the dates due are shown below.

Due Date	Principal	Interest	Total
May 1, 2024	$ 175,000	$ 469,850	$ 644,850
May 1, 2025	180,000	464,600	644,600
May 1, 2026	185,000	459,200	644,200
May 1, 2027	190,000	451,800	641,800
May 1, 2028	200,000	444,200	644,200
2029 to 2033	1,125,000	2,095,000	3,220,000
2034 to 2038	1,405,000	1,810,250	3,215,250
2039 to 2043	1,795,000	1,421,750	3,216,750
2044 to 2048	2,290,000	926,000	3,216,000
2049 to 2052	2,285,000	292,750	2,577,750
Totals	$ 9,830,000	$ 8,835,400	$ 18,665,400

Total interest expense for all College debt the year ended June 30, 2023 was $399,034.

Note 12: Pension Plan

General Information About the Pension Plan

Plan Description – Mississippi Delta 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 may be obtained by writing to the Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS and also 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.

Note 12: Pension Plan (Continued)

Contributions – PERS members are required to contribute 9.00% of their annual covered salary, and the College is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2023 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 years ending June 30, 2023, 2022, and 2021, were $2,079,160, $2,062,131, and $2,099,080, 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, 2023 the College reported a liability of $35,434,735 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The College'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's proportionate share used to calculate the June 30, 2023 net pension liability was .172150 percent, which was based on a measurement date of June 30, 2022. There was an .009286 decrease from its proportionate share of .181436 percent used to calculate the June 30, 2022 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended June 30, 2023, the College recognized pension expense of $2,323,121. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on the next page.

Note 12: Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 501,732	$
Net difference between expected and actual earnings on pension plan investments	1,861,202	
Changes of assumptions	1,225,550	
Changes in proportion and differences between contributions and proportionate share of contributions	52,414	2,159,192
Contributions subsequent to the measurement date	2,079,160	
Total	$ 5,720,058	$ 2,159,192

The $2,079,160 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2024. 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:

Fiscal year ending June 30:	Amount
2024	$ 231,206
2025	(57,727)
2026	(614,557)
2027	1,922,784
Total	$ 1,481,706

Note 12: Pension Plan (Continued)

Actuarial Assumptions – The total pension liability as of June 30, 2023 was determined by actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2022. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 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 following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
Total	100.00 %	

Note 12: Pension Plan (Continued)

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	$ 46,245,947	$ 35,434,735	$ 26,521,439

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

Note 13: 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.

Note 13: 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 $48,002 for the year ended June 30, 2023.

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

At June 30, 2023, the College reported a liability of $979,800 for its proportionate share of the net OPEB liability. The net OPEB liability was measured at June 30, 2022, 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'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, 2022, the College's proportionate share was .19886987 percent, a decrease of .00362997 percent from the College's proportionate share of .20249984 percent as of the measurement date of June 30, 2021.

For the year ended June 30, 2023, the College recognized OPEB expense credit of ($150,234). At June 30, 2023 the College reported the deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown on the following page:

Note 13: Other Post-Employment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 811	$ 424,490
Net difference between expected and actual earnings on OPEB plan investments	68	
Changes of assumptions	152,816	90,716
Changes in proportion and differences between contributions and proportionate share of contributions	15,468	74,232
Contributions subsequent to the measurement date	48,002	
Total	$ 217,165	$ 589,438

The $48,002 reported 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as shown below:

Fiscal year ending June 30:	Amount
2024	$ (105,447)
2025	(86,207)
2026	(96,026)
2027	(78,328)
2028	(38,760)
Thereafter	(15,507)
Total	$ (420,275)

Note 13: Other Post-Employment Benefits (Continued)

Actuarial Assumptions – The total OPEB liability was determined by an actuarial evaluation 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	3.37 percent
Prior Measurement Date	2.13 percent
Year FNP is projected to be depleted	
Measurement Date	2022
Prior Measurement Date	2021
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.37 percent
Prior Measurement Date	2.13 percent
Health Care Cost Trends	
Medicare Supplement Claims Pre-Medicare	7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2029 FYE

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, 2022 valuation 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 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, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Note 13: Other Post-Employment Benefits (Continued)

Actuarial Assumptions (Continued)

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, 2022 was 3.37 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.13% to 3.37%.

The trust was established on June 28, 2018 with an initial contribution of $1,000,000. As of June 30, 2022, the trust has $1,049,208. 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, 2021 and the June 30, 2022 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2022 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.37%) or 1-percentage-point higher (4.37%) than the current discount rate:

	1% Decrease (2.37%)	Current Discount Rate (3.37%)	1% Increase 4.37%)
Net OPEB liability	$ 1,079,370	$ 979,800	$ 894,270

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the College's proportionate share of the net OPEB liability, as well as what the College'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	$ 911,633	$ 979,800	$ 1,056,512

Note 13: Other Post-Employment Benefits (Continued)

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.

Note 14: Effect of Deferred Amounts on Net Position

The unrestricted net position amount of ($16,600,776) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of $2,079,160 resulting from the college's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The $3,640,898 remaining balance of deferred outflow of resources related to pensions, at June 30, 2023 will be recognized as an expense and will decrease the unrestricted net position over the next four years.

The unrestricted net position amount of ($16,600,776) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The $2,159,192 balance of deferred inflow of resources related to pensions, at June 30, 2023 will be recognized as revenue and will increase the unrestricted net position over the next three years.

The unrestricted net position amount of ($16,600,776) 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 $48,002 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, 2024. The $169,163 remaining balance of deferred outflow of resources related to OPEB, at June 30, 2023 will be recognized as an expense and will decrease the unrestricted net position over the next six years.

The unrestricted net position amount of ($16,600,776) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The $589,438 balance of deferred inflow of resources related to OPEB, at June 30, 2023 will be recognized as revenue and will increase the unrestricted net position over the next six years.

Note 15: Natural Classifications with Functional Classifications

The following table lists the College's operating expenses by natural and functional classifications as of June 30, 2023:

	Year Ended June 30, 2023 Natural Classification								
Functional Classification	Salaries & Wages	Fringe Benefits	Contractual Services	Commodities	Travel	Utilities	Scholarships & Fellowships	Depreciation	Total
Instruction	$ 7,756,143	$ 2,507,800	$ 868,168	$ 1,365,141	$ 72,321	$ 101,318	$ -0-	$ -0-	$ 12,670,891
Academic Support	198,340	66,674	23,718	30,484	450	-0-	-0-	-0-	319,666
Student Services	1,175,813	419,398	177,978	1,415,751	172,389	-0-	-0-	-0-	3,361,329
Institutional Support	2,459,103	856,078	1,252,862	(70,862)	40,079	150,714	-0-	-0-	4,687,974
Operation of Plant	750,235	312,337	994,757	746,011	3,753	557,681	-0-	-0-	3,364,774
Student Aid	-0-	-0-	-0-	-0-	-0-	-0-	3,508,920	-0-	3,508,920
Auxiliary Enterprises	160,146	70,368	1,154,640	790,364	-0-	199,378	-0-	-0-	2,374,896
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,839,846	1,839,846
Total Operating Expenses	$ 12,499,780	$ 4,232,655	$ 4,472,123	$ 4,276,889	$ 288,992	$ 1,009,091	$ 3,508,920	$ 1,839,846	$ 32,128,296

Note 16: Greenville Higher Education Center

Enacted into law in the 2007 Legislative Session of the State of Mississippi was a bill that transferred ownership of the Greenville Higher Education Center (GHEC) to Mississippi Delta Community College. The effective date of this change was July 1, 2007. The value of the building along with its contents is approximately thirteen (13) million dollars. The operation of the center is funded through a combination of state support and self-generated monies. The previous employees of the GHEC all became full time employees of Mississippi Delta Community College on the same transition date of July 1, 2007.

Since its inception in 2001, the GHEC has been a collaborative endeavor of three educational facilities, which are Mississippi Delta Community College, Mississippi Valley State University and Delta State University. Currently Mississippi Delta Community College offers the first two years of undergraduate work and Mississippi Valley State University and Delta State University offer junior and senior year studies as well as some graduate work at the center.

Note 17: Unemployment Compensation Trust Fund

The College maintains a self-funded unemployment compensation fund. The fund exists to provide a mechanism for the College to fund and budget the cost of providing unemployment benefits to eligible former employees. The fund does not pay benefits directly to these former employees; rather it reimburses the Mississippi Department of Employment Security for benefits it pays directly to these individuals. The fund is required to be maintained at a level of 2% of the first $6,000 of salary for each full-time employee of the College. At June 30, 2023, the fund was adequately funded with a balance of $77,598.

Note 18: Insurance Recoveries

Mississippi Delta Community College received total insurance recoveries in the amount of $79,873 during the year as reimbursement for damage to various College buildings. These amounts are included as part of Other Nonoperating Revenues in the Statement of Revenues, Expenses and Changes in Net Position.

Note 19: Concentrations

Mississippi Delta 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 20: Risk Management

Mississippi Delta 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 21: Contingencies

Federal, State and Private Grants – Mississippi Delta 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.

Note 22: Accounting Standards Updates

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, (SIBITAs) became effective during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purpose of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance, and consistency of information about SBITAs.

Management of the college has evaluated the effects of this standard as they pertain to the college's daily operations and has determined that none of the college's activities meet the reporting requirements specified in this standard.

Note 23: Prior Period Adjustment

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

Statement of Revenues, Expenditures, and Changes in Net Position

Explanation	Amount
Capitalization of prior year capital project	$77,178
Total Prior Period Adjustments	$77,178

Note 24: Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Mississippi Delta Community College evaluated the activity of the College through January 25, 2024 (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.

Note 1: Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Mississippi Delta Community College Development Foundation, Inc. (the Foundation) was incorporated on April 5, 1989. The Foundation is a tax-exempt non-profit corporation within the meaning of Internal Revenue Code Section 501(c)(3). The major purpose of the Foundation is to raise funds for capital improvements and to provide scholarships for the students of Mississippi Delta Community College.

Financial Statement Presentation

The Foundation implemented the revised financial reporting and disclosure provisions of Financial Accounting Standards Update (ASU) No. 2016-14. The standard requires the presentation of two classes of net assets which are based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is when the stipulated time has elapsed, when the stipulated purpose for the resource was restricted has been fulfilled, or both.

The Foundation reports contributions received by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purposed restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-imposed contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions

All contributions received are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increase that net asset class. However, if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises that are to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included in support until the conditions are substantially met.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. The Foundation capitalizes all property and equipment additions with a useful life of more than one year. Donated property and equipment is capitalized at its estimated fair value on the date of its donation.

Income Taxes

The Foundation is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of Internal Revenue Code. The State of Mississippi's income tax laws also recognize the Foundation as a tax-exempt organization for Mississippi income tax purposes.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Foundation considers cash and all unrestricted highly liquid investments purchased with an initial maturity date of three months or less to be cash equivalents.

Note 2: Restrictions on Net Assets

Net assets with donor restrictions are available for the following purposes:

Student scholarships	$ 1,980,415
Athletic programs	29,203
Phi Theta Kappa	5,803
Faculty development	99,210
Various academic and administration departments	99,632
Contribution pledges receivable	27,750
Total net assets with donor restrictions	$ 2,242,013

Note 3: Investments

The Foundation's investments at June 30, 2023 consisted of the following:

Mutual funds:	
Stock funds	$ 712,003
Bond funds	877,897
Total mutual funds	1,589,900
Exchange traded products	
Equity exchange traded products	886,298
Other exchange traded products	204,519
Total exchange traded products	1,090,817
Preferred stock	21,331
U.S. Treasury bonds	49,755
Total investments	$ 2,751,803

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Interest income	$ 5,044	$ 742	$ 5,786
Dividend income	43,654	46,098	89,752
Realized capital gains (losses)	(1,981)	(2,091)	(4,072)
Increase (decrease) in unrealized capital gains	76,312	80,583	156,895
Total investment return	123,029	125,332	248,361
Less: Investment fees expense	(13,192)		(13,192)
Net investment return	$ 109,837	$ 125,332	$ 235,169

Note 4: Fair Value Measurements

FASB ASC Topic 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820-10 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in inactive markets.

Inputs other than quoted prices that are observable for the asset or liability.

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Mutual Funds and Exchange Traded Funds – Mutual funds are valued at the closing price quoted in the active markets in which the individual securities are traded.

Note 4: Fair Value Measurements (Continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following schedule sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value at June 30, 2023.

	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds	$ 2,751,803	$ -0-	$ -0-	$ 2,751,803

Note 5: Promises to Give

Unconditional promises to give consist of the following at June 30, 2023:

Unconditional promises to give	$ 49,250
Less: Discount to net present value	(2,261)
Net unconditional promises to give	$ 46,989
Amounts due in:	
Less than one year	$ 40,750
One to five years	8,500
More than five years	-0-
Net amount	$ 49,250

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 5% when the donor makes an unconditional promise to give to the Foundation.

Note 6: Equipment

Equipment at June 30, 2023 consists of the following:

Vehicle	$	9,456
Less: Accumulated depreciation		(9,456)
Net amount	$	-0-

Note 7: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the Statement of Net Position date, include the following:

Cash	$	170,247
Certificates of deposit		662,041
Investments		2,751,803
Promises to give		46,989
Less accounts payable		(9,516)
Less net assets with donor restrictions		(2,242,013)
	$	1,379,551

Note 8: Concentration of Credit Risk

The Foundation maintains its cash balances in a local bank and at a brokerage firm. At various times throughout the year and at year end the balance in the bank exceeded the FDIC insurance limit of $250,000.

Note 9: Subsequent Events

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of Mississippi Delta Community College Development Foundation, Inc. has evaluated the activity of the Foundation through December 11, 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

MISSISSIPPI DELTA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of net pension liability	0.172150%	0.181436%	0.191793%	0.19%	0.19%	0.19%	0.19%	0.21%	0.22%
Proportionate share of net pension liability	$ 35,434,735	$ 26,817,034	$ 37,128,896	$ 33,424,749	$ 31,602,645	$ 31,584,448	$ 33,938,745	$ 32,461,859	$ 26,703,971
Covered payroll	$ 11,851,324	$ 12,063,669	$ 12,772,513	$ 12,459,884	$ 12,277,346	$ 12,681,346	$ 12,375,919	$ 13,031,194	$ 13,583,913
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.99%	222.30%	290.69%	268.26%	257.41%	249.06%	274.23%	249.11%	196.59%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	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.

MISSISSIPPI DELTA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of PERS Contributions
for the Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 2,079,160	$ 2,062,131	$ 2,099,080	$ 2,222,165	$ 1,962,434	$ 1,935,101	$ 1,997,306	$ 1,952,308	$ 2,052,413
Contributions in relation to the contractually required contribution	$ (2,079,160)	$ (2,062,131)	$ (2,099,080)	$ (2,222,165)	$ (1,962,434)	$ (1,935,101)	$ (1,997,306)	$ (1,952,308)	$ (2,052,413)
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Covered payroll	$11,949,190	$11,851,324	$12,063,669	$12,772,513	$12,459,884	$12,286,356	$12,681,617	$12,395,606	$13,031,194
Contributions as a percentage of covered payroll	17.40%	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.

MISSISSIPPI DELTA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019	2018
Proportion of net OPEB liability	0.19886987%	0.20249984%	0.20951067%	0.21%	0.21%	0.21%
Proportionate share of net OPEB liability	$ 979,800	$ 1,303,455	$ 1,630,429	$1,784,079	$1,587,827	$1,645,752
Covered-employee payroll	$ 9,772,378	$ 9,627,243	$10,097,065	$9,628,359	$9,345,571	$9,423,690
Proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	10.03%	13.54%	16.15%	18.53%	16.99%	17.46%
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	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.

MISSISSIPPI DELTA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of OPEB Contributions
for the Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	$ 48,002	$ 39,929	$ 52,390	$ 65,021	$ 71,511	$ 70,161
Contributions in relation to the actuarially determined contribution	$ (48,002)	$ (39,929)	$ (52,390)	$ (65,021)	$ (71,511)	$ (70,161)
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-	-0-
Covered-employee payroll	$ 9,772,378	$ 9,627,243	$10,097,065	$9,628,359	$9,345,571	$9,423,690
Contributions as a percentage of covered-employee payroll	0.49%	0.41%	0.52%	0.68%	0.77%	0.74%

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.

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%.

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 Disabled 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 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%.

Pension Schedules (Continued)

Note 2: Changes of Assumptions (Continued)

- 2016
  - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
- 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.

Pension Schedules (Continued)

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, 2020 valuation for the June 30, 2022 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	27.7 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

OPEB Schedules

Note 1: Changes of Benefit Provisions

- 2022
  - The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.
- 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.
- 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.

Note 2: Changes of Assumptions

- 2022
  - The discount rate was changed from 2.13% for the prior measurement date to 3.37% for the current measurement date.

OPEB Schedules (Continued)

Note 2: Changes of Assumptions (Continued)

- 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: 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, 2021 actuarial valuation) were used to determine contribution rates reported in the schedule for the year ending June 30, 2022:

OPEB Schedules (Continued)

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

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	6.50 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	2030
Long-term investment rate of return, Net of OPEB plan investment Expense, including price inflation	2.13 percent

SUPPLEMENTARY INFORMATION

MISSISSIPPI DELTA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal AL Number	Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	P007A222252	84.007	$ 109,226
Federal Work-Study Program	P033A222252	84.033	50,479
Federal Pell Grant Program	P063P221711	84.063	5,845,800
Total Student Financial Assistance Cluster			6,005,505
Other U.S. Department of Education Programs:			
Pass-Through Programs From:			
Mississippi Institutions of Higher Learning - Educational Stabilization Fund Under the Coronavirus Aid Relief, And Economic Act - Governor's Emergency Relief Fund	None Provided	84.425C	27,500
Total Pass Through Mississippi Institutions of Higher Learning			27,500
Educational Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Act - Higher Education Emergency Relief Fund - Student Aid	P425E203248	84.425E	436,498
Educational Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Act - Higher Education Emergency Relief Fund - Institutional Portion	P425F200949	84.425F	2,035,873
Educational Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Act - Higher Education Emergency Relief Fund - Minority Serving Institutions	P425L200062	84.425L	451,615
Total ESF Under the CARES Act			2,951,486
Pass-Through Programs From:			
Mississippi Community College Board - Adult Education - Basic Grants to States	V002A200025	84.002	189,964
Mississippi Department of Education - Career and Technical Education - Basic Grants to States	None Assigned	84.048	996,093
Total Other U.S. Department of Education Programs:			4,137,543
Total U.S. Department of Education			$ 10,143,048

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal AL Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-Through Programs From:			
Mississippi Department of Agriculture and Commerce -			
Specialty Crop Block Grant - Farm Bill	AM200100XXXXG075	10.170	$ 510
Total U.S. Department of Agriculture			510
U.S. Department of Labor			
WIOA Cluster:			
Pass-Through Programs From:			
Mississippi Department of Employment Security -			
Various WIA/WIOA Programs	None Assigned	17.XXX	219,124
Pass-Through Programs From:			
South Delta Planning and Development District:			
WIOA Adult Program	21-511-200	17.258	32,896
WIOA Adult Program	21-551-201	17.258	85,641
Total WIOA Adult Program			118,537
Pass-Through Programs From:			
South Delta Planning and Development District:			
WIOA Dislocated Worker Formula Grants	21-511-200	17.278	28,022
WIOA Dislocated Worker Formula Grants	21-551-201	17.278	75,945
Total WIOA Dislocated Worker Formula Grants			103,967
Total WIOA Cluster:			441,628
Total U.S. Department of Labor			$ 441,628

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity/Grant Identifying Number	Federal AL Number	Federal Expenditures
U.S. Department of Treasury			
Pass-Through Programs From:			
Mississippi Department of Public Safety - Coronavirus State and Local Fiscal Recovery	None Provided	21.027	18,000
Pass-Through Programs From:			
Accelerate Mississippi - Coronavirus State and Local Fiscal Recovery	HB1517-22-21 LPN	21.027	10,223
Accelerate Mississippi - Coronavirus State and Local Fiscal Recovery	HB1517-22-20 Xray	21.027	25,900
Total U.S. Department of Treasury			54,123
U. S. Department of Veterans Affairs			
Post-Vietnam Era Veterans' Education Assistance	None Assigned	64.120	464
Total U. S. Department of Veterans Affairs			464
U.S. Department of Health and Human Services			
Pass-Through Programs From:			
Mississippi Community College Board - Temporary Assistance for Needy Families	None Assigned	93.558	88,103
Total U.S. Department of Health and Human Services			88,103
Total Other Programs			584,828
Total Expenditure of Federal Awards			**$ 10,727,876**

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

MISSISSIPPI DELTA COMMUNITY COLLEGE
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

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 Mississippi Delta Community College under programs of the federal government for the year ended June 30, 2023. 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 Mississippi Delta Community College, it is not intended to and does not present the financial position, changes in net position, or cash flows of Mississippi Delta 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

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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
Mississippi Delta Community College
P.O. Box 668
Moorhead, Mississippi 38761

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Mississippi Delta Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Mississippi Delta Community College's basic financial statements, and have issued our report thereon dated January 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the Mississippi Delta Community College Development Foundation, Inc. as described in our report on the Mississippi Delta Community College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mississippi Delta Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

J. E. Vance & Company

Tupelo, Mississippi
January 25, 2024

J. E. VANCE & COMPANY, P.A.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the President and Board of Trustees
Mississippi Delta Community College
P.O. Box 668
Moorhead, Mississippi 38761

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mississippi Delta 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 Mississippi Delta Community College's major federal programs for the year ended June 30, 2023. Mississippi Delta 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, Mississippi Delta 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, 2023.

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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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 Mississippi Delta 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.

J. E. Vance & Company

Tupelo, Mississippi
January 25, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the President and Board of Trustees
Mississippi Delta Community College
P.O. Box 668
Moorhead, Mississippi 38761

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of Mississippi Delta Community College as of and for the year ended June 30, 2023, which collectively comprise Mississippi Delta Community College's basic financial statements and have issued our report thereon dated January 25, 2024. 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. Our report contains a reference to other auditors who audited the financial statements of the Mississippi Delta Community College Development Foundation, Inc., as described in our report on the College's financial statements. The financial statements of the Mississippi Delta Community College Development Foundation, Inc., were not audited in accordance with *Government Auditing Standards.*

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.

J. E. Vance & Company

Tupelo, Mississippi
January 25, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MISSISSIPPI DELTA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:	Unmodified
2. Material Noncompliance relating to the financial statements?	No
3. Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant Deficiency(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. AL 21.027 – Coronavirus State and Local Fiscal Recovery Fund

   b. Student Financial Assistance Cluster:
      AL 84.007 Federal Supplemental Educational Opportunity Grants
      AL 84.033 Federal Work-Study Program
      AL 84.063 Federal Pell Grant Program

c. AL 84.048 – Career and Technical Education – Basic Grants to States

d. Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: AL 84.425C Governor's Emergency Relief Fund

   Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: AL 84.425E Higher Education Emergency Relief Fund – Student Aid Portion
   Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: AL 84.425F Higher Education Emergency Relief Fund – Institutional Portion
   Educational Stabilization Fund Under the Coronavirus Aid Relief and Economic Act: AL 84.425L Higher Education Emergency Relief Fund – Minority Serving Institutions Portion

8. The dollar threshold used to distinguish between Type A and Type B programs: $750,000

9. Auditee qualified as low-risk auditee? No

10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? No

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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