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**COAHOMA COMMUNITY COLLEGE
AND AGRICULTURAL HIGH SCHOOL
FINANCIAL AUDIT REPORT
YEAR ENDED JUNE 30, 2005**

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
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Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

This section of the Coahoma Community College and Agricultural High School annual financial report represents our discussion and analysis of the financial performance of the College and High School during the fiscal year ended June 30, 2005. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of management.

Using the Annual Report

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

The annual report consists of three basic financial statements that provide information on the College and High School as a whole: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. These statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Net Assets includes all assets and liabilities. The College and High School's net assets (the difference between assets and liabilities) are one indicator of the College and High School's financial health. Over time, increases or decreases in net assets are one indicator of improvement or erosion of the College and High School's financial health when considered along with non-financial factors such as enrollment levels and the condition of the facilities of the College and High School.

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies State appropriations and gifts as non-operating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Another important factor to consider when evaluating financial viability is the College and High School's ability to meet financial obligations as they mature. The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

Financial and Enrollment Highlights

- Revenue from Tuition and Fees increased by 9.9% as a result of increased Full Time Equivalent enrollment.
- Enrollment decreased by 1% based on headcount.

Year	Total Students Enrolled in Fall
2000	1,260
2001	1,322
2002	1,633
2003	1,842
2004	1,964
2005	1,946

- Appropriations from the Coahoma County Board of Supervisors and the Mississippi Legislature have provided for the construction of the Coahoma County Higher Education Center, a partnership between Coahoma Community College and Delta State University.
- Appropriations from the Coahoma County Board of Supervisors, State of Mississippi and the Title III HBCU Grant provided funding for the Allied Health Training Facility, which will house the Associate Degree Nursing, Licensed Practical Nursing, Respiratory Care and other certificate of health programs. The Coahoma County Board of Supervisors will donate 4.25 acres to build this 25,900 square foot facility at an estimated cost of \$3,950,000.
- A recovery in the market increased the value of the endowment fund by 9.7%.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Condensed Statement of Net Assets

	For the year ended:	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Assets		
Current Assets	\$ 6,219,972	\$ 7,423,911
Noncurrent Assets:		
Capital Assets, Net	15,085,399	15,673,611
Other Assets	<u>4,872,382</u>	<u>3,550,543</u>
Total Assets	<u><u>26,177,753</u></u>	<u><u>26,648,065</u></u>
Liabilities		
Current Liabilities	1,377,196	2,122,369
Noncurrent Liabilities	<u>1,936,218</u>	<u>2,141,579</u>
Total Liabilities	3,313,414	4,263,948
Net Assets		
Invested in Capital Assets, Net of Debt	12,944,520	13,339,201
Restricted:		
Nonexpendable	3,489,832	3,179,962
Expendable	2,211,506	364,630
Unrestricted	<u>4,218,481</u>	<u>5,500,324</u>
Total Net Assets	<u><u>22,864,339</u></u>	<u><u>\$ 22,384,117</u></u>

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Assets

Current Assets

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the College and High School's bank accounts. The total amount of cash and cash equivalents reported as current assets on the College and High School's financial statements were \$4,674,091 at June 30, 2005 compared to \$4,420,755 at June 30, 2004.

Accounts Receivable

Accounts receivable relate to several transactions including county appropriations and student tuition and fee billings. In addition, receivables arise from grant awards and financial aid revenues. The receivables are shown net of allowances for doubtful accounts. The College and High School's receivables totaled \$1,040,788 at June 30, 2005 compared to \$1,670,448 at June 30, 2004.

Inventories

The College and High School maintains inventories of resale merchandise as well as items of food purchased for the cafeteria. Books, student supplies, and institutional memorabilia make up the majority of the resale inventory. Inventories totaled \$268,872 at June 30, 2005 compared to \$212,292 at June 30, 2004.

Prepaid Expenses

Prepaid expenses include certain payments to vendors or other parties which reflect costs that are applicable to a subsequent accounting period. Prepaid expenses totaled \$236,221 at June 30, 2005, in comparison to \$1,113,471 at June 30, 2004.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Noncurrent Assets

Cash and Cash Equivalents

Cash and cash equivalents are those funds that are held in the bank accounts and in the State Treasurer's Short-Term Investment Pool (STIP). The cash and cash equivalents that are considered noncurrent are the cash held in endowment funds. The amount of cash and cash equivalents considered noncurrent at June 30, 2005 was \$1,379,385 compared to \$365,281 at June 30, 2004.

Endowment Investments

Endowment investments include marketable securities held and managed by investment managers. These investments are recorded at their fair market value. The fair market value at June 30, 2005 was \$3,489,832 compared to \$3,179,962 at June 30, 2004.

Capital Assets, Net

Capital assets, net consist of land, infrastructure, buildings, equipment, and historical library holdings at June 30, 2005. The amount reported is net of accumulated depreciation. Capital assets, net totaled \$15,085,399 at June 30, 2005, in comparison to \$15,673,611 at June 30, 2004.

Liabilities

Current Liabilities

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at June 30, 2005 for goods and services received before the end of the fiscal year. Accounts payable and accrued liabilities totaled \$665,463 at June 30, 2005, in comparison to \$781,130 at June 30, 2004.

Deferred Revenue

Deferred revenue represents revenue that was received during the fiscal year, but was not expended by the end of the fiscal year. Deferred revenue totaled \$465,663 at June 30, 2005, in comparison to \$1,113,471 at June 30, 2004.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Long-Term Liabilities – Current Portion

Long-term liabilities – current portion represents the portion of principal payments for long-term debt that is due within one year. The current portion of bonds and notes due at June 30, 2005 was \$205,204, in comparison to \$193,531 due at June 30, 2004.

Noncurrent Liabilities

Deposits Refundable

Deposits refundable at June 30, 2005 consist of student housing deposits to be refunded to students in the amount of \$543, in comparison to \$700 at June 30, 2004.

Long-Term Liabilities

Long-term liabilities represent long-term debt acquired by the institution for capital construction totaling \$1,935,675 as of June 30, 2005, in comparison to \$2,140,879 at June 30, 2004. The schedule of long-term debt are (1) Coahoma Agricultural High School state aid capital improvement bonds, series 1998, \$392,000, (2) Department of Environmental Quality state revolving fund loan, \$143,675, and (3) Educational facilities note, series 1998, \$1,400,000.

Net Assets

Net assets represent the difference between the College and High School's assets and its liabilities. Total net assets at June 30, 2005 were \$22,864,339, compared to \$22,384,117 at June 30, 2004.

Restricted Net Assets

Restricted nonexpendable net assets consist of endowment gifts, gifts with specific restrictions, grants from third party agencies with expenditure restrictions and loan funds. Restricted expendable net assets represent fund balances designated for capital projects and debt service.

Unrestricted Net Assets

Unrestricted net assets represent those balances from operational activities that have not been restricted by parties external to the College and High School such as donors and grant agencies. This includes funds that are normal working capital balances maintained for departmental and auxiliary enterprise activities.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	For the Year Ended:	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Operating Revenues:		
Tuition and Fees	\$ (151,488)	\$ (320,349)
Grants and Contracts	12,913,201	13,170,533
Auxiliary Enterprises	757,769	639,688
Other Operating Revenues	<u>274,736</u>	<u>245,406</u>
Total Operating Revenues	13,794,218	13,735,278
Operating expenses	<u>22,152,800</u>	<u>20,775,541</u>
Operating loss	<u>(8,358,582)</u>	<u>(7,040,263)</u>
Nonoperating Revenues:		
State Appropriations	6,199,261	5,739,293
Local Appropriations	2,431,202	2,444,967
Noncapital Gifts	-0-	1,000
Investment Income, Net	44,970	52,309
Interest Expense on Capital Asset Related Debt	(107,378)	(114,823)
Other Nonoperating Revenue (Expenses)	<u>(1,619)</u>	<u>437,390</u>
Net Nonoperating Revenues	<u>8,566,436</u>	<u>8,560,136</u>
Income (Loss) Before Other Revenues	207,854	1,519,873
Capital Grants	10,809	3,818
Other Additions (Deletions), Net	<u>320,057</u>	<u>(72,790)</u>
Total Other Revenues	<u>330,866</u>	<u>(68,972)</u>
Increase in Net Assets	538,720	1,450,901
Net Assets at Beginning of Year	22,384,117	20,933,216
Less: Prior Period Adjustments	<u>(58,498)</u>	<u>-0-</u>
Net Assets at End of Year	<u>\$ 22,864,339</u>	<u>\$ 22,384,117</u>

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Total operating loss for fiscal year 2005 was \$8,358,582, compared to \$7,040,263 for fiscal year 2004. Since the state of Mississippi appropriations are not included within operating revenue per GASB No. 35, the College and High School shows a significant operating loss.

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

The College and High School strives to provide students with the opportunity to obtain quality education. Future enrollments at the College may be affected by a number of factors including any material increases in tuition and other mandatory charges stemming from any material decrease in appropriation funding from the State of Mississippi.

Total operating revenues for fiscal year 2005 were \$13,794,218 compared to \$13,735,278 for fiscal year 2004. Tuition and fees for fiscal year 2005 were \$3,608,063 compared to \$3,282,805 for fiscal year 2004. Operating expenses, including depreciation of \$676,443, totaled \$22,152,800 for fiscal year 2005. Operating expenses for fiscal year 2004, including depreciation of \$732,897, totaled \$20,775,541.

Revenues

Operating Revenues

Tuition and Fees

This category includes all tuition and fees assessed for educational purposes totaling \$3,608,063 for fiscal year 2005, in comparison to \$3,282,805 for fiscal year 2004.

Grants and Contracts

This category includes all restricted revenues made available by government agencies as well as by private agencies. Grant revenues are recorded only to the extent that the funds have been expended for exchange transactions. Nonexchange revenues are recorded when received or when eligibility criteria have been met.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

The following table details the College and High School's grant and contract awards.

	For the year ended:	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Federal Sources:		
Department of Education	\$10,274,334	\$11,042,963
State Sources:		
State Board for Community Colleges	1,446,335	1,489,811
Other Sources	<u>1,192,532</u>	<u>637,759</u>
Total All Sources	<u>\$ 12,913,201</u>	<u>\$13,170,533</u>

Sales and Services From Educational Activities

Other operating revenues consist of income from athletic activities that totaled \$23,071 for fiscal year 2005 and \$23,041 for fiscal year 2004.

Sales and Services, Net

Sales and services, net, consists of various enterprise entities that exist predominantly to furnish goods and services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. They are intended to be self-supporting.

Auxiliary Enterprises

Auxiliary enterprises primarily include the college bookstore, college housing, the cafeteria and snack bar. Total auxiliary service revenues totaled \$734,698 for fiscal year 2005, compared to \$639,688 for fiscal year 2004.

Operating Expenses

Operating expenses for fiscal year 2005 totaling \$22,152,800, include salaries and benefits of \$11,694,073, scholarships and fellowships of \$2,865,781, utilities of \$802,483, supplies of \$2,556,736, services of \$3,229,366, travel of \$327,918 and depreciation of \$676,443. Operating expenses for fiscal year 2004 totaling \$20,775,541 include salaries of \$10,961,866, scholarships and fellowships of \$2,252,747, utilities of \$761,076, supplies of \$3,130,020, services of \$2,638,228, travel of \$298,707 and depreciation of \$732,897.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

	For the Year Ended	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Expenses by Function:		
Instruction	\$ 8,622,089	\$ 8,865,598
Academic Support	2,053,132	1,738,993
Student Services	1,630,820	1,817,356
Institutional Support	2,251,155	2,305,750
Operations and Maintenance of Plant	2,051,669	1,633,068
Student Financial Aid	3,280,972	2,252,747
Auxiliary Enterprises	1,586,520	1,429,132
Depreciation	676,443	732,897
Total Operating Expenses by Function	<u>\$ 22,152,800</u>	<u>\$ 20,775,541</u>

Nonoperating Revenues (Expenses)

State Aid

The College and High School's largest source of nonoperating revenue is the State of Mississippi appropriations. The College and High School received \$6,199,261 for the 2005 fiscal year, which was for operations; \$10,809 was received in state capital grants for the purchase, construction, renovation and repair of fixed assets. For the 2004 fiscal year, the College and High School received \$5,739,293 in state appropriations and \$3,818 in state capital grants for the purchase, construction, renovation and repair of fixed assets.

County Appropriations

The College also receives revenue from the five county district in which the College resides. The College uses the funding for salaries and benefits, for operational purposes. The College receives these appropriations as monthly payments, beginning in July each year, since the fiscal year begins on July 1st. The College and High School received \$2,431,202 for the 2005 fiscal year from the supporting counties. These appropriations were fully recorded by the College during the fiscal year.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Investment Income, Net

Investment income includes interest income from the cash in the College and High School's bank accounts, the State Treasurer's Short-Term Investment Pool (STIP), and unrealized gains and losses on the investments held with an outside agency. Investment income for the year ending June 30, 2005 was \$44,970.

Statement of Cash Flows

Another way to assess the financial health of the College and High School is by reviewing the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College and High School during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future cash flows,
- The ability to meet obligations as they become due, and
- The need for external financing.

Condensed Statement of Cash Flows – Direct Method)

	For the year ended:	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Cash and Cash Equivalents Provided (Used) by:		
Operating activities	\$ (7,133,044)	\$ (6,009,897)
Noncapital financing activities	8,747,634	8,093,720
Capital financing activities	(124,917)	(471,481)
Investing activities	<u>(222,233)</u>	<u>(121,183)</u>
Net Increase in Cash and Cash Equivalents	1,267,440	1,491,159
Cash and Cash Equivalents – Beginning of the Year	<u>4,786,036</u>	<u>3,294,877</u>
Cash and Cash Equivalents – End of the Year	<u>\$ 6,053,476</u>	<u>\$ 4,786,036</u>

The major sources of funds included in operating activities include auxiliary enterprises of \$747,585, and grants and contracts of \$13,792,903. The major uses of funds were payments of \$11,693,808 to employees, payments of \$7,728,403 to suppliers and payments of \$2,301,259 for scholarships. During the 2004 fiscal year, the major sources (uses) of funds included in operating activities include student tuition and fees of (\$282,174), auxiliary enterprises of \$652,120, and grants and contracts of \$14,377,469. The major uses of funds during the 2004 fiscal year were payments of \$10,962,698 to employees and payments of \$7,265,529 to suppliers.

Coahoma Community College and Agricultural High School

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

The largest inflow of cash for the 2005 fiscal year in the noncapital activities group is state appropriations of \$6,149,594 compared to \$5,736,860 for the 2004 fiscal year.

Significant Capital Asset Transactions

None noted for the 2005 or 2004 fiscal years.

Factors Impacting Future Periods

There are a number of issues of importance community college-wide that directly impacted the fiscal year 2005 financial situation. The level of State support, compensation increases, student tuition and fee increases, insurance and energy cost increases impact the College's ability to expand programs, undertake new initiatives, and meet its core mission and ongoing operational needs.

The need to continue to address priority needs and requirements for deferred maintenance, new technology, repairs, and new construction projects is a large challenge facing the College and High School in the years to come.

Various committees, partnerships and individuals are assessing the College and High School's performance toward identified goals and avenues to achieve greater efficiencies and reduce expenditures in an effort to assist in meeting future challenges.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of Coahoma Community College and Agricultural High School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Coahoma Community College and Agricultural High School, as of June 30, 2005, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2006, on our consideration of Coahoma Community College and Agricultural High School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Community College's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Tupelo, Mississippi
July 21, 2006

A handwritten signature in black ink that reads "J.E. Vance & Company". The signature is written in a cursive style with a large, stylized initial "J" and "E".

AUDITED FINANCIAL STATEMENTS

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,674,091
Accounts receivable, net	1,040,788
Inventories	268,872
Prepaid expenses	<u>236,221</u>

Total current assets 6,219,972

Noncurrent assets

Restricted cash and cash equivalents	1,379,385
Endowment investments	3,489,832
Student notes receivable, net	3,165
Capital assets, net of accumulated depreciation	<u>15,085,399</u>

Total noncurrent assets 19,957,781

Total assets \$ 26,177,753

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	\$ 665,463
Deferred revenue	465,663
Long-term liabilities - current portion	205,204
Other current liabilities	<u>40,866</u>

Total current liabilities 1,377,196

Noncurrent liabilities

Deposits refundable	543
Long-term liabilities	<u>1,935,675</u>

Total noncurrent liabilities 1,936,218

Total liabilities 3,313,414

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

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2005
(Continued)

NET ASSETS

Invested in capital assets, net of related debt	12,944,520
Restricted for:	
Nonexpendable:	
Scholarships and fellowships	3,489,832
Expendable:	
Scholarships and fellowships	551,500
Capital projects	1,660,006
Unrestricted:	<u>4,218,481</u>
Total net assets	<u>22,864,339</u>
Total liabilities and net assets	<u>\$ 26,177,753</u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

Operating revenues:	
Tuition and fees (net of scholarship allowances of \$3,759,551)	\$ (151,488)
Federal grants and contracts	10,864,739
State grants and contracts	1,446,335
Nongovernmental grants and contracts	602,127
Sales and services of educational departments	
Auxiliary enterprises:	
Student housing (net of scholarship allowances of \$285,980)	(11,523)
Food services (net of scholarship allowances of \$351,139)	(14,149)
Bookstore	708,811
Athletics	23,071
Other auxiliary revenues	51,559
Other operating revenues	<u>274,736</u>
 Total operating revenues	 <u>13,794,218</u>
 Operating expenses	
Salaries and wages	9,337,310
Fringe benefits	2,356,763
Travel	327,918
Contractual services	3,229,366
Utilities	802,483
Scholarships and fellowships	2,865,781
Commodities	2,556,736
Depreciation expense	<u>676,443</u>
 Total operating expenses	 <u>22,152,800</u>
 Operating income (loss)	 <u>(8,358,582)</u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005
(Continued)**

Nonoperating revenues (expenses)	
State appropriations	6,199,261
Local appropriations	2,431,202
Investment income	44,970
Interest expense on capital asset-related debt	(107,378)
Other nonoperating revenues (expenses)	<u>(1,619)</u>
Total nonoperating revenues (expenses)	<u>8,566,436</u>
Income (loss) before other revenues, expenses, gains and losses	<u>207,854</u>
Capital grants and gifts	10,809
Other additions (deletions), net	<u>320,057</u>
Change in net assets	<u>538,720</u>
Net assets:	
Net assets - beginning of year	22,384,117
Prior Period Adjustments (Note 2)	(58,498)
Net assets - beginning of year, as restated	22,325,619
Net assets - end of year	<u>\$ 22,864,339</u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

Cash flows from operating activities:

Tuition and fees	\$	13,856
Grants and contracts		13,792,903
Sales and services of educational departments		33,946
Payments to suppliers		(6,925,919)
Payments to employees for salaries and benefits		(11,693,808)
Payments for utilities		(802,484)
Payments for scholarships and fellowships		(2,301,259)
Collection of loans to students and employees		2,136
Auxiliary enterprise charges:		
Student housing		7,049
Food services		8,655
Bookstore		708,810
Athletics		23,071
		(7,133,044)

Cash flows from noncapital financing activities:

State appropriations		6,149,594
Local appropriations		2,480,940
Gifts and grants for other than capital purposes		46,430
Other sources		70,670
		8,747,634

Cash flows from capital and related financing activities:

Cash paid for capital assets		(62,911)
Capital grants and contracts received		240,250
Principal paid on capital debt and leases		(194,878)
Interest paid on capital debt and leases		(107,378)
		(124,917)

Cash flows from investing activities:

Proceeds from sales and maturities of investments		77,933
Interest received on investments		46,430
Purchases of investments		(346,596)
		(222,233)

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005
(Continued)**

Net increase (decrease) in cash and cash equivalents		<u>1,267,440</u>
Cash and cash equivalents - beginning of the year		<u>4,786,036</u>
Cash and cash equivalents - end of the year	\$	<u><u>6,053,476</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$	(8,358,582)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		676,443
Other		(137,787)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivables, net		629,660
Inventories		(56,580)
Prepaid expenses		877,250
Other assets		(6,945)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities		(115,667)
Deferred revenues		(647,308)
Deposits refundable		(157)
Other liabilities		<u>6,629</u>
Total adjustments		<u>1,225,538</u>
Net cash provided by operating activities	\$	<u><u>(7,133,044)</u></u>

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

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS**

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Coahoma Community College and Agricultural High School was founded in 1949 and is one of Mississippi's 15 public community colleges. The legal authority for the establishment of Coahoma Community College and Agricultural High School is found in Section 37-29-31, Miss. Code Ann. (1972).

Coahoma Community College and Agricultural High School is governed by a 14-member board of trustees, selected by the board of supervisors of Coahoma, Bolivar, Tallahatchie, Quitman and Panola Counties who support the district through locally assessed ad valorem tax millage. One of the trustees 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 shall fill the vacancy in accordance with Section 37-29-65, Miss. Code Ann. (1972). Each board member is appointed for a 5-year term. In addition, Coahoma Community College and Agricultural High School works jointly with the Mississippi State Board for Community and Junior Colleges, which coordinates the efforts of all 15 community colleges as they serve the taxpayers of the State of Mississippi.

Coahoma Community College and Agricultural High School Foundation, Inc. (The Foundation) - The Foundation is a legally separate, tax-exempt nonprofit organization founded in 1981. The Foundation acts primarily as a fund raising and public relations organization to supplement the resources available to Community College in support of its programs. The Foundation does not meet the significance requirement of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units, an amendment to GASB Statement No. 14*, and, therefore, has not been incorporated into the financial statements and accompanying notes.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public College and Universities*, issued in June and November, 1999, respectively. The College and High School now follows the "business-type activities" reporting requirements of GASB.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

Cash Equivalents

For purposes of the statement of cash flows, the institution considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable, Net

Accounts receivable consist of tuition and fees charged to students, state appropriations, amounts due from state and federal grants and contracts, local governments and credits due to the college from vendors. Accounts receivable are recorded net of an allowance for doubtful accounts.

Student Notes Receivable, Net

Student notes receivable consist of federal, state and institutional loans made to students for the purpose of paying tuition and fee charges. Loan balances expected to be paid during the next fiscal year are presented on the Statement of Net Assets as current assets. Those balances that are either in deferment status or expected to be paid back beyond the next fiscal year are presented as noncurrent assets on the Statement of Net Assets.

Inventories

Inventories consist of bookstore and food service supplies. These inventories are generally valued at the lower of cost or market, on either the first-in, first-out (FIFO) basis or on the average cost basis.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as restricted cash and cash equivalents on the Statement of Net Assets.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Prepaid Expenses

Prepaid expenses include certain payments to vendors or other parties which reflect costs that are applicable to a subsequent accounting period.

Endowment Investments

Endowment investments are generally subject to the restrictions of donor gift instruments. They include endowment funds, which are funds received from a donor with the restrictions that only the income is to be utilized.

The institution accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gains (loss) on the carrying value of investments are reported as a component of other nonoperating revenues (expenses) on the statement of revenues, expenses and changes in net assets.

Capital Assets, Net of Accumulated Depreciation

Capital assets are recorded at cost at the date of acquisition, or, if donated, at fair market 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 using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expenditure categories. See Note 6 for additional details concerning useful lives, salvage values, and capitalization thresholds. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose.

Compensated Absences

The institution does not provide for the accumulation of leave beyond one year. Therefore, no accrual for compensated absences has been recorded in the financial statements.

Deferred Revenues

Deferred revenues include amounts received prior to the end of the fiscal year but related to the subsequent accounting period including amounts received in advance from grant and contracts sponsors which have not yet been earned.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Revenues

The College and High School 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, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

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, such as state appropriations, local appropriations and investment income.

State Appropriations

Coahoma Community College and Agricultural High School receives funds from the State of Mississippi based on the number of full-time students actually enrolled and in attendance on the last day of the sixth week of the fall semester for the previous year, counting only those students who reside within the state of Mississippi. Beginning with the 2004 fiscal year, a new funding formula is being phased in over a 5-year period which will shift 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.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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). Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending, is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a college 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.

Net Assets

GASB Statement No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College and High School obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and funds held in federal loan programs.

The unrestricted net asset balance of \$4,218,481 at June 30, 2005 includes \$268,872 reserved for inventories, and \$3,949,609 remaining for other purposes.

Changes in Accounting Standards

Coahoma Community College and Agricultural High School has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3* for the current fiscal year. This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The provisions of this new standard have been incorporated into the financial statements and accompanying notes.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 2: Prior Period Adjustments

For the year ended June 30, 2005, the College and High School recorded prior period adjustments of \$58,498, which included \$48,056 for an unposted reversal of a 2004 revenue accrual, \$10,392 for an unposted reversal of a 2003 revenue accrual and \$50 to adjust to the previously audited beginning fund balance.

Note 3: Cash, Cash Equivalents and Investments

Policies:

Cash, Cash Equivalents and Short-term Investments: Investment policies as set forth by policy and state statute authorize the College and High School 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.

The collateral for public entities' deposits in financial institutions is now 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 institution's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against these 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.

Custodial Credit Risk – Deposits – Custodial credit risk is defined as risk that, in the event of a financial institution's failure, the College and High School's deposits may not be returned to it. The College and High School does not have a deposit policy for custodial credit risk. As of June 30, 2005, \$5,752,445 of the College and High School's bank balance of \$6,053,476 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-0-
Uninsured and collateral held by pledging bank's trust department not in the district's name		<u>5,752,445</u>
Total	\$	<u><u>5,752,445</u></u>

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 3: Cash, Cash Equivalents and Investments (Continued)

Investments: Investment policies, as set forth by policy and state statute also authorize the institution to invest in equity securities, bonds, and other securities. Investments are reported at fair value (market).

The following table summarizes the carrying value of the institution's investments reported on the statement of net assets, as of June 30, 2005:

<u>Classification</u>	<u>Balance 6/30/05</u>
Endowment investments	\$ 3,489,832
Total	\$ <u>3,489,832</u>

The following table summarizes the categorization of investments at June 30, 2005:

<u>Investment Type</u>	<u>Maturity (Years)</u>	<u>Fair Value</u>	<u>Rating</u>
Money Market Funds	< 1	\$ 12,924	
Equity Securities	< 1	231,350	
Mutual Funds	< 1	2,728,518	
Federal Home Loan Bank	< 1	30,338	AAA
Federal National Mortgage Association	5-6	51,773	AAA
Federal Home Loan Mortgage Corporation	7-25	128,432	AAA
Other Debt Securities	0-12	<u>306,497</u>	AAA to BB
Total Investments		\$ <u>3,489,832</u>	

Interest Rate Risk – The College and High School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The College and High School does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 3: Cash, Cash Equivalents and Investments (Continued)

Custodial Credit Risk – Investment – Custodial credit risk is defined as the risk that, in the event of a financial institutions failure, the College and High School will not be able to recover the value of its investment. The College and High School does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2005, \$3,489,832 of the College and High School's investment balance of \$3,489,832 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,489,832
Uninsured and collateral held by pledging bank's trust department not in the district's name	-0-
Total	\$ 3,489,832

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. As of June 30, 2005, the College and High School had the following investments:

Issuer	Fair Value	% of Total Investments
A.G. Edwards - Equity Securities	\$ 231,350	7%
A. G. Edwards - Mutual Funds	2,728,518	78%
A. G. Edwards - Other Debt Securities	306,497	9%
Total	\$ 3,266,365	94%

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4: Accounts Receivable

Accounts receivable consisted of the following at June 30, 2005:

	Balance 6/30/05
Student tuition	\$ 2,615,858
Federal, state, and private grants and contracts	472,695
State appropriations	132,871
Local appropriations	40,556
Total Accounts Receivable	3,261,980
Less: Allowance for Doubtful Accounts	(2,221,192)
Net Accounts Receivable	\$ 1,040,788

Note 5: Notes Receivable from Students

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to twelve months from the date of separation from the College. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the College at June 30, 2005:

	Interest Rates	June 30, 2005	Current Portion	Non-Current Portion
Perkins student loans	3% to 9%	\$ 262,897	\$ -0-	\$ 262,897
Total Notes Receivable		262,897	-0-	262,897
Less: Allowance for Doubtful Accounts		(259,732)	-0-	(259,732)
Net Notes Receivable		\$ 3,165	\$ -0-	\$ 3,165

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 6: Capital Assets

A summary of the College and High School's changes in capital assets for the year ended June 30, 2005, is presented as follows:

	Balance 07/01/04	Additions	Deletions	Balance 06/30/05
Nondepreciable capital assets				
Land	\$ 305,558	\$ -0-	\$ -0-	\$ 305,558
Total cost of Nondepreciable Capital Assets	305,558	-0-	-0-	305,558
Depreciable capital assets				
Improvements other than buildings	1,024,304	-0-	-0-	1,024,304
Buildings	22,136,356	-0-	-0-	22,136,356
Equipment	2,292,198	62,911	-0-	2,355,109
Library books	874,945	25,319	-0-	900,264
Total Depreciable Capital Assets	\$ 26,327,803	\$ 88,230	\$ -0-	\$ 26,416,033
	Balance 07/01/04	Additions	Deletions	Balance 06/30/05
Less accumulated depreciation for:				
Improvements other than buildings	293,845	40,972	-0-	334,817
Buildings	8,102,901	474,623	-0-	8,577,524
Equipment	1,787,041	140,608	-0-	1,927,649
Library books	775,962	20,240	-0-	796,202
Total accumulated depreciation	10,959,749	676,443	-0-	11,636,192
Total depreciable capital assets - net	\$ 15,368,054	(588,213)	-0-	14,779,841
Total capital assets, net	15,673,612	(588,213)	-0-	15,085,399

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 6: Capital Assets (Continued)

Depreciation is computed on a straight-line basis with the exception of the library books category, which is computed using a composite method. The following useful lives, salvage values, and capitalization thresholds are used to compute depreciation:

	Estimated Useful Lives	Salvage Value	Capitalization Threshold
	<u> </u>	<u> </u>	<u> </u>
Buildings	40 years	20%	\$50,000
Improvements other than buildings	20 years	20%	\$25,000
Equipment	3-15 years	1%-10%	\$5,000
Library books	10 years	0%	\$0

Note 7: Long-term Liabilities

Long-term liabilities of the institution consist of notes and bonds payable and certain other liabilities that are expected to be liquidated at least one year from June 30, 2005.

Information regarding original issue amounts, interest rates, and maturity dates for bonds, notes, and capital leases included in the long-term liabilities balance at June 30, 2005, is listed in the schedule on the following page. A schedule detailing the annual requirements necessary to amortize the outstanding debt is also provided.

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 7: Long-term Liabilities (Continued)

Description and Purpose	Original Issue	Annual Interest Rate	Maturity	Balance 07/01/04	Additions	Deletions	Balance 06/30/05	Current Portion
Bonded debt:								
Coahoma County								
Agricultural High								
School, State aid								
capital improvement								
bonds, Series 1998	\$ 541,000	5.00%	2018	\$ 437,000	\$ -0-	\$ 22,000	\$ 415,000	\$ 23,000
Total Bonded Debt				437,000	-0-	22,000	415,000	23,000
Notes payable:								
Education facilities								
notes, Series 1998	\$ 2,500,000	4.625%-6.10%	2013	1,720,000	-0-	155,000	1,565,000	165,000
Department of								
Environmental Quality								
State Revolving Fund								
Loan Program	\$ 318,144	4.00%	2014	177,410	-0-	16,531	160,879	17,204
Total notes payable				1,897,410	-0-	171,531	1,725,879	182,204
Other long-term liabilities:								
Deposits refundable								
				700	-0-	157	543	-0-
Total other long-term liabilities				1,898,110	-0-	171,688	1,726,422	182,204
Total				\$ 2,335,110	\$ -0-	\$ 193,688	\$ 2,141,422	\$ 205,204
Due within one year							205,204	
Total long-term liabilities							\$ 1,936,218	

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 7: Long-term Liabilities (Continued)

Annual requirements to amortize outstanding long-term liabilities are as follows:

Fiscal Year	Bonded Debt	Notes Payable	Interest	Total
2006	\$ 23,000	\$ 182,204	\$ 98,227	\$ 303,431
2007	25,000	187,905	89,116	302,021
2008	26,000	198,634	79,657	304,291
2009	27,000	209,394	69,497	305,891
2010	29,000	220,184	58,617	307,801
2011-2015	165,000	727,558	121,889	1,014,447
2016-2018	120,000	-0-	12,200	132,200
Totals	<u>\$ 415,000</u>	<u>\$ 1,725,879</u>	<u>\$ 529,203</u>	<u>\$ 2,670,082</u>

Note 8: Operating Leases

Leased property under operating leases is composed of photocopiers. The following is a schedule by years of the future minimum rental payments required under those operating leases.

Year Ending June 30:	Amount
2006	\$ 12,350
2007	11,443
2008	7,625
2009	5,555
2010	5,163
Total minimum payments required	<u>\$ 42,136</u>

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the fiscal year ended June 30, 2005, was \$16,970.

Note 9: Natural Classifications with Functional Classifications

The table on the following page lists the institution's operating expenses by functional classification:

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 9: Natural Classifications with Functional Classifications (Continued)

Functional Classification	Year Ended June 30, 2005										Total
	Salaries & Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Scholarships & Fellowships	Commodities	Depreciation	Natural Classification		
Instruction	\$ 5,821,473	\$ 1,427,983	\$ 173,783	\$ 640,855	\$ -0-	\$ -0-	\$ 557,995	\$ -0-	\$ -0-	\$ 8,622,089	
Academic Support	842,917	216,437	47,867	768,404	-0-	-0-	177,507	-0-	-0-	2,053,132	
Student Services	843,994	221,842	63,721	302,954	-0-	-0-	198,309	-0-	-0-	1,630,820	
Institutional Support	1,176,673	266,345	40,227	413,143	-0-	-0-	354,767	-0-	-0-	2,251,155	
Operation of Plant	458,627	160,994	741	525,362	802,483	-0-	103,462	-0-	-0-	2,051,669	
Student Aid	-0-	-0-	-0-	-0-	-0-	2,865,782	415,190	-0-	-0-	3,280,972	
Auxiliary Enterprises	193,626	63,163	1,579	578,648	-0-	-0-	749,504	-0-	-0-	1,586,520	
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	676,443	-0-	676,443	
Total Operating Expenses	\$ 9,337,310	\$ 2,356,764	\$ 327,918	\$ 3,229,366	\$ 802,483	\$ 2,865,782	\$ 2,556,734	\$ 676,443	\$ -0-	\$ 22,152,800	

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 10: Construction Commitments and Financing

The College and High School has contracted for various construction projects as of June 30, 2005. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

	Total Costs to Complete	State Sources
Sponsored Programs Building	\$ 96,386	\$ -0-
Sportsplex	34,836	34,836
Whiteside Renovation	359,712	-0-
Football Field Improvements	37,132	37,132
Agricultural High School Renovations	214,067	214,067
Totals	\$ <u>742,133</u>	\$ <u>286,035</u>

Note 11: Pension Plan

Plan Description. The Coahoma Community College and Agricultural High School participates in 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. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirement of PERS members are established and may be amended only by the Mississippi State Legislature. The institution's contributions to PERS for the years ending June 30, 2005, 2004, and 2003, were \$800,901, \$758,850, and \$684,117, respectively, which equaled the required contributions for each year.

Note 12: Subsequent Events

There have been no events subsequent to June 30, 2005, which would materially affect the financial statements as presented.

SUPPLEMENTAL INFORMATION

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Federal Expenditures
Student Financial Aid Cluster		
U.S. Department of Education		
Federal Supplemental Educational Opportunity		
Grants (FSEOG)	84.007	\$ 181,617
Federal Work-study Programs (FWS)	84.033	300,193
Federal PELL Grant Program	84.063	<u>6,474,688</u>
Total Student Financial Aid Cluster		<u>6,956,498</u>
Other Programs		
U.S. Department of Agriculture		
Child Nutrition Cluster:		
National School Lunch Program (NSLP)	10.555	99,931
Summer School Food Service Program for Children (SFSPC)	10.559	<u>3,626</u>
Total Child Nutrition Cluster		<u>103,557</u>
Total U.S. Department of Agriculture		<u>103,557</u>
WIA Cluster:		
U.S. Department of Labor		
Pass-through Programs From:		
South Delta Planning and Development District - WIA		
Adult Program	17.258	29,918
Delta Workforce Investment Area - WIA Youth		
Activities	17.259	170,546
South Delta Planning and Development District - WIA		
Dislocated Workers	17.260	<u>23,507</u>
Total WIA Cluster		<u>223,971</u>
TRIO Cluster:		
U.S. Department of Education		
TRIO - Talent Search	84.044	190,476
TRIO - Upward Bound	84.047	<u>305,911</u>
Total TRIO Cluster		<u>496,387</u>

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

U.S. Department of Housing and Urban Development		
Historically Black Colleges and Universities Program	14.520	30,260
National Aeronautics and Space Administration		
Pass-through Programs From:		
University of Mississippi-NASA Space Grant & Fellowship Program	43.001	5,699
U.S. Department of Education		
Higher Education - Institutional Aid	84.031	1,893,314
Twenty-First Century Community Learning Centers	84.287	139,780
Child Care Access Means Parents in School	84.355	52,496
Pass-through Programs From:		
Mississippi State Board for Community and Junior Colleges - Adult Education - State Grant Program	84.002	159,021
Mississippi Department of Education - Title I Grants to Local Education Agencies	84.010	156,949
Mississippi Department of Education - Special Education - Grants to States	84.027	66,435
Mississippi Department of Education - Vocational Education - Basic Grants to States	84.048	224,117
Mississippi Department of Education - Safe and Drug-Free Schools and Communities - State Grants	84.186	3,742
Fund for the Improvement of Education	84.215	44,340
Mississippi Department of Education - Tech-Prep Education	84.243	51,273
Education Technology Grant - State Grants	84.318	2,980
Total U.S. Department of Education		2,794,447

**COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services		
Pass-through Programs From:		
Mississippi Community College Foundation - Development and Coordination of Rural Health Services	93.223	73,382
Mississippi Department of Human Services - Abstinence Education Program	93.225	6,326
Mississippi Department of Human Services - Temporary Assistance for Needy Families	93.558	<u>48,132</u>
Total U.S. Department of Health and Human Services		127,840
Total Other Programs		<u>3,782,161</u>
Total Expenditures of Federal Awards		<u>\$ 10,738,659</u>

Notes to Schedule of Expenditures of Federal Awards

This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the general purpose financial statements.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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

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

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

We have audited the financial statements of Coahoma Community College and Agricultural High School as of June 30, 2005, and the related statement of revenues, expenses, and changes in net assets, and the statement of cash flows for the year then ended and have issued our report thereon dated July 21, 2006. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the College and High School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our opinion, could adversely affect the College and High School's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-1 and 2005-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions and, accordingly, would not also disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the findings referred to above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College and High School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the College and High School, Members of the Legislature, entities with accreditation overview, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi
July 21, 2006

A handwritten signature in cursive script that reads "J. E. Vance + Company". The signature is written in dark ink and is positioned to the right of the date and location text.

J.E. VANCE & COMPANY, P.A.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Coahoma Community College and Agricultural High School with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The College and High School's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College and High School's management. Our responsibility is to express an opinion on the College and High School's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College and High School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College and High School's compliance with those requirements.

In our opinion, Coahoma Community College and Agricultural High School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-3 through 2005-8.

Internal Control Over Compliance

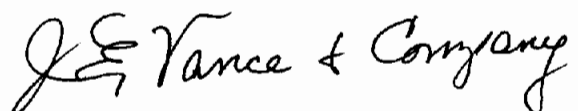
The management of the Coahoma Community College and Agricultural High School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College and High School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our opinion, could adversely affect the College and High School's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-3 through 2005-8.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the findings referred to above are material weaknesses.

This report is intended solely for the information and use of the College and High School, Members of the Legislature, entities with accreditation overview, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi
July, 21 2006



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

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

We have audited the financial statements of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 2005, and have issued our report thereon dated July 21, 2006. 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.

We have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures 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 and High School, Members of the Legislature, entities with accreditation overview, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tupelo, Mississippi
July 21, 2006



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005**

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Material Noncompliance relating to the financial statements? | No |
| 3. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified that are not considered to be material weaknesses? | Yes |

Federal Awards:

- | | |
|--|-------------|
| 4. Type of auditor's report issued on compliance for federal major programs: | |
| Student Financial Aid Cluster | Unqualified |
| Higher Education – Institutional Aid | Unqualified |
| TRIO Cluster | Unqualified |
| Vocational Education – Basic Grants to States | Unqualified |
| WIA Cluster | Unqualified |
| 5. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified that are not considered to be material weaknesses? | Yes |
| 6. Any audit finding(s) reported as required by Section ____.510(a) of OMB Circular A-133? | Yes |
| 7. Federal programs identified as major programs: | |
| a. Student Financial Aid Cluster: | |
| CFDA 84.007 | |
| CFDA 84.033 | |
| CFDA 84.063 | |
| b. Higher Education – Institutional Aid | |
| CFDA 84.031 | |
| c. TRIO Cluster: | |
| CFDA 84.044 | |
| CFDA 84.047 | |

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2005**

- d. Vocational Education – Basic Grants to States
CFDA 84.048
 - e. WIA Cluster:
CFDA 17.258
CFDA 17.259
CFDA 17.260
8. The dollar threshold used to distinguish between Type A and Type B programs: \$322,160
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 as discussed in Section ____ .315(b) of OMB Circular A-133? Yes

Section 2: Financial Statement Findings

Reportable Condition(s) Not Considered To Be Material Weaknesses

2005-1 Finding

During our review of expenditures, we noted the following items:

1. All original invoices were not stamped paid.
2. Several expenditures were miscoded on the general ledger.
3. Very few “Authorization to Pay” forms were signed by either of the two parties required to sign the form; very few of those were signed by both of the required parties; the form was not included in the supporting documentation for numerous expenditures.

Recommendation

1. All original invoices should be stamped paid or otherwise defaced upon payment.
2. Procedures should be implemented to ensure that all expenditures are properly coded.
3. Procedures should be initiated to ensure that all required parties sign the “Authorization to Pay” form and that the form is included as supporting documentation for all expenditures.

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2005**

2005-2 Finding

During our review of the College's financial aid programs, we identified one student who received an institutional band scholarship but did not meet the minimum GPA requirements published in the College's catalog.

Recommendation

Procedures should be initiated to ensure that financial aid is disbursed only to those students who meet the prescribed standards.

Section 3: Federal Award Findings and Questioned Costs

Reportable Condition(s) Not Considered To Be Material Weaknesses

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-3 Finding

Program: WIA Cluster – Adult and Dislocated Worker Programs; CFDA 17.258 and 17.260

Compliance Requirement: Allowable Costs/Cost Principles

During our review of the College's Adult and Dislocated Worker Programs, we noted the following items:

1. Supplies and contractual services were charged to the grant with no line items in the budget corresponding to these items.
2. Of the one purchase reviewed, its invoice was not stamped paid.

Recommendation

1. Procedures should be implemented to ensure that only those expenditures approved in the grant budget are charged to the grant.
2. Procedures should be initiated to ensure that all original invoices are stamped paid or otherwise defaced upon payment.

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2005**

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-4 Finding

Program: Financial Aid Cluster – Federal Supplemental Educational Opportunity Grants; CFDA 84.007

Compliance Requirement: Eligibility and Special Tests and Provisions

During our review of the College's Federal Supplemental Educational Opportunity Grant program, we identified one student whose financial aid forms were not signed. Additionally, the student's verification worksheet was not dated and the parent's signature on the verification worksheet did not agree with the parent's signature on the tax return provided.

Recommendation

Procedures should be implemented to ensure that all necessary forms have been reviewed for completeness, consistency and accuracy as required before any financial aid is disbursed to the student.

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-5 Finding

Program: Higher Education – Institutional Aid; CFDA 84.031

Compliance Requirement: Allowable Costs/Cost Principles

During our review of the College's Institutional Aid Programs, we noted that three invoices and two purchase requisitions were not stamped paid.

Recommendation

Procedures should be initiated to ensure that all original invoices and purchase requisitions are stamped paid or otherwise defaced upon payment.

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2005**

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-6 Finding

Program: TRIO Cluster – Upward Bound Program; CFDA 84.047

Compliance Requirement: Allowable Costs/Cost Principles

During our review of the College's Upward Bound Program, we noted the following items:

1. Stipends and lodging were charged to commodities accounts on the general ledger while these items are included in the grant budget as contractual services.
2. Two invoices and three requisitions were not stamped paid.

Recommendation

1. Procedures should be established to ensure that expenditures are charged to general ledger accounts corresponding to budgeted items.
2. Procedures should be implemented to ensure that all original invoices and purchase requisitions are stamped paid or otherwise defaced upon payment.

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-7 Finding

Program: Vocational Education – Basic Grants to States; CFDA 84.048

Compliance Requirement: Allowable Costs/Cost Principles

During our review of the College's Vocational Education Programs, we noted that four purchase requisitions were not stamped paid

Recommendation

Procedures should be initiated to ensure that all original purchase requisitions are stamped paid or otherwise defaced upon payment.

**Coahoma Community College and Agricultural High School
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2005**

Reportable Condition/Immaterial Weakness/Immaterial Noncompliance

2005-8 Finding

Program: Financial Aid Cluster – Federal Pell Grant Program; CFDA 84.063

Compliance Requirement: Eligibility and Special Tests and Provisions

During our review of the College's Federal Pell program, we noted the following items:

1. We identified one student whose financial aid forms were not signed. Additionally, the student's verification worksheet was not dated and the parent's signature on the verification worksheet did not agree with the parent's signature on the tax return provided.
2. We identified one student who received a Pell grant and was not making satisfactory academic progress as defined in the College's catalog. The registrar indicated the student was placed on academic suspension; however, the student was allowed to enroll the following semester.
3. We identified ten students who received Pell grants and were not placed on academic probation in accordance with the guidelines published in the College's catalog.

Recommendation

1. Procedures should be implemented to ensure that all necessary forms have been reviewed for completeness, consistency and accuracy as required before any financial aid is disbursed to the student.
- 2-3 Procedures should be initiated to ensure that all students are monitored for satisfactory academic progress and that only those students meeting the prescribed standards are awarded financial aid.

**AUDITEE'S CORRECTIVE ACTION PLAN AND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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



COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Auditee's Corrective Action Plan For the Year Ended June 30, 2005

As required by Section ___315(b) of OMB Circular A-133, Coahoma Community College and Agricultural High School has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2005:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2005-1.	<p>a. Name(s) of Contact Person(s) Responsible for Corrective Action:</p> <p>Deborah S. McNeal, Director of Fiscal Affairs, (662) 621-4124</p> <p>b. Corrective Action Planned:</p> <p>Policies and procedures have been strengthened to ensure that all invoices are stamped paid, properly coded, with the appropriate approval. Controls have been strengthened to insure that "Authorization to Pay" forms have the required signatures with adequate supporting documentation.</p> <p>c. Anticipated Completion Date:</p> <p>October 31, 2006</p>
2005-2	<p>a. Name(s) of Contact Person(s) Responsible for Corrective Action:</p> <p>Patricia A. Brooks, Financial Aid Director, (662) 621-4168</p> <p>b. Corrective Action Planned:</p> <p>Procedures have been initiated to ensure that financial aid is disbursed only to students who meet the prescribed standards for scholarships as published in the College catalog. The Scholarship Committee has implemented procedures for tracking scholarship recipients and will notify the Financial Aid Office of all changes or adjustments.</p> <p>c. Anticipated Completion Date:</p> <p>October 31, 2006</p>

- 2005-3 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
- Shawn Mackey, Assistant Career-Technical Dean, (662) 621-4217
Deborah S. McNeal, Director of Fiscal Affairs, (662) 621-4124
- b. Corrective Action Planned:
- Procedures have been initiated to reconcile expenditures to the grant budget each month to ensure that expenditures are charged to general ledger accounts corresponding to budgeted items. Procedures have been strengthened to ensure that all invoices are stamped paid upon payment.
- c. Anticipated Completion Date:
- October 31, 2006
- 2005-4 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
- Patricia Brooks, Financial Aid Director, (662) 621-4168
- b. Corrective Action Planned:
- Procedures have been implemented to verify file completion. All financial aid recipients are carried through the following steps before processing the award notification: (1) sorting and matching of student information, (2) file verification using the verification cover sheet, (3) file review using the financial aid checklist ensuring all required forms are received and complete, (4) enrollment and satisfactory progress status verification before releasing aid to the Business Office.
- c. Anticipated Completion Date:
- October 31, 2006
- 2005-5 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
- Deborah S. McNeal, Director of Fiscal Affairs, (662) 621-4124
- b. Corrective Action Planned:
- Policies and procedures have been strengthened to ensure that all invoices and purchase requisitions are stamped paid upon payment.
- c. Anticipated Completion Date:
- October 31, 2006

- 2005-6 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
Charles Barnes, Upward Bound Director, (662) 621-4131
Deborah S. McNeal, Director of Fiscal Affairs, (662) 621-4124
- b. Corrective Action Planned:
Procedures have been initiated to reconcile expenditures to the grant budget each month to ensure that expenditures are charged to general ledger accounts corresponding to budgeted items. Policies and procedures have been strengthened to ensure that all invoices are stamped paid or otherwise defaced upon payment.
- c. Anticipated Completion Date:
October 31, 2006
- 2005-7 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
Deborah S. McNeal, Director of Fiscal Affairs, (662) 621-4124
- b. Corrective Action Planned:
Policies and procedures have been strengthened to ensure that all invoices and purchase requisitions are stamped paid, properly coded, with the appropriate approval.
- c. Anticipated Completion Date:
October 31, 2006
- 2005-8 a. Name(s) of Contact Person(s) Responsible for Corrective Action:
Patricia Brooks, Financial Aid Director, (662) 621-4168
- b. Corrective Action Planned:
Procedures have been implemented to: (1) review files for completion, (2) verify, notify and monitor students on academic suspension, (3) verify, notify and monitor students on probation.
- c. Anticipated Completion Date:
October 31, 2006

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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



As required by Section ____315(b) of OMB Circular A-133, Community College has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2004:

<u>Finding</u>	<u>Status</u>
2004-1	Corrective action taken. Procedures have been established to adequately document any changes to the amounts on the general ledger for financial statement purposes.
2004-2	Corrective action taken. Procedures are now in place and have been strengthened for removal of items from the current inventory. New employees are given a listing of inventory items assigned to their respective areas. Each new employee checks this list against the items in their area. After verification of the inventory assigned, the college's established policies and procedures for inventory are followed by the employee if any discrepancy found.
2004-3	Corrective action taken. Policies and procedures have been strengthened to ensure that all invoices are stamped paid, properly coded, with the appropriate approval. Expenditures charged to the institution's credit card will be paid with adequate supporting documentation and paid upon receipt to avoid finance charges. Controls have been strengthened to insure that travel reimbursements paid in compliance with applicable travel policies.
2004-4	Corrective action taken. The institution has added an acquisitions module to the library's automation system which will track purchases and provide historical costs rather than average cost per book.
2004-5	Corrective action in action. Our current disaster recovery plan is inadequate to serve our College in the event of any disaster. We have researched and gathered the appropriate resources which will help us in creating a disaster recovery plan which will be suitable to serve us in the event of any disaster. Anticipated completion date is March 1, 2007.
2004-6	Corrective action taken. The Business Office and the Federal Programs accountant reviews all transactions at the end of each month to ensure that all transactions are posted to the correct grant award before funds are drawn down.

- 2004-7 Corrective action taken. Policies and procedures have been in place to insure that bidding procedures are followed on all applicable purchases.
- 2004-8 Corrective action taken. Procedures have been established to ensure that single source items are noted in the board minutes on approval and supportive documentation attached to all purchases requiring two quotes.
- 2004-9 Corrective action taken. Procedures have been established to ensure that the indirect cost charged to the grant are calculated on the correct base and rate as established in the grant agreement/budget
- 2004-10 Corrective action taken. Procedures have been established to ensure that only the expenditures approved in the grant budget are charged as grant expenditures, and that budget transfers are adequately documented.
- 2004-11 Corrective action taken. Procedures are in place for the calculation of percentage of time as it is documented in the Title III grant for employees.
- 2004-12 Corrective action taken. Procedures are in place to establish new fund account to distinguish between current and prior years expenses.
- 2004-13 Corrective action taken. Procedures have been established to ensure that the indirect cost charged to the grant are calculated on the correct base and rate as established in the grant agreement/budget.
- 2004-14 Corrective action taken. Policies and procedures have been in place to insure that student appeals are documented and filed in the Office of Admissions, Financial Aid Office, and Academic Dean' office.
- 2004-15 Corrective action taken. The academic and financial aid satisfactory progress policy has been revised to ensure that all students not eligible for financial aid are flagged during the registration process.