

State of Mississippi
Single Audit Report

for the Fiscal Year Ended June 30, 2009

MISSISSIPPI



Stacey E. Pickering

State Auditor

Office of the State Auditor



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

March 30, 2010

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

I am pleased to submit the *Single Audit Report* of the State of Mississippi for the fiscal year ended June 30, 2009. Our audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996, the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Mississippi's audit requirements.

The Single Audit process requires the coordination and cooperation of many state government entities. We are particularly grateful for the efforts of the Mississippi Department of Finance and Administration in compiling data, other state agencies in assisting in the resolution of single audit issues and the efforts of our own outstanding staff.

I am also pleased to report recognition of two other state achievements in financial accounting and reporting:

- for the twenty-second consecutive year the Government Finance Officers Association of the United States and Canada has awarded its Certificate of Achievement for Excellence in Financial Reporting to the Mississippi Department of Finance and Administration for the state's 2008 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2009.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2009 has been issued and is available electronically at <http://www.dfa.state.ms.us/> or by writing to the address below:

Mississippi Department of Finance and Administration
Attention: Bureau of Financial Reporting
P. O. Box 267
Jackson, MS 39205

The Governor, Members of the Legislature
And Citizens of the State of Mississippi
Page 2

I continue to be encouraged and enthusiastic about the quality of our government's financial reporting. It is a fair and diligent reflection of the importance our state places on taxpayers' money, as well as the dedication of the state's employees and citizens who must safeguard it. We can all be proud that this report represents another one of the many things we do well in Mississippi.

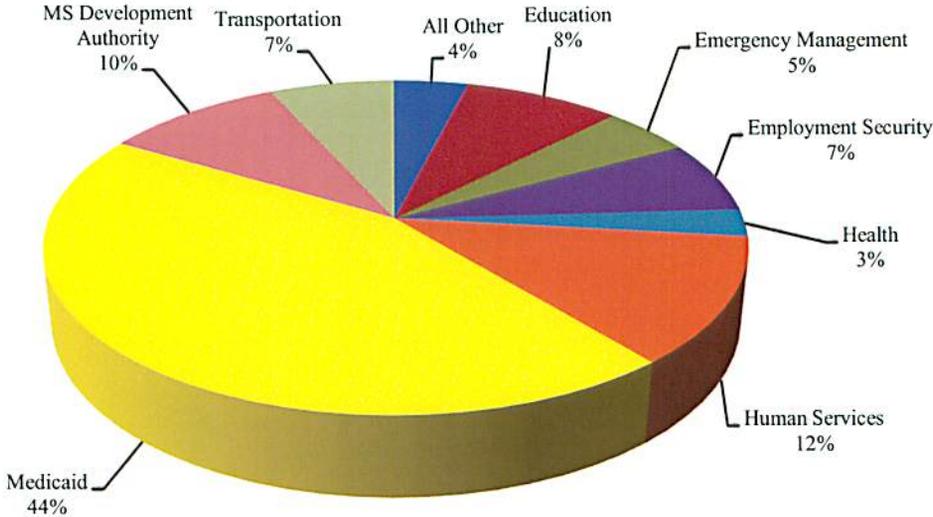
Respectfully submitted

A handwritten signature in black ink, appearing to read "Stacey E. Pickering". The signature is fluid and cursive, with a long horizontal stroke at the end.

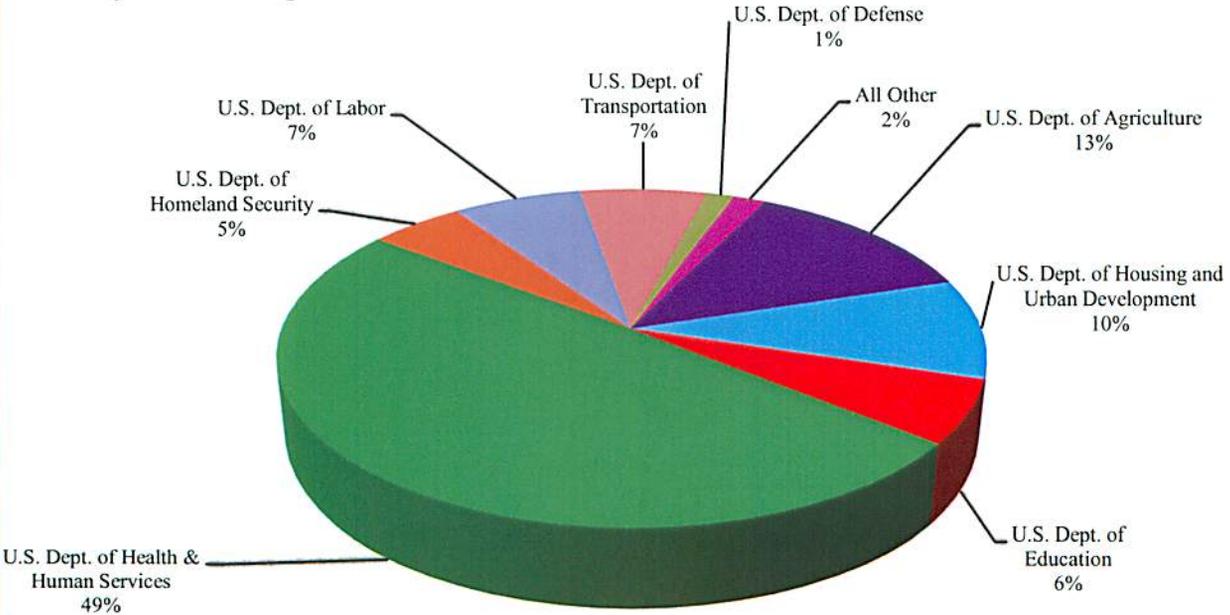
STACEY E. PICKERING
State Auditor

STATE OF MISSISSIPPI Fiscal Year 2009

Expenditures of Federal Awards by State Grantee Agency

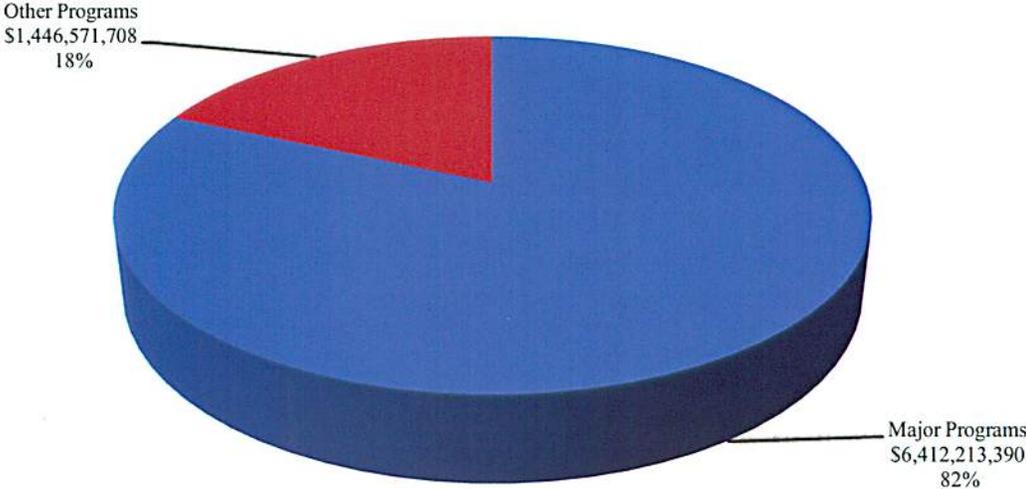


Expenditures of Federal Awards by Federal Department

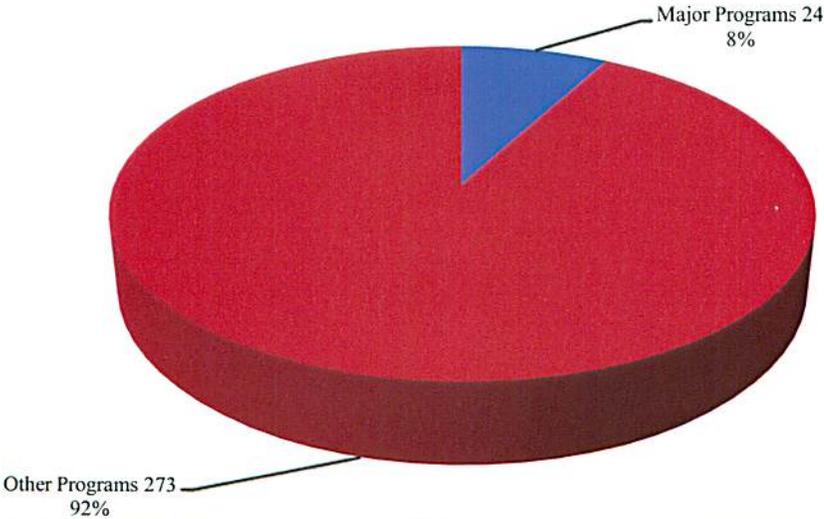


STATE OF MISSISSIPPI Fiscal Year 2009

Percentage of Major Program Assistance
Total Expenditures of Federal Awards \$7,858,785,098

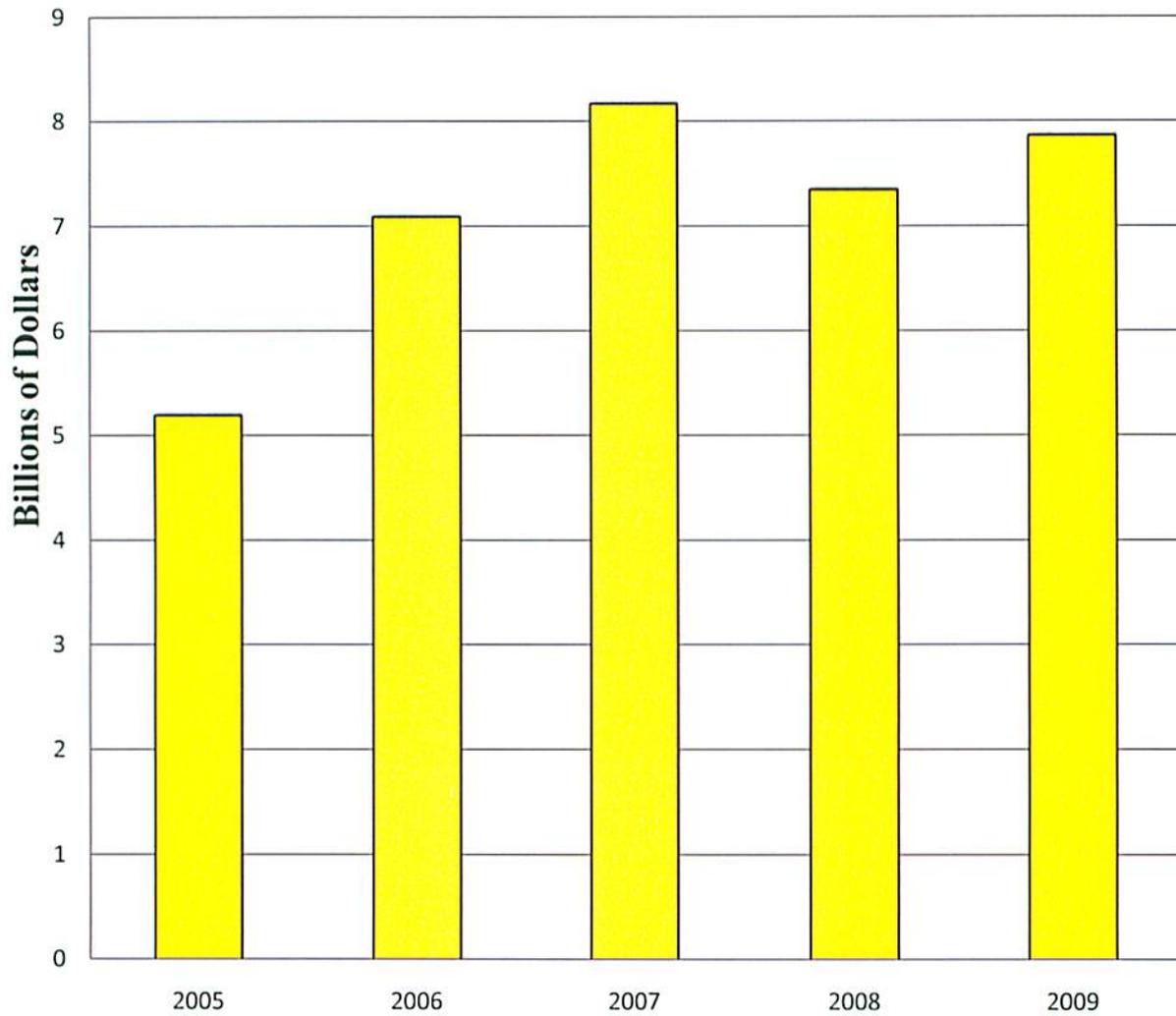


Percentage of Major Program Assistance
297 Programs



STATE OF MISSISSIPPI Total Federal Financial Assistance

Last Five Fiscal Years



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STATE OF MISSISSIPPI

SINGLE AUDIT REPORT

For the Year Ended June 30, 2009

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I. AUDIT REPORTING





**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**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***

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Mississippi, as of and for the year ended June 30, 2009, which collectively comprise the state's basic financial statements, and have issued our report thereon dated December 18, 2009. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the following, as described in our report on the State of Mississippi's financial statements:

- Government-wide Financial Statements
 - Governmental Activities
 - the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 9% and 31%, respectively, of the assets and revenues of the Governmental Activities;
 - Business-type Activities
 - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and AbilityWorks, Inc. within the Department of Rehabilitation Services which, in the aggregate, represent 48% and 17%, respectively, of the assets and revenues of the Business-type Activities;
 - Component Units
 - the Universities and the nonmajor component units.

■ Fund Financial Statements

● Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Office of the Governor - Division of Medicaid, the Department of Corrections and the Department of Wildlife, Fisheries and Parks which represent 24% and 32%, respectively, of the assets and revenues of the General Fund;
- the Health Care Trust Fund which represents 98% and 99%, respectively, of the assets and revenues of the Health Care major governmental fund;

● Proprietary Funds

- the Port Authority at Gulfport and the Mississippi Prepaid Affordable College Tuition Program which are considered major enterprise funds;

● Aggregate Remaining Funds

- selected nonmajor governmental funds at the Department of Corrections, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
- the State Agencies Self-Insured Workers' Compensation Trust Fund within the Internal Service Fund;
- nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
- the Pension Trust Funds;
- the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 94% and 78%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

Except for the major component unit Universities, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. This report does not include the results of the other auditor's testing of internal control over financial reporting and compliance and other matters for the major component unit Universities that are reported on separately by those 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*
Page 3

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. The financial statements of the University of Mississippi Foundation, the Mississippi State University Foundation, Inc., the University of Southern Mississippi Foundation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Tort Liability Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, the University of Mississippi Medical Center Educational Building Corporation and the University of Mississippi Educational Building Corporation, which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we and other auditors considered the State of Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control over financial reporting.

Our and the other auditors' consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we and other auditors identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 - Financial Statement Findings" as items 2009-05, 2009-14, 2009-16, 2009-17, 2009-18, 2009-19, and 2009-20 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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*
Page 4

Our and the other auditor's consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we and other auditors consider items 2009-14 and 2009-16 to be material weaknesses.

We and the other auditors also noted other matters involving the internal control over financial reporting, which we have reported to management of the State of Mississippi in separate communications.

Compliance and Other Matters

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

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2009-03. We and the other auditors also noted certain matters, which we have reported to management of the State of Mississippi in separate communications.

Management's responses to the findings identified in our audit are described in the accompanying Management Responses and Corrective Action Plans section. We did not audit management's responses and, accordingly, we express no opinion on them.

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*
Page 5

This report is intended solely for the information and use of management, the Governor, Members of the Legislature, federal awarding agencies, pass-through entities, and those charged with governance 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.



STACEY E. PICKERING
State Auditor



WILLIAM R. DOSS, CPA
Director, Financial and Compliance
Audit Division

Jackson, Mississippi
December 18, 2009

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

Compliance

We and other auditors have audited the compliance of the State of Mississippi 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, 2009. We did not audit the National Guard Military Operations and Maintenance Projects program, the National Guard Special Military Operations and Projects program, the Disaster Recovery Funds within the Community Development Block Grants / State's Program, the Capitalization Grants for Clean Water State Revolving Funds program, the Capitalization Grants for Drinking Water State Revolving Funds program, the Vocational Rehabilitation Cluster, the Children's Health Insurance Program, the Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations program, the Medicaid Cluster, the Disability Insurance / SSI Cluster, the Disaster Grants - Public Assistance program, and the Alternative Housing Pilot Program. Those programs were audited by other auditors whose reports have been furnished to us. The State of Mississippi'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 State of Mississippi's management. Our responsibility is to express an opinion on the State of Mississippi's compliance based on our audit and the audits of other auditors.

Except as discussed in the following paragraph, we and other auditors conducted our audits 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 and other auditors 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 State of Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit, and the audits of other auditors, provide a reasonable basis for our opinion. Our audit, and the audits of other auditors, does not provide a legal determination of the State of Mississippi's compliance with those requirements.

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi or the Mississippi Authority for Educational Television. The audits of these federal programs were conducted in accordance with the provisions of OMB Circular A-133, and separate reports were issued.

As described in item 09-03 in the accompanying schedule of findings and questioned costs, the State of Mississippi did not comply with requirements regarding the Davis-Bacon Act that are applicable to the Social Services Block Grant. Compliance with the requirement is necessary, in our opinion, for the State of Mississippi to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Mississippi 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, 2009. We did not test the transactions and records of the major federal programs administered by the state's public universities or the Mississippi Authority for Educational Television for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

The results of our auditing procedures also disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as item 09-12.

In addition, we and the other auditors noted certain other immaterial instances of noncompliance, which we have reported to management of the State of Mississippi in separate communications.

Internal Control over Compliance

The management of the State of Mississippi is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing the audit, we and other auditors considered the State of Mississippi's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control over compliance. We excluded the federal programs of the state's public universities and the Mississippi Authority for Educational Television, as discussed in the third paragraph of this report.

Our and the other auditors' consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the State of Mississippi's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we and the other auditors identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 09-01, 09-02, 09-03, 09-04, 09-05, 09-06, 09-07, 09-09, 09-10, 09-11, 09-12 and 09-13 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs," we consider items 09-03 and 09-09 to be material weaknesses.

We and the other auditors also noted other matters involving internal control over compliance and its operation, which have been reported to management of the State of Mississippi in separate communications.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Mississippi as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We did not audit the financial statements of:

- Government-wide Financial Statements

- Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 9% and 31%, respectively, of the assets and revenues of the Governmental Activities;

- Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and AbilityWorks, Inc. within the Department of Rehabilitation Services, which, in the aggregate, represent 48% and 17%, respectively, of the assets and revenues of the Business-type Activities;

- Component Units
 - the Universities and the nonmajor component units.

- Fund Financial Statements
 - Governmental Funds
 - the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Office of the Governor - Division of Medicaid, the Department of Corrections and the Department of Wildlife, Fisheries and Parks which represent 24% and 32%, respectively, of the assets and revenues of the General Fund;
 - the Health Care Trust Fund which represents 98% and 99%, respectively, of the assets and revenues of the Health Care major governmental fund;
 - Proprietary Funds
 - the Port Authority at Gulfport and the Mississippi Prepaid Affordable College Tuition Program, which are considered major enterprise funds;
 - Aggregate Remaining Funds
 - selected nonmajor governmental funds at the Department of Corrections, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
 - The State Agencies Self-Insured Workers' Compensation Trust Fund within the Internal Service Fund;
 - nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
 - the Pension Trust Funds;
 - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 94% and 78%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion, insofar as it relates to the amounts included for the above named entities, is based on the reports of the other auditors.

The State of Mississippi has excluded federal programs administered by public universities and the Mississippi Authority for Educational Television from the accompanying schedules of expenditures of federal awards, as more fully described in Note 2 to the schedules. The state's public universities and the Mississippi Authority for Educational Television were audited in accordance with statutory requirements and the provisions of OMB Circular A-133, and separate reports were issued.

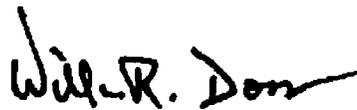
Our audit and the audits of the other auditors were performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards by Federal Department and the Schedule of Expenditures of Federal Awards by State Grantee Agency are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the basic financial statements. The information in the schedules of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the audit reports of the other auditors, except for the effects of the omission described in the preceding paragraph, the information in the schedules of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Management's responses to the findings identified in our audit are described in the accompanying Management Responses and Corrective Action Plans section. We did not audit management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, individuals charged with governance, the Governor, Members of the Legislature, 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 matter of public record and its distribution is not limited.



STACEY E. PICKERING
State Auditor



WILLIAM R. DOSS, CPA
Director, Financial and Compliance
Audit Division

Jackson, Mississippi
March 30, 2010 except for the Schedule of Expenditures of Federal Awards, as to which the date is
December 18, 2009

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**Schedule of Expenditures of Federal Awards by
Federal Department**



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
<u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
07.UN	High Intensity Drug Trafficking Area	Narcotics/Public Safety	1,458,539
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			1,458,539
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
10.025	Plant and Animal Disease, Pest Control and Animal Care	Agriculture and Commerce / Animal Health / Wildlife, Fisheries and Parks	1,236,517
10.163	Market Protection and Promotion	Agriculture and Commerce	27,000
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	104,909
10.433	Rural Housing Preservation Grants	Human Services	63,000
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,910,787
10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Health	88,358,232
10.557	ARRA – Special Supplemental Nutritional Program for Women, Infants and Children	Health	3,286,846
10.558	Child and Adult Care Food Program	Education	34,113,433
10.560	State Administration Expenses for Child Nutrition	Education	2,662,887
10.565	Commodity Supplemental Food Program	Health	490,594
10.574	Team Nutrition Grants	Education	1,528
10.580	Special Nutrition Assistance Program Outreach / Participant Program	Human Services	350,171
10.582	Fresh Fruit and Vegetable Program	Education	1,045,063
10.664	Cooperative Forestry Assistance	Agriculture and Commerce / Forestry Commission	5,706,383
10.773	Rural Business Opportunity Grants	MS Development Authority	10,368
10.902	Soil and Water Conservation	Soil & Water Conservation Commission	202,158
10.950	Agricultural Statistics Reports	Agriculture and Commerce	143,378
SUBTOTAL			139,713,254
10.551	SNAP Cluster Supplemental Nutrition Assistance Program	Human Services	615,850,370

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	28,577,632
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	37,144
	Total SNAP Cluster		644,465,146
	Child Nutrition Cluster		
10.553	School Breakfast Program	Education	49,926,494
10.555 @	National School Lunch Program	Education	153,297,267
10.556	Special Milk Program for Children	Education	2,426
10.559	Summer Food Service Program for Children	Education	4,058,861
	Total Child Nutrition Cluster		207,285,048
	Emergency Food Assistance Cluster		
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Service	768,088
10.568	ARRA – Emergency Food Assistance Program (Administrative Costs)	Human Services	130,628
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	5,754,514
	Total Emergency Food Assistance Cluster		6,653,230
	School and Roads Cluster		
10.665	School and Roads – Grants to States	Treasury	9,066,480
	Total School and Roads Cluster		9,066,480
	TOTAL U.S. DEPARTMENT OF AGRICULTURE		1,007,183,158
	<u>U.S. DEPARTMENT OF COMMERCE</u>		
11.302	Economic Development Support for Planning Organizations	MS Development Authority	213,983
11.407	Interjurisdictional Fisheries Act of 1986	Marine Resources	78,680
11.419	Coastal Zone Management Administration Awards	Marine Resources	994,966
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	1,365,085
11.434	Cooperative Fishery Statistics	Marine Resources	77,208
11.463	Habitat Conservation	Marine Resources	3,497,647

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
11.472	Unallied Science Program	Marine Resources	73,463
11.473	Coastal Services Center	Environmental Quality/ Marine Resources	98,124
TOTAL U.S. DEPARTMENT OF COMMERCE			6,399,156
<u>U.S. DEPARTMENT OF DEFENSE</u>			
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	590,788
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	197,788
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	94,683,949
12.402	National Guard Special Military Operations and Projects	Military Department	9,139,410
12.404	National Guard Civilian Youth Opportunities	Military Department	3,600,799
12.405	National Guard Drug Interdiction and Counter Drug Activities	Military Department	282,458
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	165,134
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-9-023, DACW01-3-92-411, DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007.	Wildlife, Fisheries and Parks	1,864,218
TOTAL U.S. DEPARTMENT OF DEFENSE			110,524,544
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
14.231	Emergency Shelter Grants Program	MS Development Authority	1,552,691
14.239	Home Investment Partnerships Program	MS Development Authority	15,600,258
14.241	Housing Opportunities for Persons with AIDS	Health	1,188,864
SUBTOTAL			18,341,813
14.218	CDBG – Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	MS Development Authority	125,704
Total CDBG – Entitlement Grants Cluster			125,704

(continued)
See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
14.228	CDBG – State-Administered Small Cities Program Cluster Community Development Block Grants/State's Program	MS Development Authority	737,002,422
	Total CDBG – State-Administered Small Cities Program Cluster		737,002,422
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		755,469,939
	<u>U.S. DEPARTMENT OF THE INTERIOR</u>		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	135,774
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Environmental Quality	80,350
15.615	Cooperative Endangered Species Conservation Fund	Wildlife, Fisheries and Parks	65,341
15.616	Clean Vessel Act	Marine Resources	39,390
15.622	Sportfishing and Boating Safety Act	Marine Resources	51,804
15.632	Conservation Grants Private Stewardship for Imperiled Species	Wildlife, Fisheries and Parks	79,346
15.633	Landowner Incentive Program	Wildlife, Fisheries and Parks	812,991
15.634	State Wildlife Grants	Wildlife, Fisheries and Parks	814,772
15.808	U.S. Geological Survey Research and Data Collection	Environmental Quality	19,180
15.810	National Cooperative Geologic Mapping Program	Environmental Quality	79,942
15.814	National Geological and Geophysical Data Preservation Program	Environmental Quality	5,000
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History	8,247,660
15.916	Outdoor Recreation Acquisition, Development and Planning	Wildlife, Fisheries and Parks	427,620
15.929	Save America's Treasures	Archives and History	309,000
	SUBTOTAL		11,168,170
15.605	Fish and Wildlife Cluster Sport Fish Restoration Program	Marine Resources/Wildlife, Fisheries and Parks	5,385,317
15.611	Wildlife Restoration	Wildlife, Fisheries and Parks	4,237,071
	Total Fish and Wildlife Cluster		9,622,388

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL U.S. DEPARTMENT OF THE INTERIOR	20,790,558
	<u>U.S. DEPARTMENT OF JUSTICE</u>	
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM) Public Safety	37,668
16.523	Juvenile Accountability Block Grants Public Safety	791,444
16.540	Juvenile Justice and Delinquency Prevention Allocation to States Public Safety	294,488
16.543	Missing Children's Assistance Attorney General	158,478
16.548	Title V Delinquency Prevention Program Public Safety	143,899
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants Public Safety	650,900
16.575	Crime Victim Assistance Public Safety	4,447,600
16.576	Crime Victim Compensation Attorney General	553,000
16.579	Edward Byrne Memorial Formula Grant Program Public Safety	2,963-
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program Public Safety/ Supreme Court	891,713
16.588	Violence Against Women Formula Grants Public Safety	1,924,403
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, And Stalking Assistance Program Public Safety	427,810
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Attorney General	580,273
16.592	Local Law Enforcement Block Grant Program Public Safety	3,655-
16.593	Residential Substance Abuse Treatment for State Prisoners Public Safety	627,937
16.606	State Criminal Alien Assistance Program Corrections	162,327
16.607	Bulletproof Vest Partnership Program Public Safety	16,439-
16.609	Community Prosecution and Project Safe Neighborhoods Public Safety	353,123
16.710	Public Safety Partnership and Community Policing Grants Public Safety	8,445
16.727	Enforcing Underage Drinking Laws Program Public Safety	370,448
16.738	Edward Byrne Memorial Justice Assistance Grant Program Public Safety	6,801,754
16.740	Statewide Automated Victim Information Notification (SAVIN) Program Corrections	336,162

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
16.744	Anti-Gang Initiative	Public Safety	237,581
16.746	Capital Case Litigation	Capital Defense Counsel	38,594
16.802	ARRA-Recovery Act-State Victim Compensation Formula Grant Program	Attorney General	122,690
16.UN	Domestic Cannabis Eradication/Suppression Program	Narcotics	715,899
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs	Pharmacy Board	284,115
TOTAL U.S. DEPARTMENT OF JUSTICE			20,937,694
 <u>U.S. DEPARTMENT OF LABOR</u>			
17.002	Labor Force Statistics	Employment Security	775,009
17.005	Compensation and Working Conditions	Health	19,646
17.225#	Unemployment Insurance	Employment Security	433,827,932
17.225#	ARRA-Unemployment Insurance	Employment Security	24,007,195
17.235	Senior Community Service Employment Program	Human Services	780,002
17.245	Trade Adjustment Assistance	Employment Security	1,236,326
17.249	Employment Services and Job Training Pilots - Demonstrations and Research	Education	30-
17.261	WIA Pilots, Demonstrations, and Research Projects	Employment Security	2,130,826
17.266	Work Incentive Grants	Employment Security	29,699
17.268	H-1B Job Training Grants	Employment Security	1,387,542
17.271	Work Opportunity Tax Credit Program (WOTC)	Employment Security	214,824
17.273	Temporary Labor Certification for Foreign Workers	Employment Security	66,787
17.504	Consultation Agreements	Health	18,051
17.600	Mine Health and Safety Grants	Environmental Quality	77,417
SUBTOTAL			464,571,226
 Employment Service Cluster			
17.207	Employment Service/Wagner-Peyser Funded Activities	Employment Security	6,956,074
17.207	ARRA- Employment Service/Wagner-Peyser Funded Activities	Employment Security	9,328
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security	561,369

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
17.804	Local Veterans' Employment Representative Program	Employment Security	1,077,048
	Total Employment Service Cluster		8,603,819
	WIA Cluster		
17.258	WIA Adult Program	Employment Security	37,996,995
17.258	ARRA-WIA Adult Program	Employment Security	293,094
17.259	WIA Youth Activities	Employment Security	12,878,967
17.259	ARRA-WIA Youth Activities	Employment Security	3,633,740
17.260	WIA Dislocated Workers	Arts Commission/ Employment Security / Governor's Office	15,406,378
17.260	ARRA-WIA Dislocated Workers	Employment Security	200,030
	Total WIA Cluster		70,409,204
	TOTAL U.S. DEPARTMENT OF LABOR		543,584,249
	<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
20.106	Airport Improvement Program	Transportation	29,925
20.217	Motor Carrier Safety	Public Safety	3,133,725
20.231	Performance and Registration Information Systems Management	Tax Commission	125,000
20.232	Commercial Driver License State Programs	Public Safety	194,819
20.2NA	Fatal Analysis Reporting System	Public Safety	54,191
20.313	Railroad Research and Development	Transportation	420,095
20.505	Federal Transit Metropolitan Planning Grants	Transportation	355,666
20.509	Formula Grants for Other Than Urbanized Areas	Transportation	7,994,848
20.700	Pipeline Safety Program Base Grants	Public Service Commission	268,770
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	246,601
	SUBTOTAL		12,823,640
	Highway Planning and Construction Cluster		
20.205	Highway Planning and Construction	Transportation	498,116,256

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
20.205	ARRA-Highway Planning and Construction	Transportation	20,298,431
	Total Highway Planning and Construction Cluster		518,414,687
20.513	Transit Services Programs Cluster Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	934,955
	Total Transit Services Programs Cluster		934,955
20.600	Highway Safety Cluster State and Community Highway Safety	Public Safety	11,774,968
	Total Highway Safety Cluster		11,774,968
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION		543,948,250
	<u>U.S. DEPARTMENT OF THE TREASURY</u>		
21.UN	Treasury Federal Equitable Sharing	Gaming Commission	4,074
	TOTAL U.S. DEPARTMENT OF THE TREASURY		4,074
	<u>APPALACHIAN REGIONAL COMMISSION</u>		
23.002	Appalachian Area Development	MS Development Authority	1,296,719
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	Education/ MS Development Authority	1,902,519
	TOTAL APPALACHIAN REGIONAL COMMISSION		3,199,238
	<u>GENERAL SERVICES ADMINISTRATION</u>		
39.003@	Donation of Federal Surplus Personal Property	Finance and Administration	12,887,394
39.011	Election Reform Payments	Secretary of State	388,604
	TOTAL GENERAL SERVICES ADMINISTRATION		13,275,998
	<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>		
45.024	Promotion of the Arts Grants to Organizations and Individuals	Archives and History	51,649
45.025	Promotion of the Arts Partnership Agreements	Arts Commission	703,221

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
45.130	Promotion of the Humanities Challenge Grants	Archives and History	1,186
45.303	Conservation Project Support	Archives and History	71,717
45.310	Grants to States	Library Commission	1,508,249
45.313	Laura Bush 21 st Century Librarian Program	Library Commission	22,070
TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			2,358,092
 <u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>			
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	152,790
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			152,790
 <u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.032	State Indoor Radon Grants	Health	59,459
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	613,449
66.040	ARRA-State Clean Diesel Grant Program	Environmental Quality	18,766
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	53,503
66.432	State Public Water System Supervision	Health	1,084,701
66.433	State Underground Water Source Protection	Oil and Gas Board	102,575
66.454	Water Quality Management Planning	Environmental Quality	94,902
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	8,207,516
66.460	Nonpoint Source Implementation Grants	Environmental Quality	6,184,419
66.463	Water Quality Cooperative Agreements	Environmental Quality	32,837
66.467	Wastewater Operator Training Grant Program	Environmental Quality	13,851
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	7,919,413
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Health	441,423
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	191,110
66.474	Water Protection Grants to the States	Health	75,408
66.475	Gulf of Mexico Program	Environmental Quality	207,348

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	Environmental Quality	71,207
66.600	Environmental Protection Consolidated Grants for the Insular Areas – Program Support	Environmental Quality	90,786
66.605	Performance Partnership Grants	Environmental Quality	6,664,061
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	171,606
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture and Commerce	619,610
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	76,877
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	253,753
66.708	Pollution Prevention Grants Program	Environmental Quality	52,201
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	7,204
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Environmental Quality	201,006
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality	410,897
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality	1,608,328
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	183,831
66.817	State and Tribal Response Program Grants	Environmental Quality	172,528
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Quality	124,333
TOTAL ENVIRONMENTAL PROTECTION AGENCY			36,008,908
 <u>U.S. DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	MS Development Authority	442,597
81.042	Weatherization Assistance for Low-Income Persons	Human Services	2,388,918
81.042	ARRA- Weatherization Assistance for Low-Income Persons	Human Services	1,098,486
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	Emergency Management	161,459
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	MS Development Authority	95,180

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
81.119	State Energy Program Special Projects	MS Development Authority	342,586
81.UN1	Petroleum Violation Escrow – Stripper Well	Treasury	727,701
81.UN2	Petroleum Violation Escrow – Citronelle	Treasury	220
TOTAL U.S. DEPARTMENT OF ENERGY			5,257,147
 <u>U.S. DEPARTMENT OF EDUCATION</u>			
84.002	Adult Education – Basic Grants to States	Bd for Community and Junior Colleges	6,437,729
84.011	Migrant Education State Grant Program	Education	525,922
84.013	Title I Program for Neglected and Delinquent Children	Education	641,336
84.048	Career and Technical Education-Basic Grants to States	Education	12,746,404
84.169	Independent Living State Grants	Rehabilitation Services	312,797
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	306,997
84.184	Safe and Drug-Free Schools and Communities National Programs	Education	265,217
84.185	Byrd Honors Scholarships	Education	397,500
84.186	Safe and Drug-Free Schools and Communities State Grants	Education/Public Safety	3,546,119
84.187	Supported Employment Services for Individuals with Significant Disabilities	Rehabilitation Services	269,277
84.196	Education for Homeless Children and Youth	Education	641,056
84.213	Even Start State Educational Agencies	Education	653,406
84.215	Fund for the Improvement of Education	Education	7,314
84.224	Assistive Technology	Rehabilitation Services	603,408
84.243	Tech-Prep Education	Education	1,326,733
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	158,206
84.287	Twenty-First Century Community Learning Centers	Education	11,916,578
84.293	Foreign Language Assistance	Education	86,806
84.298	State Grants for Innovative Programs	Education	184,869
84.305	Education Research, Development and Dissemination	Education	78,395
84.318	Education Technology State Grants	Education	3,147,508

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See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.323	Special Education – State Personnel Development	Education	671,184
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	127,050
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	Education	445,949
84.332	Comprehensive School Reform Demonstration	Education	544
84.336	Teacher Quality Partnership Grants	Education	81,771
84.357	Reading First State Grants	Education	9,039,044
84.358	Rural Education	Education	5,755,436
84.365	English Language Acquisition Grants	Education	1,252,201
84.366	Mathematics and Science Partnerships	Education	2,874,865
84.367	Improving Teacher Quality State Grants	Education	40,544,269
84.369	Grants for State Assessments and Related Activities	Education	6,663,516
84.377	School Improvement Grants	Education	1,613,222
84.938	Hurricane Education Recovery	Education	7,378,064
	SUBTOTAL		120,700,692
84.010	Title 1, Part A Cluster Title I Grants to Local Educational Agencies	Education	176,338,707
	Total Title 1, Part A Cluster		176,338,707
84.027	Special Education Cluster (IDEA) Special Education-Grants to States	Education	115,064,318
84.173	Special Education Preschool Grants	Education	4,209,235
	Total Special Education Cluster (IDEA)		119,273,553
84.044	Trio Cluster TRIO Talent Search	Education	355,432
	Total Trio Cluster		355,432
84.126	Vocational Rehabilitation Cluster Rehabilitation Services Vocational Rehabilitation Grants to States	Rehabilitation Services	39,663,381

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See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.390	ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	Rehabilitation Services	129,491
	Total Vocational Rehabilitation Cluster		39,792,872
84.181	Early Intervention Services (IDEA) Cluster Special Education-Grants for Infants and Families	Health	4,575,721
84.393	ARRA- Special Education-Grants for Infants and Families, Recovery Act	Health	1,880
	Total Early Intervention Services (IDEA) Cluster		4,577,601
84.397	State Fiscal Stabilization Fund Cluster ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	Finance and Administration	16,654,270
	Total State Fiscal Stabilization Fund Cluster		16,654,270
	TOTAL U.S. DEPARTMENT OF EDUCATION		477,693,127
	<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>		
89.003	National Historical Publications and Records Grants	Archives and History	29,680
	TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		29,680
	<u>ELECTIONS ASSISTANCE COMMISSION</u>		
90.401	Help America Vote Act Requirements Payments	Secretary of State	70,250
	TOTAL ELECTIONS ASSISTANCE COMMISSION		70,250
	<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	Health	258,699
93.010	Community-Based Abstinence Education (CBAE)	Human Services	962,491
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	40,001
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	Human Services	153,976
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	Human Services	191,109

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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	Human Services	314,695
93.052	National Family Caregiver Support, Title III, Part E	Human Services	1,365,145
93.069	Public Health Emergency Preparedness	Health	9,416,827
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	1,683,720
93.110	Maternal and Child Health Federal Consolidated Programs	Health	95,466
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	966,476
93.127	Emergency Medical Services for Children	Health	59,653
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health	167,957
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	572,097
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	294,945
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	446,262
93.217	Family Planning Services	Health	6,192,458
93.235	Abstinence Education Program	Human Services	85,528
93.236	Grants for Dental Public Health Residency Training	Health	96,291
93.241	State Rural Hospital Flexibility Program	Health	665,043
93.243	Substance Abuse and Mental Health /Services Projects of Regional and National Significance	Mental Health	2,205,732
93.251	Universal Newborn Hearing Screening	Health	120,979
93.256	State Planning Grants Health Care Access for the Uninsured	Medicaid	157,543
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Health	5,023,785
93.301	Small Rural Hospital Improvement Grant Program	Health	374,016
93.556	Promoting Safe and Stable Families	Human Services	6,518,900
93.563	Child Support Enforcement	Human Services	21,330,683
93.566	Refugee and Entrant Assistance State Administered Programs	Human Services	799,073

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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.568	Low-Income Home Energy Assistance	Human Services	24,986,733
93.585	Empowerment Zones Program	MS Development Authority	1,195,638
93.586	State Court Improvement Program	Supreme Court	428,329
93.597	Grants to States for Access and Visitation Programs	Human Services	129,468
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	266,465
93.603	Adoption Incentive Payments	Human Services	89,050
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	1,040,507
93.643	Children's Justice Grants to States	Human Services	119,069
93.645	Child Welfare Services State Grants	Human Services	3,548,101
93.658	Foster Care Title IV-E	Human Services	11,210,605
93.658	ARRA-Foster Care Title IV-E	Human Services	433,290
93.659	Adoption Assistance	Human Services	5,357,975
93.659	ARRA-Adoption Assistance	Human Services	349,225
93.667	Social Services Block Grant	Human Services	41,089,446
93.669	Child Abuse and Neglect State Grants	Human Services	345,841
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	Health	1,129,375
93.674	Chafee Foster Care Independence Program	Human Services	882,082
93.767	Children's Health Insurance Program	Medicaid	147,702,921
93.769	Demonstration to Maintain Independence and Employment	Medicaid	947,159
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services/Medicaid/ Mental Health	8,983,504
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	5,233,542
93.793	Medicaid Transformation Grants	Medicaid	944,366
93.889	National Bioterrorism Hospital Preparedness Program	Health	5,724,273
93.913	Grants to States for Operation of Offices of Rural Health	Health	180,907
93.917	HIV Care Formula Grants	Health	13,343,777
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	666,617

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.940	HIV Prevention Activities Health Department Based	Health	173,674
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	Health	1,941,597
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	505,431
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	496,365
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	143,553
93.958	Block Grants for Community Mental Health Services	Mental Health	4,181,123
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	15,630,415
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	Health	1,297,291
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	Health	293,690
93.991	Preventive Health and Health Services Block Grant	Health	1,457,833
93.994	Maternal and Child Health Services Block Grant to the States	Health	10,452,393
	SUBTOTAL		373,461,180
	Aging Cluster		
93.044	Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	Human Services	3,327,341
93.045	Special Programs for the Aging Title III, Part C Nutrition Services	Human Services	5,833,262
93.053	Nutrition Services Incentive Program	Human Services	1,561,962
	Total Aging Cluster		10,722,565
	Immunization Cluster		
93.268 @	Immunization Grants	Health	37,199,775
	Total Immunization Cluster		37,199,775

(continued)
See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.558	TANF Cluster Temporary Assistance for Needy Families	Human Services	81,775,002
	Total TANF Cluster		<u>81,775,002</u>
93.569	CSBG Cluster Community Services Block Grant	Human Services	10,869,544
	Total CSBG Cluster		<u>10,869,544</u>
93.575	CCDF Cluster Child Care and Development Block Grant	Human Services	46,969,508
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	21,223,450
	Total CCDF Cluster		<u>68,192,958</u>
93.600	Head Start Cluster Head Start	Governor's Office	298,661
	Total Head Start Cluster		<u>298,661</u>
93.775	Medicaid Cluster State Medicaid Fraud Control Units	Attorney General	1,881,382
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health/Medicaid	3,244,475
93.778	Medical Assistance Program	Medicaid	3,091,278,380
93.778	ARRA-Medical Assistance Program	Medicaid	205,187,111
	Total Medicaid Cluster		<u>3,301,591,348</u>
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>3,884,111,033</u>
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>		
94.004	Learn and Serve America School and Community Based Programs	Education	218,937
94.007	Planning and Program Development Grants	Education	140,533
94.013	Volunteers in Service to America	Human Services	42,334

(continued)
See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	SUBTOTAL	401,804
94.016	Foster Grandparent/Senior Companion Cluster Senior Companion Program	Human Services 156,786
	Total Foster Grandparent/Senior Companion Cluster	156,786
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	558,590
	<u>SOCIAL SECURITY ADMINISTRATION</u>	
96.008	Social Security – Work Incentives Planning and Assistance Program	Rehabilitation Services 652,154
	SUBTOTAL	652,154
96.001	Disability Insurance/SSI Cluster Social Security Disability Insurance	Rehabilitation Services 26,650,967
	Total Disability Insurance/SSI Cluster	26,650,967
	TOTAL SOCIAL SECURITY ADMINISTRATION	27,303,121
	<u>DEPARTMENT OF HOMELAND SECURITY</u>	
97.012	Boating Safety Financial Assistance	Wildlife, Fisheries and Parks 2,173,682
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	Emergency Management 87,635
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Emergency Management 142,799
97.029	Flood Mitigation Assistance	Emergency Management 225,768
97.034	Disaster Unemployment Assistance	Employment Security 77,736
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disaster)	Emergency Management 351,667,033
97.039	Hazard Mitigation Grant	Emergency Management 19,174,501
97.041	National Dam Safety Program	Environmental Quality 111,699
97.042	Emergency Management Performance Grants	Public Safety 3,659,526
97.043	State Fire Training Systems Grants	State Fire Academy 19,679
97.044	Assistance to Firefighters Grant	Insurance 492,153
97.045	Cooperating Technical Partners	Environmental Quality 3,968,410

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2009

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
97.070	Map Modernization Management Support	Environmental Quality	103,532
97.087	Alternative Housing Pilot Program	Emergency Management	1,787,096-
97.089	Real ID Program	Public Safety	354,483
97.092	Repetitive Flood Claims	Emergency Management	151,846
	SUBTOTAL		380,467,914
97.004	Homeland Security Cluster State Domestic Preparedness Equipment Support Program	Public Safety	346,682
97.067	Homeland Security Grant Program	Public Safety	17,652,367
	Total Homeland Security Cluster		17,999,049
	TOTAL DEPARTMENT OF HOMELAND SECURITY		398,466,963
	TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 7,858,785,098

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

Programs which expended funds under the American Recovery and Reinvestment Act of 2009 are identified using "ARRA" in front of the program name.

The total expenditures for CFDA No. 17.225 include state expenditures of \$284,433,726 and federal expenditures of \$173,401,401.

@ Denotes federal programs with noncash benefits.

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See accompanying Notes to the Schedules of Expenditures of Federal Awards.

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**Schedule of Expenditures of Federal Awards by
State Grantee Agency**



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	<u>Agriculture and Commerce</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	514,403
10.163	Market Protection and Promotion	27,000
10.169	Specialty Crop Block Grant Program	104,909
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,910,787
10.664	Cooperative Forestry Assistance	150,000
10.950	Agricultural Statistics Reports	143,378
	Total U.S. DEPARTMENT OF AGRICULTURE	2,850,477
	ENVIRONMENTAL PROTECTION AGENCY	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	619,610
	TOTAL Agriculture and Commerce	3,470,087
	<u>Animal Health</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	634,874
	TOTAL Animal Health	634,874
	<u>Archives and History</u>	
	U.S. DEPARTMENT OF THE INTERIOR	
15.904	Historic Preservation Fund Grants-In-Aid	8,247,660
15.929	Save America's Treasures	309,000
	Total U.S. DEPARTMENT OF THE INTERIOR	8,556,660
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.024	Promotion of the Arts Grants to Organizations and Individuals	51,649
45.130	Promotion of the Humanities Challenge Grants	1,186
45.303	Conservation Project Support	71,717
	Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	124,552
	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	
89.003	National Historical Publications and Records Grants	29,680
	TOTAL Archives and History	8,710,892

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	<u>Arts Commission</u>	
	U.S. DEPARTMENT OF LABOR	
17.260	WIA Dislocated Workers	194,630
		<hr/>
45.025	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES Promotion of the Arts Partnership Agreements	703,221
		<hr/>
	TOTAL Arts Commission	897,851
		<hr/>
	<u>Attorney General</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.543	Missing Children's Assistance	158,478
16.576	Crime Victim Compensation	553,000
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	580,273
16.802	ARRA - Recovery Act - State Victim Compensation Formula Grant Program	122,690
		<hr/>
	Total U.S. DEPARTMENT OF JUSTICE	1,414,441
		<hr/>
93.775	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES State Medicaid Fraud Control Units	1,881,382
		<hr/>
	TOTAL Attorney General	3,295,823
		<hr/>
	<u>Bd for Community and Junior Colleges</u>	
	U.S. DEPARTMENT OF EDUCATION	
84.002	Adult Education - Basic Grants to States	6,437,729
		<hr/>
	TOTAL Bd for Community and Junior Colleges	6,437,729
		<hr/>
	<u>Capital Defense Counsel</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.746	Capital Case Litigation	38,594
		<hr/>
	TOTAL Capital Defense Counsel	38,594
		<hr/>
	<u>Corrections</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.606	State Criminal Alien Assistance Program	162,327
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	336,162
		<hr/>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA	<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
		Total U.S. DEPARTMENT OF JUSTICE	498,489
		TOTAL Corrections	498,489
		<u>Education</u>	
		U.S. DEPARTMENT OF AGRICULTURE	
	10.553	School Breakfast Program	49,926,494
	10.555 @	National School Lunch Program	153,297,267
	10.556	Special Milk Program for Children	2,426
	10.558	Child and Adult Care Food Program	34,113,433
	10.559	Summer Food Service Program for Children	4,058,861
	10.560	State Administrative Expenses for Child Nutrition	2,662,887
	10.574	Team Nutrition Grants	1,528
	10.582	Fresh Fruit and Vegetable Program	1,045,063
		Total U.S. DEPARTMENT OF AGRICULTURE	245,107,959
		U.S. DEPARTMENT OF DEFENSE	
	12.UN1	Teacher and Teacher's Aide Placement Assistance Program	165,134
		U.S. DEPARTMENT OF LABOR	
	17.249	Employment Services and Job Training Pilots – Demonstrations and Research	30-
		APPALACHIAN REGIONAL COMMISSION	
	23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	1,702,557
		U.S. DEPARTMENT OF EDUCATION	
	84.010	Title I Grants to Local Educational Agencies	176,338,707
	84.011	Migrant Education State Grant Program	525,922
	84.013	Title I Program for Neglected and Delinquent Children	641,336
	84.027	Special Education-Grants to States	115,064,318
	84.044	TRIO Talent Search	355,432
	84.048	Career and Technical Education -- Basic Grants to States	12,746,404
	84.173	Special Education Preschool Grants	4,209,235
	84.184	Safe and Drug-Free Schools and Communities National Programs	265,217
	84.185	Byrd Honors Scholarships	397,500
	84.186	Safe and Drug-Free Schools and Communities State Grants	2,804,564
	84.196	Education for Homeless Children and Youth	641,056
	84.213	Even Start State Educational Agencies	653,406
	84.215	Fund for the Improvement of Education	7,314
	84.243	Tech-Prep Education	1,326,733
	84.287	Twenty-First Century Community Learning Centers	11,916,578
	84.293	Foreign Language Assistance	86,806
	84.298	State Grants for Innovative Programs	184,869

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
84.305	Education Research, Development and Dissemination	78,395
84.318	Education Technology State Grants	3,147,508
84.323	Special Education - State Personnel Development	671,184
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	127,050
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	445,949
84.332	Comprehensive School Reform Demonstration	544
84.336	Teacher Quality Partnership Grants	81,771
84.357	Reading First State Grants	9,039,044
84.358	Rural Education	5,755,436
84.365	English Language Acquisition Grants	1,252,201
84.366	Mathematics and Science Partnerships	2,874,865
84.367	Improving Teacher Quality State Grants	40,544,269
84.369	Grants for State Assessments and Related Activities	6,663,516
84.377	School Improvement Grants	1,613,222
84.938	Hurricane Education Recovery	7,378,064
	Total U.S. DEPARTMENT OF EDUCATION	407,838,415
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	666,617
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.004	Learn and Serve America School and Community Based Programs	218,937
94.007	Planning and Program Development Grants	140,533
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	359,470
	TOTAL Education	655,840,122
	<u>Emergency Management</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	246,601
	U.S. DEPARTMENT OF ENERGY	
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	161,459
	DEPARTMENT OF HOMELAND SECURITY	
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	87,635
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	142,799
97.029	Flood Mitigation Assistance	225,768

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	351,667,033
97.039	Hazard Mitigation Grant	19,174,501
97.087	Alternative Housing Pilot Program	1,787,096-
97.092	Repetitive Flood Claims	151,846
	Total DEPARTMENT OF HOMELAND SECURITY	369,662,486
	TOTAL Emergency Management	370,070,546
	<u>Employment Security</u>	
	U.S. DEPARTMENT OF LABOR	
17.002	Labor Force Statistics	775,009
17.207	Employment Service/Wagner-Peyser Funded Activities	6,956,074
17.207	ARRA – Employment Service/Wagner-Peyser Funded Activities	9,328
17.225 #	Unemployment Insurance	433,827,932
17.225 #	ARRA – Unemployment Insurance	24,007,195
17.245	Trade Adjustment Assistance	1,236,326
17.258	WIA Adult Program	37,996,995
17.258	ARRA – WIA Adult Program	293,094
17.259	WIA Youth Activities	12,878,967
17.259	ARRA – WIA Youth Activities	3,633,740
17.260	WIA Dislocated Workers	15,159,296
17.260	ARRA – WIA Dislocated Workers	200,030
17.261	WIA Pilots, Demonstrations, and Research Projects	2,130,826
17.266	Work Incentive Grants	29,699
17.268	H-1B Job Training Grants	1,387,542
17.271	Work Opportunity Tax Credit Program (WOTC)	214,824
17.273	Temporary Labor Certification for Foreign Workers	66,787
17.801	Disabled Veterans' Outreach Program (DVOP)	561,369
17.804	Local Veterans' Employment Representative Program	1,077,048
	Total U.S. DEPARTMENT OF LABOR	542,442,081
	DEPARTMENT OF HOMELAND SECURITY	
97.034	Disaster Unemployment Assistance	77,736-
	TOTAL Employment Security	542,364,345
	<u>Environmental Quality</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.473	Coastal Services Center	53,722

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	U.S. DEPARTMENT OF DEFENSE	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	197,788
	U.S. DEPARTMENT OF THE INTERIOR	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	135,774
15.252	Abandoned Mine Land Reclamation (AMLR) Program	80,350
15.808	U.S. Geological Survey Research and Data Collection	19,180
15.810	National Cooperative Geologic Mapping Program	79,942
15.814	National Geological and Geophysical Data Preservation Program	5,000
	Total U.S. DEPARTMENT OF THE INTERIOR	320,246
	U.S. DEPARTMENT OF LABOR	
17.600	Mine Health and Safety Grants	77,417
	ENVIRONMENTAL PROTECTION AGENCY	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	613,449
66.040	ARRA - State Clean Diesel Grant Program	18,766
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	53,503
66.454	Water Quality Management Planning	94,902
66.458	Capitalization Grants for Clean Water State Revolving Funds	8,207,516
66.460	Nonpoint Source Implementation Grants	6,184,419
66.463	Water Quality Cooperative Agreements	32,837
66.467	Wastewater Operator Training Grant Program	13,851
66.472	Beach Monitoring and Notification Program Implementation Grants	191,110
66.475	Gulf of Mexico Program	207,348
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	71,207
66.600	Environmental Protection Consolidated Grants for the Insular Areas – Program Support	90,786
66.605	Performance Partnership Grants	6,664,061
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	171,606
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	76,877
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	253,753
66.708	Pollution Prevention Grants Program	52,201
66.709	Multi-Media Capacity Building Grants for States and Tribes	7,204
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	201,006
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	410,897
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,608,328
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	183,831
66.817	State and Tribal Response Program Grants	172,528
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	124,333

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/ Issuances</u>
	Total ENVIRONMENTAL PROTECTION AGENCY	25,706,319
	DEPARTMENT OF HOMELAND SECURITY	
97.041	National Dam Safety Program	111,699
97.045	Cooperating Technical Partners	3,968,410
97.070	Map Modernization Management Support	103,532
	Total DEPARTMENT OF HOMELAND SECURITY	4,183,641
	TOTAL Environmental Quality	30,539,133
	<u>Finance and Administration</u>	
	GENERAL SERVICES ADMINISTRATION	
39.003 @	Donation of Federal Surplus Personal Property	12,887,394
	U.S. DEPARTMENT OF EDUCATION	
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	16,654,270
	TOTAL Finance and Administration	29,541,664
	<u>Forestry Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.664	Cooperative Forestry Assistance	5,556,383
	TOTAL Forestry Commission	5,556,383
	<u>Gaming Commission</u>	
	U.S. DEPARTMENT OF THE TREASURY	
21.UN	Treasury Federal Equitable Sharing	4,074
	TOTAL Gaming Commission	4,074
	<u>Governor's Office</u>	
	U.S. DEPARTMENT OF LABOR	
17.260	WIA Dislocated Workers	52,452
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.600	Head Start	298,661
	TOTAL Governor's Office	351,113

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	<u>Health</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	88,358,232
10.557	ARRA – Special Supplemental Nutrition Program for Women, Infants and Children	3,286,846
10.565	Commodity Supplemental Food Program	490,594
	Total U.S. DEPARTMENT OF AGRICULTURE	92,135,672
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.241	Housing Opportunities for Persons with AIDS	1,188,864
	U.S. DEPARTMENT OF LABOR	
17.005	Compensation and Working Conditions	19,646
17.504	Consultation Agreements	18,051
	Total U.S. DEPARTMENT OF LABOR	37,697
	ENVIRONMENTAL PROTECTION AGENCY	
66.032	State Indoor Radon Grants	59,459
66.432	State Public Water System Supervision	1,084,701
66.468	Capitalization Grants for Drinking Water State Revolving Funds	7,919,413
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	441,423
66.474	Water Protection Grants to the States	75,408
	Total ENVIRONMENTAL PROTECTION AGENCY	9,580,404
	U.S. DEPARTMENT OF EDUCATION	
84.181	Special Education-Grants for Infants and Families	4,575,721
84.393	ARRA - Special Education - Grants for Infants and Families, Recovery Act	1,880
	Total U.S. DEPARTMENT OF EDUCATION	4,577,601
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	258,699
93.069	Public Health Emergency Preparedness	9,416,827
93.110	Maternal and Child Health Federal Consolidated Programs	95,466
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	966,476
93.127	Emergency Medical Services for Children	59,653
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	167,957

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
93.136	Injury Prevention and Control Research and State and Community Based Programs	572,097
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	446,262
93.217	Family Planning Services	6,192,458
93.236	Grants for Dental Public Health Residency Training	96,291
93.241	State Rural Hospital Flexibility Program	665,043
93.251	Universal Newborn Hearing Screening	120,979
93.268 @	Immunization Grants	37,199,775
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	5,023,785
93.301	Small Rural Hospital Improvement Grant Program	374,016
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	1,129,375
93.777	State Survey and Certification of Health Care Providers and Suppliers	1,920,369
93.889	National Bioterrorism Hospital Preparedness Program	5,724,273
93.913	Grants to States for Operation of Offices of Rural Health	180,907
93.917	HIV Care Formula Grants	13,343,777
93.940	HIV Prevention Activities Health Department Based	173,674
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	1,941,597
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	505,431
93.945	Assistance Programs for Chronic Disease Prevention and Control	496,365
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	143,553
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	1,297,291
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	293,690
93.991	Preventive Health and Health Services Block Grant	1,457,833
93.994	Maternal and Child Health Services Block Grant to the States	10,452,393
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		100,716,312
TOTAL Health		208,236,550
 Human Services		
U.S. DEPARTMENT OF AGRICULTURE		
10.433	Rural Housing Preservation Grants	63,000
10.551	Supplemental Nutrition Assistance Program	615,850,370
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	28,577,632
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	37,144
10.568	Emergency Food Assistance Program (Administrative Costs)	768,088
10.568	ARRA – Emergency Food Assistance Program (Administrative Costs)	130,628

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/ Issuances</u>
10.569 @	Emergency Food Assistance Program (Food Commodities)	5,754,514
10.580	Special Nutrition Assistance Program Outreach/Participation Program	350,171
	Total U.S. DEPARTMENT OF AGRICULTURE	651,531,547
	U.S. DEPARTMENT OF LABOR	
17.235	Senior Community Service Employment Program	780,002
	U.S. DEPARTMENT OF ENERGY	
81.042	Weatherization Assistance for Low-Income Persons	2,388,918
81.042	ARRA – Weatherization Assistance for Low-Income Persons	1,098,486
	Total U.S. DEPARTMENT OF ENERGY	3,487,404
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.010	Community-Based Abstinence Education (CBAE)	962,491
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	40,001
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	153,976
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	191,109
93.044	Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	3,327,341
93.045	Special Programs for the Aging Title III, Part C Nutrition Services	5,833,262
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	314,695
93.052	National Family Caregiver Support, Title III, Part E	1,365,145
93.053	Nutrition Services Incentive Program	1,561,962
93.235	Abstinence Education Program	85,528
93.556	Promoting Safe and Stable Families	6,518,900
93.558	Temporary Assistance for Needy Families	81,775,002
93.563	Child Support Enforcement	21,330,683
93.566	Refugee and Entrant Assistance State Administered Programs	799,073
93.568	Low-Income Home Energy Assistance	24,986,733
93.569	Community Services Block Grant	10,869,544
93.575	Child Care and Development Block Grant	46,969,508
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	21,223,450
93.597	Grants to States for Access and Visitation Programs	129,468
93.599	Chafee Education and Training Vouchers Program (ETV)	266,465
93.603	Adoption Incentive Payments	89,050
93.643	Children's Justice Grants to States	119,069
93.645	Child Welfare Services State Grants	3,548,101
93.658	Foster Care Title IV-E	11,210,605
93.658	ARRA – Foster Care Title IV-E	433,290

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA	Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>
<u>Number</u>	<u>Distributions/ Issuances</u>
93.659	Adoption Assistance 5,357,975
93.659	ARRA – Adoption Assistance 349,225
93.667	Social Services Block Grant 41,089,446
93.669	Child Abuse and Neglect State Grants 345,841
93.674	Chafee Foster Care Independence Program 882,082
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations 618,094
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES 292,747,114
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
94.013	Volunteers in Service to America 42,334
94.016	Senior Companion Program 156,786
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE 199,120
	TOTAL Human Services 948,745,187
	<u>Insurance</u>
	DEPARTMENT OF HOMELAND SECURITY
97.044	Assistance to Firefighters Grant 492,153
	TOTAL Insurance 492,153
	<u>Library Commission</u>
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.310	Grants to States 1,508,249
45.313	Laura Bush 21st Century Librarian Program 22,070
	Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES 1,530,319
	TOTAL Library Commission 1,530,319
	<u>Marine Resources</u>
	U.S. DEPARTMENT OF COMMERCE
11.407	Interjurisdictional Fisheries Act of 1986 78,680
11.419	Coastal Zone Management Administration Awards 994,966
11.420	Coastal Zone Management Estuarine Research Reserves 1,365,085
11.434	Cooperative Fishery Statistics 77,208
11.463	Habitat Conservation 3,497,647
11.472	Unallied Science Program 73,463
11.473	Coastal Services Center 44,402

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	Total U.S. DEPARTMENT OF COMMERCE	6,131,451
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	552,528
15.616	Clean Vessel Act	39,390
15.622	Sportfishing and Boating Safety Act	51,804
	Total U.S. DEPARTMENT OF THE INTERIOR	643,722
	TOTAL Marine Resources	6,775,173
	<u>Medicaid</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.256	State Planning Grants Health Care Access for the Uninsured	157,543
93.767	Children's Health Insurance Program	147,702,921
93.769	Demonstration to Maintain Independence and Employment	947,159
93.777	State Survey and Certification of Health Care Providers and Suppliers	1,324,106
93.778	Medical Assistance Program	3,091,278,380
93.778	ARRA – Medical Assistance Program	205,187,111
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	8,326,005
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	5,233,542
93.793	Medicaid Transformation Grants	944,366
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	3,461,101,133
	TOTAL Medicaid	3,461,101,133
	<u>Mental Health</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,683,720
93.150	Projects for Assistance in Transition from Homelessness (PATH)	294,945
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	2,205,732
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,040,507
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	39,405
93.958	Block Grants for Community Mental Health Services	4,181,123
93.959	Block Grants for Prevention and Treatment of Substance Abuse	15,630,415
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	25,075,847

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/ Issuances</u>
	TOTAL Mental Health	25,075,847
	<u>Military Department</u>	
	U.S. DEPARTMENT OF DEFENSE	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	94,683,949
12.402	National Guard Special Military Operations and Projects	9,139,410
12.404	National Guard Civilian Youth Opportunities	3,600,799
12.405	National Guard Drug Interdiction and Counter Drug Activities	282,458
	Total U.S. DEPARTMENT OF DEFENSE	107,706,616
	TOTAL Military Department	107,706,616
	<u>MS Development Authority</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.773	Rural Business Opportunity Grants	10,368
	U.S. DEPARTMENT OF COMMERCE	
11.302	Economic Development Support for Planning Organizations	213,983
	U.S. DEPARTMENT OF DEFENSE	
12.002	Procurement Technical Assistance For Business Firms	590,788
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.218	Community Development Block Grants/Entitlement Grants	125,704
14.228	Community Development Block Grants/State's Program	737,002,422
14.231	Emergency Shelter Grants Program	1,552,691
14.239	Home Investment Partnerships Program	15,600,258
	Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	754,281,075
	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	1,296,719
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	199,962
	Total APPALACHIAN REGIONAL COMMISSION	1,496,681
	U.S. DEPARTMENT OF ENERGY	
81.041	State Energy Program	442,597
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	95,180
81.119	State Energy Program Special Projects	342,586

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF ENERGY	880,363
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.585	Empowerment Zones Program	1,195,638
	TOTAL MS Development Authority	758,668,896
	<u>Narcotics</u>	
	OFFICE OF NATIONAL DRUG CONTROL POLICY	
07.UN	High Intensity Drug Trafficking Area	1,500,842
	U.S. DEPARTMENT OF JUSTICE	
16.UN	Domestic Cannabis Eradication/Suppression Program	715,899
	TOTAL Narcotics	2,216,741
	<u>Oil and Gas Board</u>	
	ENVIRONMENTAL PROTECTION AGENCY	
66.433	State Underground Water Source Protection	102,575
	TOTAL Oil and Gas Board	102,575
	<u>Pharmacy Board</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs	284,115
	TOTAL Pharmacy Board	284,115
	<u>Public Safety</u>	
	OFFICE OF NATIONAL DRUG CONTROL POLICY	
07.UN	High Intensity Drug Trafficking Area	42,303-
	U.S. DEPARTMENT OF JUSTICE	
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	37,668
16.523	Juvenile Accountability Block Grants	791,444
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	294,488
16.548	Title V Delinquency Prevention Program	143,899
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	650,900
16.575	Crime Victim Assistance	4,447,600
16.579	Edward Byrne Memorial Formula Grant Program	2,963-
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	312,212
16.588	Violence Against Women Formula Grants	1,924,403

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA	<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
	16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	427,810
	16.592	Local Law Enforcement Block Grant Program	3,655-
	16.593	Residential Substance Abuse Treatment for State Prisoners	627,937
	16.607	Bulletproof Vest Partnership Program	16,439-
	16.609	Community Prosecution and Project Safe Neighborhoods	353,123
	16.710	Public Safety Partnership and Community Policing Grants	8,445
	16.727	Enforcing Underage Drinking Laws Program	370,448
	16.738	Edward Byrne Memorial Justice Assistance Grant Program	6,801,754
	16.744	Anti-Gang Initiative	237,581
		Total U.S. DEPARTMENT OF JUSTICE	17,406,655
		U.S. DEPARTMENT OF TRANSPORTATION	
	20.2NA	Fatal Analysis Reporting System	54,191
	20.217	Motor Carrier Safety	3,133,725
	20.232	Commercial Driver License State Programs	194,819
	20.600	State and Community Highway Safety	11,774,968
		Total U.S. DEPARTMENT OF TRANSPORTATION	15,157,703
		U.S. DEPARTMENT OF EDUCATION	
	84.186	Safe and Drug-Free Schools and Communities State Grants	741,555
		DEPARTMENT OF HOMELAND SECURITY	
	97.004	State Domestic Preparedness Equipment Support Program	346,682
	97.042	Emergency Management Performance Grants	3,659,526
	97.067	Homeland Security Grant Program	17,652,367
	97.089	Real ID Program	354,483
		Total DEPARTMENT OF HOMELAND SECURITY	22,013,058
		TOTAL Public Safety	55,276,668
		Public Service Commission	
		U.S. DEPARTMENT OF TRANSPORTATION	
	20.700	Pipeline Safety Program Base Grants	268,770
		TOTAL Public Service Commission	268,770
		Rehabilitation Services	
		U.S. DEPARTMENT OF EDUCATION	
	84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	39,663,381

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/ Issuances</u>
84.169	Independent Living State Grants	312,797
84.177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	306,997
84.187	Supported Employment Services for Individuals with Significant Disabilities	269,277
84.224	Assistive Technology	603,408
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	158,206
84.390	ARRA - Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	129,491
	Total U.S. DEPARTMENT OF EDUCATION	41,443,557
	SOCIAL SECURITY ADMINISTRATION	
96.001	Social Security Disability Insurance	26,650,967
96.008	Social Security - Work Incentives Planning and Assistance Program	652,154
	Total SOCIAL SECURITY ADMINISTRATION	27,303,121
	TOTAL Rehabilitation Services	68,746,678
	<u>Secretary of State</u>	
	GENERAL SERVICES ADMINISTRATION	
39.011	Election Reform Payments	388,604
	ELECTIONS ASSISTANCE COMMISSION	
90.401	Help America Vote Act Requirements Payments	70,250
	TOTAL Secretary of State	458,854
	<u>Soil & Water Conservation Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.902	Soil and Water Conservation	202,158
	TOTAL Soil & Water Conservation Commission	202,158
	<u>State Fire Academy</u>	
	DEPARTMENT OF HOMELAND SECURITY	
97.043	State Fire Training Systems Grants	19,679
	TOTAL State Fire Academy	19,679
	<u>Supreme Court</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	579,501

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.586	State Court Improvement Program	428,329
	TOTAL Supreme Court	1,007,830
	<u>Tax Commission</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.231	Performance and Registration Information Systems Management	125,000
	TOTAL Tax Commission	125,000
	<u>Transportation</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.106	Airport Improvement Program	29,925
20.205	Highway Planning and Construction	498,116,256
20.205	ARRA – Highway Planning and Construction	20,298,431
20.313	Railroad Research and Development	420,095
20.505	Federal Transit Metropolitan Planning Grants	355,666
20.509	Formula Grants for Other Than Urbanized Areas	7,994,848
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	934,955
	Total U.S. DEPARTMENT OF TRANSPORTATION	528,150,176
	TOTAL Transportation	528,150,176
	<u>Treasury</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.665	Schools and Roads - Grants to States	9,066,480
	U.S. DEPARTMENT OF ENERGY	
81.UN1	Petroleum Violation Escrow – Stripper Well	727,701
81.UN2	Petroleum Violation Escrow – Citronelle	220
	Total U.S. DEPARTMENT OF ENERGY	727,921
	TOTAL Treasury	9,794,401
	<u>Veterans Affairs Board</u>	
	U.S. DEPARTMENT OF VETERANS AFFAIRS	
64.124	All-Volunteer Force Educational Assistance	152,790
	TOTAL Veterans Affairs Board	152,790

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2009

CFDA		Federal Expenditures
<u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Distributions/Issuances</u>
	<u>Wildlife, Fisheries and Parks</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	87,240
	U.S. DEPARTMENT OF DEFENSE	
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S. Army Corps of Engineers) Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-9-023,DACW01-3-92-411,DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007.	1,864,218
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	4,832,789
15.611	Wildlife Restoration	4,237,071
15.615	Cooperative Endangered Species Conservation Fund	65,341
15.632	Conservation Grants Private Stewardship for Imperiled Species	79,346
15.633	Landowner Incentive Program	812,991
15.634	State Wildlife Grants	814,772
15.916	Outdoor Recreation Acquisition, Development and Planning	427,620
	Total U.S. DEPARTMENT OF THE INTERIOR	11,269,930
	DEPARTMENT OF HOMELAND SECURITY	
97.012	Boating Safety Financial Assistance	2,173,682
	TOTAL Wildlife, Fisheries and Parks	15,395,070
	TOTAL EXPENDITURES OF FEDERAL AWARDS:	\$ 7,858,785,098

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

Programs which expended funds under the American Recovery and Reinvestment Act of 2009 are identified using "ARRA" in front of the program name.

The total expenditures for CFDA No. 17.225 include state expenditures of \$284,433,726 and federal expenditures of \$173,401,401.

@ Denotes federal programs with noncash benefits.

{concluded}

See accompanying Notes to the Schedules of Expenditures of Federal Awards

Notes to the Schedules of Expenditures of Federal Awards



STATE OF MISSISSIPPI

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1: PURPOSE OF THE SCHEDULES

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each individual federal program as identified in the *Catalog of Federal Domestic Assistance* (CFDA). To comply with this requirement, the Department of Finance and Administration required each state agency to prepare and submit a schedule of expenditures of federal awards. Information contained in these schedules was combined by the Department of Finance and Administration to form the accompanying schedules of expenditures of federal awards. Federal programs which have not been assigned a CFDA number have been identified.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Presentation** - The information in the accompanying schedules of expenditures of federal awards is presented in accordance with OMB Circular A-133. The Schedule of Expenditures of Federal Awards by Federal Department presents a summary of federal awards expended by federal department and CFDA number. The Schedule of Expenditures of Federal Awards by State Grantee Agency presents federal awards expended by recipient agencies of the State of Mississippi.
- **Federal Financial Assistance** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, cooperative agreements, loans, loan guarantees, property (including donated surplus property), interest subsidies, insurance, direct appropriations or other assistance. Accordingly, nonmonetary federal assistance, including food commodities, immunizations and surplus property, is included in federal financial assistance and, therefore, is reported on the schedules of expenditures of federal awards. Federal financial assistance does not include direct federal cash assistance to individuals or procurement contracts used to buy goods or services from vendors.
 - **Major Programs** - The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish a risk-based approach to determine which federal programs are major based on certain expenditure thresholds and risk criteria. According to the state's Single Audit Report for the fiscal year ended June 30, 2009, federal expenditures, distributions or issuances totaled \$7,858,785,098. This established the threshold for Type A programs as those with federal expenditures, distributions or issuances which exceeded \$23,576,355. For the fiscal year 2009 audit, there were 22 programs with expenditures exceeding the Type A threshold. Of these 22 programs, five Type A programs were identified as low risk. Risk assessments of Type B programs were performed until five high risk Type B programs were identified. Two additional Type B programs were selected for audit because federal regulations governing the programs contained specific audit requirements. Therefore for fiscal year 2009, twenty four federal award programs, comprising 17 high risk Type A programs and seven high risk Type B programs, were audited as major programs for the State of Mississippi.

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (concluded)

- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.
- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs of the Mississippi Authority for Educational Television and for those programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2009. The Mississippi Authority for Educational Television engaged other auditors to perform an audit in accordance with OMB Circular A-133, and a separate report was issued. Expenditures of federal awards provided to the state's public universities and related entities were audited by other auditors in accordance with statutory requirements and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and a separate report is scheduled to be issued by March 31, 2010.
- C. Basis of Accounting - Federal programs included in the accompanying schedules are accounted for in the state's governmental and proprietary funds. Governmental funds are accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting and proprietary funds by using the economic resources measurement focus and the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Amounts reflected as distributions in the accompanying schedules for donated federal surplus property are based on an estimated average fair market value of 23.3 percent of the original acquisition cost as assigned by the federal government. The amounts reflected in the financial statements of the State of Mississippi for the fiscal year ended June 30, 2009, for distributed surplus property are valued at the handling and shipping costs, which more closely approximate fair market value at the date of the transfer of the surplus property to the State of Mississippi.

The value of food commodity distributions within the National School Lunch Program on the accompanying schedules was calculated using the U.S. Department of Agriculture, Food and Nutrition Service commodity price list in effect at the date of distribution.

The state issues food stamp benefits in electronic form, and benefits are recognized as expenditures when recipients use the benefits.

- D. Expenditures and Expenses - Certain transactions relating to expenditures of federal awards may appear in records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal awards expended by the State of Mississippi, the following policies have been adopted:
1. When monies are received by one state grantee agency and redistributed (expended) to another state grantee agency (i.e., a pass-through of funds by the primary recipient state grantee agency to a subrecipient state grantee agency), the federal financial assistance will be reflected in the primary receiving/expending state grantee agency's accounts.
 2. Purchases of services between state grantee agencies using federal monies will be recorded as *expenditures* or *expenses* on the purchasing agency's records and as *revenues* for services rendered on the providing agency's records. Therefore, the expenditure of federal awards is attributed to the purchasing agency, which is the primary receiving/expending state grantee agency.

STATE OF MISSISSIPPI
Notes to Schedules of Expenditures of Federal Awards (concluded)

NOTE 3: OTHER

- A. All federal expenditures/distributions/issuances included in the accompanying schedules represent assistance received directly from the federal government, unless otherwise noted. Federal financial assistance received indirectly from the federal government (i.e., passed-through from entities outside of the State of Mississippi) is noted parenthetically.
- B. The accompanying schedules of expenditures of federal awards include distributions of donated surplus personal property (CFDA 39.003) of \$12,887,394. These distributions were valued based on an estimated average fair market value of 23.3 percent of the original acquisition cost assigned by the federal government. These distributions were reported in the financial statements of the State of Mississippi for the year ended June 30, 2009, as charges for sales and services of \$579,000. The amount was based upon handling and shipping costs at the date of transfer to the state.
- C. Expenditures reflected in the CFDA 14.228 - Community Development Block Grants/State's program include disbursements made for grants and new loans totaling \$614,000. Program income generated by the program in previous years was used to make these grants and new loan payments. In subsequent years, the program income generated from the repayment of loans will be deposited into a revolving loan fund to be redistributed to the local governments under CFDA 14.228 for program activities. At June 30, 2009, the outstanding loan balance for the program totaled \$6,652,075.
- D. The Unemployment Insurance program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying schedules of expenditures of federal awards, both state and federal funds have been considered federal awards expended as denoted with an # to the right of the CFDA number. The breakdown of the state and federal portions of the total program expenditures is as follows:

State Portion	\$ 284,433,726
Federal Portion	<u>173,401,401</u>
Total	\$ <u>457,835,127</u>

- E. Expenditures reflected in CFDA 66.458 - Capitalization Grants for Clean Water State Revolving Funds - include loans to local governments for developing or constructing water treatment facilities. The funding source for these loans includes federal grant funds and state funds. In subsequent years, local governments will be required to repay these funds to the Mississippi Department of Environmental Quality. When received, these funds will be redistributed to local governments through new loans for additional water treatment facility projects. The outstanding loan balance for the year ended June 30, 2009, was \$356,743,128. Total disbursements for new loans for the year ended June 30, 2009, totaled \$41,050,407. Administrative costs associated with the program for the year ended June 30, 2009, totaled \$1,318,266.
- F. Expenditures reflected in CFDA 66.468 - Capitalization Grants for Drinking Water State Revolving Funds - include loans to counties, municipalities and other tax exempt water systems organizations for construction of new water systems, the expansion or repair of existing water systems, and/or the consolidation of new or existing water systems. The funding source for these loans includes federal grant funds and state funds. In subsequent years, the entities will be required to repay these funds to the Mississippi Department of Health. When received, these funds will be used to make new loans for the program activities. The outstanding loan balance for the year ended June 30, 2009, was \$96,770,603.

STATE OF MISSISSIPPI
Notes to Schedules of Expenditures of Federal Awards (concluded)

Total disbursements for new loans made during fiscal year 2009 totaled \$14,524,150. Administrative costs associated with the program for the year ended June 30, 2009, totaled \$1,388,031.

G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$64,148,149 related to State Aid Road Construction is included on the schedules of expenditures of federal awards under Transportation Department program 20.205 - Highway Planning and Construction.

H. Noncash Assistance.

The State of Mississippi participated in several federal programs in which noncash benefits were provided through the state to eligible program participants. These noncash benefits programs are identified on the schedules of expenditures of federal awards with an @ to the right of the CFDA number. A listing of these programs follows:

CFDA Number	Program Name
10.555	National School Lunch Program (Food Donation)
10.569	Emergency Food Assistance Program (Food Commodities)
39.003	Donation of Federal Surplus Personal Property
93.268	Immunization Grants

- *CFDA 10.555 — National School Lunch Program received \$153,297,267 including cash assistance and noncash assistance. Cash assistance totaled \$136,319,496 and noncash assistance totaled \$16,977,771.*
- *CFDA 93.268 — Immunization Grants received \$37,199,775 including cash assistance and noncash assistance. Cash assistance totaled \$2,811,975 and noncash assistance totaled \$34,387,800*

I. Contingencies.

The State of Mississippi has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State.

J. The State of Mississippi's major federal programs for the year ended June 30, 2009, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

CFDA Number	Program Name
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.557	ARRA – Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402*	National Guard Special Military Operations and Projects

STATE OF MISSISSIPPI
Notes to Schedules of Expenditures of Federal Awards (concluded)

14.228	Community Development Block Grants/State's program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster:
17.258	WIA Adult Program
17.258	ARRA – WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA – WIA Youth Activities
17.260	WIA Dislocated Workers
17.260	ARRA – WIA Dislocated Workers
	Highway Planning Cluster:
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
66.458*	Capitalization Grants for Clean Water State Revolving Funds
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
	Special Education Cluster:
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
	Vocational Rehabilitation Cluster:
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.390	ARRA - Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act
84.367	Improving Teacher Quality State Grants
93.069*	Public Health Emergency Preparedness
93.558	Temporary Assistance for Needy Families
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.779*	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
93.889*	National Bioterrorism Hospital Preparedness Program

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (concluded)

96.001	Disability Insurance/SSI Cluster: Social Security Disability Insurance
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.087*	Alternative Housing Pilot Program

*Type B Program

Schedule of Findings and Questioned Costs

Part 1 – Summary of Auditor’s Results



STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? X yes ___no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes ___none reported

Noncompliance material to financial statements noted?

X yes ___no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? X yes ___no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes ___none reported

Type of auditor's report issued on compliance for major programs:

Unqualified for all major programs except for: the state's public universities and the Mississippi Authority for Educational Television for which separate reports were issued; and, the Social Services Block Grant for which a qualified opinion was issued.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

X yes ___no

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 1 - Summary of Auditor's Results (continued)

Identification of major programs:

CFDA Number	Program Name
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.557	ARRA – Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402*	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster:
17.258	WIA Adult Program
17.258	ARRA – WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA - WIA Youth Activities
17.260	WIA Dislocated Workers
17.260	ARRA – WIA Dislocated Workers
	Highway Planning Cluster:
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
66.458*	Capitalization Grants for Clean Water State Revolving Funds
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
	Special Education Cluster:
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
	Vocational Rehabilitation Cluster:
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.390	ARRA - Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act
84.367	Improving Teacher Quality State Grants
93.069*	Public Health Emergency Preparedness
93.558	Temporary Assistance for Needy Families
	CCDF Cluster:
93.575	Child Care and Development Block Grant

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 1 - Summary of Auditor's Results (concluded)

93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.779*	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
93.889*	National Bioterrorism Hospital Preparedness Program
	Disability Insurance/SSI Cluster:
96.001	Social Security Disability Insurance
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.087*	Alternative Housing Pilot Program

*Type B Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$23,576,355

Auditee qualified as low-risk auditee?

yes no

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Schedule of Findings and Questioned Costs

Part 2 – Financial Statement Findings



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

PART 2 – FINANCIAL STATEMENT FINDINGS

Introduction

This part of the Schedule of Findings and Questioned Costs presents findings classified as a material weakness, significant deficiencies and instances of noncompliance or other matters that are related to the financial statements and are required to be reported in accordance with *Government Auditing Standards*.

Findings are arranged in order by state agency with material weaknesses listed first. Each finding has one of the following designations:

- **Significant Deficiency** - Matters coming to the auditor's attention relating to a control deficiency, or a combination of control deficiencies, in the design or operation of the internal control over financial reporting that, in the auditor's judgment, could adversely affect the state's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the state's general purpose financial statements that is more than inconsequential will not be prevented or detected by the state's internal control.
- **Material Weakness** - A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the general purpose financial statements will not be prevented or detected by the state's internal control.
- **Material Noncompliance** – Matters coming to the auditor's attention relating to the state's 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.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings

**Finding
Number**

Finding and Recommendation
EMPLOYMENT SECURITY

Material Weakness

2009-14

**Controls Should Be Strengthened to Ensure Accounting Records and GAAP
Reporting Packages are Properly Prepared**

Finding:

Subsection 27.30.10 of the *Mississippi Agency Accounting Policy and Procedures* (MAAPP) Manual requires each state agency to prepare a GAAP reporting package which provides accounting and reporting information for financial statement presentation in the Comprehensive Annual Financial Report for the State. During testwork performed to verify the propriety of the fiscal year 2009 GAAP reporting package prepared by the Mississippi Department of Employment Security (MDES) for Fund 8191, we noted the following problems.

- The agency received and expended \$23,999,054 of federal additional compensation as a result of the American Recovery and Reinvestment Act (ARRA) of 2009. The \$23,999,054 was not recorded on the accounting records or the GAAP reporting package. As a result, revenues and expenditures were understated by this amount on the GAAP package. In addition, the agency did not report the \$23,999,054 on the Schedule of Expenditures of Federal Awards. ARRA requires absolute transparency and accountability; therefore, it is critical that ARRA funds are reported clearly, accurately and in a timely manner.
- The agency prepares an accrual adjustment for the GAAP reporting package that establishes an accounts receivable for unemployment benefit overpayments made to individuals. However, when recording the overpayments receivable, the agency improperly recorded as the contra account other fines and penalties revenue. The contra account for this receivable should have been benefit payment expenditures. This resulted in the benefit payment expenditures being overstated by \$18,281,264 for the overpayments that occurred for the year. In addition, the accounts receivable for unemployment benefit overpayments reported on the GAAP reporting package did not agree to the accounts receivable schedule provided as support in the package. The receivable amount, net of the allowance for uncollectible, per the schedule was \$6,333,152; however, the net receivable amount reported was \$11,234,927. This resulted in the receivable being overstated on the GAAP package by \$4,901,775.
- The \$5,906,543 cash received from benefit overpayment collections was not recorded on the accounting records or the GAAP reporting package. This caused the other fines and penalties revenue account to reflect a negative balance when the GAAP accrual adjustment was recorded to reduce accounts receivable for collections. As a result, cash and revenue reported on the GAAP package was understated by \$5,906,543.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

- Section 2013 (a) of Public Law 111-5 added a new subsection (g) to Section 903, to make special administrative transfers to all states within 30 days of the date of enactment, which was February 17, 2009. The U.S. Department of Labor transferred \$4,009,761 on February 27, 2009 to the MDES trust fund for these incentive payments. The \$4,009,761 was not recorded on the accounting records or the GAAP reporting package. As a result, cash and revenue were understated by this amount on the GAAP package.

- The interest earned and received per the trust fund and the accounting records totaled \$31,264,763; however, only \$26,398,590 was reported on the GAAP package. This resulted in interest revenue being understated on the GAAP package by \$4,866,173.

As a result of the problems noted, audit adjustments totaling approximately \$61,964,570 were proposed and made by management to properly state the current year financial statements.

Generally accepted accounting principles (GAAP) require that agencies provide accounting and reporting information which makes it possible to present fairly the financial position and the results of operation of the agency. Failure to properly record transactions to the accounting records and properly prepare the GAAP reporting package resulted in a misstatement of the agency's financial statements and Schedule of Expenditures of Federal Awards which required additional audit time to correct.

Recommendation:

We recommend the Mississippi Department of Employment Security (MDES) strengthen controls to ensure all recognized accounting events or transactions are recorded to the accounting records. We further recommend MDES strengthen controls to ensure the financial statements are properly presented in accordance with generally accepted accounting principles (GAAP). The GAAP reporting package should be carefully reviewed by supervisory personnel to ensure that the financial statements are properly presented. The Schedule of Expenditures of Federal Awards should also be carefully reviewed to ensure all federal receipts and expenditures are properly recorded.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
PORT OF GULFPORT

Material Weakness

2009-16

Controls Should Be Strengthened over Wire Transfers

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted wire transfers performed by the Deputy Director of Finance and Administration were not reviewed and approved by another member of management before processing. Proper internal controls over cash processes require review and approval of disbursement transactions. Lack of review and approval procedures could result in misappropriation of assets.

Recommendation:

The best practice to eliminate this weakness is electronic wire transfer processing that is password controlled and requires two different employees to be involved in the process; one to input and one to verify and release. We recommend that the Authority immediately contact its bank to set up this service. We also recommend that wire transfers to be performed by the Deputy Director of Finance and Administration be reviewed and approved, initialed and dated, by another member of management prior to processing.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
PORT OF GULFPORT

Significant Deficiency

2009-17

Controls Should Be Strengthened over Capital Assets and Construction in Progress Reconciliations

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted capital assets and construction in progress reconciliations to the general ledger, performed by the Assistant Controller, showed no evidence of review by a supervisor. Proper internal controls over capital assets require documented review and approval of reconciliations. Lack of review and approval procedures could result in errors in amounts that are significant to the financial statements not being detected in a timely manner.

Recommendation:

We recommend that capital assets reconciliations be reviewed by the Deputy Director of Finance and Administration and such review be evidenced by initials and date being placed on the reconciliation.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
PORT OF GULFPORT

Significant Deficiency

2009-18

Controls Should Be Strengthened over Cash Disbursements

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted there was no documented evidence that check signers had reviewed the supporting documents attached to disbursement checks. Proper internal controls over cash processes require review and approval of disbursements supporting documentation. Lack of review and approval procedures could result in misappropriation of assets.

Recommendation:

We recommend that check signers initial and date the invoice for each disbursement as evidence of their review and approval.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
PORT OF GULFPORT

Significant Deficiency

2009-19

Controls Should Be Strengthened over Signed Checks

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted that signed checks were returned to the Accounts Payable Clerk pending receipt of original invoice or other required supporting documentation. Checks ready for mailing were processed by the Payroll Clerk. Proper internal controls over cash processes require segregation of duties which includes signed checks not being returned to the person responsible for processing accounts payable disbursements. Lack of segregation of duties could result in misappropriation of assets.

Recommendation:

We recommend that the Payroll Clerk utilize the check register to monitor processed and held checks. Once the held checks are ready for mailing, the Payroll Clerk should compare the check to the Check Register and mark it off as having been processed. Any checks not processed after a few days should be investigated.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
PORT OF GULFPORT

Significant Deficiency

2009-20

Current Billing Policies and Procedures Should Be Evaluated

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted that billings of cargo for two major customers were based on summaries of weight/containers shipped provided by the customer that contained no legal support of the information provided. The Authority's accounting policies and procedures manual states that cargo charges are based on the ship's manifest as forwarded to the Authority by the ship's agent. Not obtaining the manifest could result in incorrect billings and overstated or understated revenues. In addition, not adhering to established policies and procedures could set precedence in other matters.

Recommendation:

We recommend that management thoroughly evaluate whether current policies and procedures should be adhered to for all customers or if the risk of incorrect billings justifies changing the policies.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation
TAX COMMISSION

Significant Deficiency

2009-05

A Formal IT Management Framework Should Be Implemented

Finding:

Like many organizations that use legacy systems, MSTC has very limited to no documentation for its core application systems; therefore, most standards and procedures are informal. There is also limited documentation and written policies and procedures for client/server and network systems.

Skilled information technology specialists, many of whom have over 20 years of experience staff the OIT (Office of Information Technology) at MSTC. Many day-to-day practices are generally comparable to those found in organizations of similar size and complexity, however, informal controls based on years of experience and personal interaction are much more predominate than written policies and procedures.

In our 2006 Information Systems Management Report we published a finding which stated MSTC should document its key systems and processes, develop and maintain standards and procedures for the data processing function. Documented planning and processes are key to effective IT control. MSTC has an informal structure in place but it varies totally from system to system, and IT manager to manager, as to what is considered necessary for standards and procedures, and none is documented.

In 2008 we noted in our audit report a lack of key internal control activities of program version control in the key Legacy Sales application, which seems to trace to the year 2000 conversion process. Issues such as this may result due to the absence of strict formal written standards.

In 2009, MSTC added a new commercial application system known as “Titanium” to manage its collections activities. During our review of the implementation process of Titanium, other than vendor supplied documentation, we were unable to locate any planning documents, including any standards and procedures for the interfaces to this system, or documentation or processes as to how the application was to reconcile with the primary MSTC application systems balances. Also, no information security plan was located for this system. User privileges had been set up through the MSTC Novell LAN, but the security functions and roles were undocumented, and the lack of a formal documented security scheme prevented an effective audit of the application security.

MSTC appears to be on the threshold of a new integrated application system to replace the multiple unrelated systems which have been layered in over the years. While this application may hold the promise of improved performance and tax compliance, unless a consistent and documented methodology of system standards and procedures is implemented, quality and consistency of security, and control

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

requirements may not be implemented, understood, or result as insufficient. The investment in the application could also deteriorate over the ensuing years as changes may not be documented and controls also could become lax.

Recommendation:

We recommend that MSTC OIT begin to implement a framework that would provide for more consistent standards and procedures throughout the OIT division. A formal framework of IT Governance should be established that would include many activities that will not change with the implementation of new application software, such as LAN practices and standards, network standards and information security. Once new application software is implemented MSTC should maintain standards to keep this application's documentation and standards current to help prevent degradation of control, reliability and security of the application.

Currently, MSTC should appropriately document the Titanium application and the security practices associated with this application to correspond with an IT Governance plan.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (concluded)

**Finding
Number**

Finding and Recommendation

TREASURY

Material Noncompliance

2009-03

Investment Ratios Should Be Maintained in Accordance with State Law

Finding:

Section 27-105-33, Miss. Code Ann. (1972) establishes guidelines for use in the maintenance of the state's investment pool portfolio. The law also states that at no time shall funds invested in United States Government agency, United States Government instrumentality, or United States Government sponsored enterprise obligations exceed 50 percent of all monies invested with maturities 30 days or longer. Testwork at the Mississippi State Treasury Department revealed the total of United States Government agency, instrumentality, and government sponsored enterprise obligations exceeded 50 percent of total investments for 12 of the 12 dates selected for testwork (one per month). The actual investment percentages for dates tested ranged from approximately 61 to 78 percent, resulting in the Mississippi State Treasury Department holding, at various times, investments in U.S. Government agency, instrumentality, and government sponsored enterprise obligations exceeding statutory limits ranging from \$308 million up to \$709 million. Failure to maintain investment ratios in the state's investment pool portfolio within the required percentages resulted in violation of state law.

Recommendation:

We recommend the Mississippi State Treasury Department ensure the state's investment pool be maintained in accordance with Section 27-105-33 d. (iii), Miss. Code Ann. (1972). Agency personnel should periodically review the investment pool portfolio for compliance with state law and adjust the portfolio if required. This review should be documented as evidenced by the signature and date of the reviewer.

**Schedule of Findings and Questioned Costs
Part 3 – Federal Award Findings and
Questioned Costs**



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings required to be reported by Section 510(a) of OMB Circular A-133.

Findings are grouped by federal funding agency and then organized by state agency. Findings within the state agency are listed in order by type of compliance requirement as listed in Section 320 (b) (2) (xii) of OMB Circular A-133.

Each finding has one of the following designations:

- **Significant Deficiency** – Matters coming to the auditor’s attention relating to a control deficiency, or a combination of control deficiencies, in the design or operation of the internal control over compliance that, in the auditor’s judgement, could adversely affect the state’s ability to administer a major federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the state’s internal control.
- **Material Weakness** – A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the state’s internal control.
- **Material Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor’s judgement have a direct and material effect on a major federal program.
- **Immaterial Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

CFDA/Finding
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.069	Public Health Emergency Preparedness
93.889	National Bioterrorism Hospital Preparedness Program

Federal Award Number and Year: Various

09-10 Controls over Time Study Procedures Should Be Strengthened

Finding:

The *Code of Federal Regulations* (7 CFR 3016.22 for the Special Supplemental Nutrition Program for Women, Infants, and Children and 45 CFR 92.22 for Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Program) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87. OMB Circular A-87 requires that amounts charged to grant programs for personnel services, regardless of whether treated as direct or indirect costs, be based on documented payrolls. Payrolls are required to be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort.

The Mississippi State Department of Health (MSDH) has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on time and effort reporting forms completed by agency personnel for one week of each month. In addition, the time spent by nurses, nurse practitioners and physicians in the various health clinics for health services performed is recorded on patient encounter forms one week during the year to compute relative values. The agency uses the relative values to allocate the cost of services provided by nurses, nurse practitioners and doctors to the various programs. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Reconciliations are performed between current actual time and effort reports and the actual amounts charged for payroll for each program in order to determine the salaries charged to the federal program were reasonable and the program was not overcharged. If necessary, an adjustment to decrease the amounts charged for payroll to the amount supported by the time study data is made yearly.

During our review of the time study process, we noted procedures in the MSDH administrative manual did not comply with the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. However, we noted one instance on the time study schedule in which week two was used in consecutive months. We also noted the time study schedule did not equally distribute the weeks throughout the year.

During testwork on the time study process, we reviewed 60 patient encounter forms to ensure data entered into the relative value system was input correctly. The following input errors were noted.

- Two instances occurred in which data from the "Average Time and Associated Relative Value by Service Code" was entered incorrectly into the "Relative Value Table."
- One instance occurred on the "Relative Value Table" in which time was duplicated from the "Average Time and Associated Relative Value by Service Code Table."
- One instance was noted in which the relative value computer file included time that was not reported on the patient encounter form.
- Four instances were noted in which the patient encounter form was not input into the relative value computer file.

We also noted four instances out of 72 employees tested in which the hourly wage in the time study computer file did not agree to the hourly rate in the Statewide Payroll and Human Resource System and one instance in which the hourly wage was missing from the time study computer file.

Good internal controls would dictate adequate controls be in place to ensure the amounts entered into the time study system are accurate and reliable. Inadequate controls over the time study system could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations. Furthermore, failure to input data correctly and to ensure the correct hourly rate is being used to reallocate salaries could result in misallocation of federal funds.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the time study process to ensure compliance with applicable federal guidelines. We further recommend the agency strengthen controls over the data entry process to ensure time study information is reliable and accurate.

HEALTH

PERIOD OF AVAILABILITY

***Significant Deficiency
Immaterial Noncompliance***

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704 2008
Questioned Costs: \$1,363

09-12

Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

Finding:

The *Code of Federal Regulations* (CFR 3016.23(a)) states where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period. The *Code of Federal Regulations* (CFR 3016.23(b)) also states all obligations incurred under the award must be liquidated not later than 90 days after the end of the funding period. During our review of 59 payment vouchers for compliance with period of availability requirements for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at the Mississippi State Department of Health, we noted the following problems.

- Five instances were noted in which expenditures totaling \$792 were incurred after the period of availability. In all five instances, costs were incurred after the end of the grant period of September 30, 2008, and were not obligated by the end of the grant period. These expenditures should have been paid with federal fiscal year 2009 funds instead of federal fiscal year 2008 funds.
- One instance in which the expenditure totaling \$571 was not paid within the 90 day period after the end of the federal fiscal year.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF AGRICULTURE (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Good internal controls require adequate controls be in place to ensure only obligations occurring during the period of availability are charged to the program during the grant period. Without adequate controls in place, the agency may charge costs in violation of federal regulations which could result in questioned costs. It should be noted that costs incurred after the obligation period ended and costs paid after the 90 day time limitation were allowable costs for the WIC program. These problems appear to be caused by human error in coding the expenditures with the wrong reporting categories.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls to ensure compliance with period of availability requirements for expenditures for Special Supplemental Nutrition Program for Women, Infants, and Children grant funds. As part of the review process for expenditures, the reporting categories should be verified to ensure the expenditure is paid from the proper grant award and paid within the period allowed after the end of the federal fiscal year.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**CFDA/Finding
Number**

Finding and Recommendation

MISSISSIPPI DEVELOPMENT AUTHORITY

REPORTING

Significant Deficiency

14.228

Community Development Block Grants / State's Program

Federal Award Number and Year: various

09-07

Controls over Reporting Requirement Should Be Strengthened

Finding:

The Code of Federal Regulations (24 CFR Part 135) requires the Mississippi Development Authority (MDA) to "ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing." Form HUD 60002 – Section 3 Summary Report applies to recipients of HUD Community Development and Planning (CPD) financial assistance exceeding \$200,000 that is used for projects involving housing construction, rehabilitation, or other public construction. This information is required to be submitted as part of the annual performance report, which is due 90 days after close of the program year. During testwork for fiscal year 2009, it was noted that the agency had not requested the information needed for Section 3 reporting from the subrecipients, and therefore, it was not included in the annual performance report. The Section 3 information was not submitted by the agency until November 30, 2009, after being notified by HUD on October 9, 2009, of their delinquency and given an extension on filing.

HUD Notice: CPD 07-06: Interim Reporting Requirements for the State Performance and Evaluation Report (PER) pending Re-engineering of the Integrated Disbursement and Information System (IDIS) states "recaptured/reallocated funds must be reported by year of annual grant." Our testwork revealed that the agency did not identify the recaptured/reallocated funds in the PER.

Testwork performed on the PER submitted to HUD revealed several instances of miscalculations. In all instances, the PER had been reviewed by management, with no revisions noted or made. Our calculations determined that the reporting was still within requirements, however dollar amounts were not reported accurately.

Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal reporting requirements. Failure to properly monitor subrecipients and to properly review reporting requirements could result in noncompliance with federal regulations and jeopardize continued funding or impede federal oversight of the program.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Development Authority strengthen its existing internal controls over preparation of federal reports to ensure accuracy prior to submission to the federal grantor agency. Also, information required to be reported to the federal cognizant agency should be obtained in a timely manner to ensure the agency is in compliance with federal requirements.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF EDUCATION

**CFDA/Finding
Number**

Finding and Recommendation

EDUCATION

SPECIAL TESTS AND PROVISIONS

Significant Deficiency

84.010

Title I Grants to Local Educational Agencies

Federal Award Number and Year: S010A080024A, 2008

09-06

Controls over Comparability Requirement Should Be Strengthened

Finding:

Section 1120A(c) of the Elementary and Secondary Education Act [20 USC 6321(c)] states that a local educational agency (LEA) may receive funds under Title I, Part A, only if state and local funds will be used in participating schools to provide services, taken as a whole, which are at least comparable to services that the LEA is providing to schools not receiving Title I, Part A funds. Each LEA is required to develop procedures for complying with the comparability requirements and must implement the procedures annually. Each LEA is also required to maintain records that are updated biennially, documenting compliance with the comparability requirements. The state educational agency (SEA) is ultimately responsible for ensuring LEAs remain in compliance with the comparability requirement.

For fiscal year 2009, the Mississippi Department of Education-Office of Innovative Support (MDE-OIS) administered the Title I Grant to school districts and required each LEA to submit a Comparability Report documenting compliance with the requirements. Each LEA's Comparability Report was reviewed for compliance by the MDE-OIS Title I Division. If any problems were noted during review, correspondence was sent to the respective LEA requesting action be taken to correct the issue. Additionally, MDE-OIS examined documentation supporting the Comparability Reports during monitoring activities. Testwork performed on 60 of the 152 LEAs revealed five instances in which the Comparability Reports evidenced miscalculations. As a result of the noted errors, we extended our testwork to 90 of the 152 LEAs in order to verify compliance with the comparability requirements. In our extended testwork, we noted three instances in which the Comparability Reports evidenced miscalculations. In all eight noted instances, the Comparability Reports had been reviewed and signed-off as comparable by the MDE-OIS Title I Division, with no revisions made to the calculations. It should be noted that, based on our corrected calculations, the comparable determination did not change for any of the eight LEAs.

Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal regulations. Failure to ensure the accuracy of monitoring documents used for determining LEA compliance with comparability requirements could result in noncompliance with federal regulations and jeopardize continued funding under the Title I Grants to Local Educational Agencies program.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF EDUCATION (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Education-Office of Innovative Support strengthen control procedures to ensure the accuracy of documents used in monitoring local educational agencies' compliance with comparability requirements. Comparability Reports should receive a documented review for completeness, accuracy, and compliance. Any deficiencies noted in the reports should be documented and corrected.

STATE OF MISSISSIPPI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

**CFDA/Finding
 Number**

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557 93.069 93.889	Special Supplemental Nutrition Program for Women, Infants, and Children Public Health Emergency Preparedness National Bioterrorism Hospital Preparedness Program
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Federal Award Number and Year: Various

09-10 **Controls over Time Study Procedures Should Be Strengthened**

Finding:

The *Code of Federal Regulations* (7 CFR 3016.22 for the Special Supplemental Nutrition Program for Women, Infants, and Children and 45 CFR 92.22 for Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Program) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87. OMB Circular A-87 requires that amounts charged to grant programs for personnel services, regardless of whether treated as direct or indirect costs, be based on documented payrolls. Payrolls are required to be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort.

The Mississippi State Department of Health (MSDH) has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on time and effort reporting forms completed by agency personnel for one week of each month. In addition, the time spent by nurses, nurse practitioners and physicians in the various health clinics for health services performed is recorded on patient encounter forms one week during the year to compute relative values. The agency uses the relative values to allocate the cost of services provided by nurses, nurse practitioners and doctors to the various programs. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged for payroll for each program in order to determine the salaries charged to the federal program were reasonable and the program was not overcharged. If necessary, an adjustment to decrease the amounts charged for payroll to the amount supported by the time study data is made yearly.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

During our review of the time study process, we noted procedures in the MSDH administrative manual did not comply with the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. However, we noted one instance on the time study schedule in which week two was used in consecutive months. We also noted the time study schedule did not equally distribute the weeks throughout the year.

During testwork on the time study process, we reviewed 60 patient encounter forms to ensure data entered into the relative value system was input correctly. The following input errors were noted.

- Two instances occurred in which data from the "Average Time and Associated Relative Value by Service Code" was entered incorrectly into the "Relative Value Table."
- One instance occurred on the "Relative Value Table" in which time was duplicated from the "Average Time and Associated Relative Value by Service Code Table."
- One instance was noted in which the relative value computer file included time that was not reported on the patient encounter form.
- Four instances were noted in which the patient encounter form was not input into the relative value computer file.

We also noted four instances out of 72 employees tested in which the hourly wage in the time study computer file did not agree to the hourly rate in the Statewide Payroll and Human Resource System and one instance in which the hourly wage was missing from the time study computer file.

Good internal controls would dictate adequate controls be in place to ensure the amounts entered into the time study system are accurate and reliable. Inadequate controls over the time study system could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations. Furthermore, failure to input data correctly and to ensure the correct hourly rate is being used to reallocate salaries could result in misallocation of federal funds.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the time study process to ensure compliance with applicable federal guidelines. We further recommend the agency strengthen controls over the data entry process to ensure time study information is reliable and accurate.

HEALTH

DAVIS-BACON ACT

Significant Deficiency

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601 MSSOSR, 2006

09-11

Controls over Davis-Bacon Act Requirements Should Be Strengthened

Finding:

The Mississippi State Department of Health received pass-through funding from the Social Services Block Grant (SSBG) program administered by the Mississippi Department of Human Services. The Mississippi State Department of Health (MSDH) has contracted with lower tier subrecipients to award SSBG funds for restoration of health care functions and construction and repair work on facilities related to damage from Hurricane Katrina. Each lower tier subrecipient executed a sub-grant agreement to comply with all applicable federal, state and local laws, rules and regulations. However, we noted compliance with the Davis-Bacon Act was not included in this list of standard assurances.

Non-federal entities are required to include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the U.S. Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction". These regulations include a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). The Davis-Bacon Act requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by federal assistance funds be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor (40 USC 3141-3144, 3146 and 3147).

**STATE OF MISSISSIPPI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

During our review of the Schedule of Expenditures of Federal Awards at the Mississippi State Department of Health, we noted the in lieu of cash portion of the Immunization program was understated by \$25,258,722. Documentation provided totaled \$34,387,800 of vaccines provided in lieu of cash; however, only \$9,129,078 (the difference between the budgeted and actual amounts on the vaccine monitoring report prepared by the federal grantor agency) was reported on the Schedule of Expenditures of Federal Awards for vaccines provided in lieu of cash. This error resulted in changes to the Schedule of Expenditures of Federal Awards to correctly state the federal expenditures recorded in the Single Audit Report of the state.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the preparation of the Schedule of Expenditures of Federal Awards to ensure all vaccines received in lieu of cash are properly presented in the Single Audit report of the state. Supervisory review should be performed on the Schedule of Expenditures of Federal Awards and documented by initials of the reviewer and date of the review.

HEALTH

SUBRECIPIENT MONITORING

Material Weakness

93.069
 93.889

Public Health Emergency Preparedness
 National Bioterrorism Hospital Preparedness Program

Federal Award Number and Year: 5U90TP416986-09, 2009;
 5U90TP416986-08, 2008;
 1 U3REP080100-01-00, 2009;
 1U3REP070030-01-00, 2008

09-09

Controls over PHEP and HPP Subrecipient Monitoring Should Be Strengthened

Finding:

Our review of subrecipient monitoring of the Public Health Emergency Preparedness program (PHEP) and National Bioterrorism Hospital Preparedness Program (HPP) at the Mississippi State Department of Health revealed management was not effectively reviewing and approving the subrecipient monitoring process. During our testwork, the following problems were noted.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

- Monitoring personnel maintained a tracking schedule to document subrecipients and the monitoring status. Management also maintained a list of subrecipients. The tracking schedule and management list did not agree, with the tracking schedule containing two additional subrecipients and the management list containing one additional subrecipient. Also, we identified three additional subrecipients which were not included on either the tracking schedule or the management list.
- We noted the correct Catalog of Federal Domestic Assistance (CFDA) number was not identified on 19 out of 27 subrecipient contracts. Failure to properly identify the correct CFDA number could result in the subrecipient's noncompliance with applicable laws and regulations.

In addition, the monitoring tool and/or the monitoring report did not contain any evidence of supervisory review. As a result, the following problems were noted during our testwork of the 27 subrecipients identified on the management list.

- Agency personnel were not able to locate any evidence of a monitoring review for six out of 27 subrecipients.
- Two out of 21 monitoring reports were not signed.
- Two out of 21 monitoring reports contained findings; however, no evidence was available to indicate a response was received from the subrecipient or the agency followed-up on the finding.
- We noted several pertinent questions were not answered on 18 out of 21 monitoring tools reviewed.

The *Office of Management and Budget Circular A-133* states the pass-through entity is responsible for monitoring activities of subrecipients to ensure the award is being used for authorized purposes in compliance with applicable laws, regulations, and the provisions of contracts or grant agreements. Furthermore, the *Office of Management and Budget Circular A-133* states the pass-through entity is responsible for informing each subrecipient of the CFDA title and number. In addition, good internal controls require the pass-through entity to establish policies and procedures to ensure all subrecipients are identified, on-site monitoring reviews are completed and submitted timely, and supervisory reviews of the subrecipient monitoring process are being performed.

**STATE OF MISSISSIPPI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over subrecipient monitoring procedures to ensure management is maintaining a complete listing of subrecipients and effectively reviewing the monitoring process to ensure compliance with *Office of Management and Budget Circular A-133* requirements. We also recommend the agency strengthen procedures over contracts to ensure the subrecipient is informed of the CFDA title and number.

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

93.558	Temporary Assistance for Needy Families
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year: Various

09-01 **Controls over Cost Allocation Should Be Strengthened**

Finding:

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the Department of Health and Human Services stipulate that MDHS administer the grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45 CFR 92.20) for the Department of Health and Human Services (HHS) programs designates that applicable Office of Management and Budget (OMB) costs principles, agency program regulations, and the terms of grant agreements should be followed in determining the reasonableness, allowability, and allocability of costs. The *Code of Federal Regulations* (45 CFR 92.22) further designates that OMB Circular A-87 is applicable for HHS programs. OMB Circular A-87, Attachment A, requires the distribution of joint costs related to a grant program to be supported by a cost allocation plan.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

The Mississippi Department of Human Services has developed a cost allocation system which is used to identify, measure and allocate all costs to each of the programs administered by the department. MDHS has established reporting category codes for all costs that require an allocation of the costs to more than one program. At the end of each quarter, cost pools are allocated using the allocation base described in the cost allocation plan for each cost pool. Each basis used in the cost allocation system is assigned a base code. During our review of the cost allocation system, we noted the following problems.

- The cost pools' basis type/base codes for twenty-five of the 94 cost pools used in the cost allocation system, or 26.6 percent, did not agree to the cost allocation plan. As a result, costs charged to the programs for these cost pools were not properly calculated in accordance with the plan. It appears the tables established in the system were set up incorrectly.
- Two instances in which costs were charged to cost pools that were not included in the Cost Allocation Plan approved by the United States Department of Health and Human Services.
- The "Quarterly Recap of Chargeable Hours Report" prepared by the Office of Monitoring for the quarter ended March 31, 2009, did not agree to the supporting time record cards. The recap report was understated by 172.54 hours. The hours from the quarterly report are used to calculate joint costs that will be distributed between the grant programs.
- Four instances out of 40 employees tested, or 10 percent, in which employees' salaries were charged to the incorrect cost pools in the allocation system based upon job descriptions and job performance for these employees.

Good internal controls would dictate that adequate controls be in place to ensure that amounts entered into the cost allocation system are accurate and reliable. Inadequate controls over the cost allocation system could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations. Costs charged to a cost pool in error or a cost pool not approved by the federal grantor agency could result in questioned costs. Likewise, the use of data and worksheets which have not been reviewed for accuracy by supervisory personnel could allow use of incorrect or incomplete information in the plan. The effects of the errors noted could not readily be determined by the auditors.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls over the review of computations and data used in the cost allocation process to ensure accurate distribution of costs to federal programs. Employee time records, payroll and cost allocation reports should be reviewed to ensure employee salaries are allocated to the appropriate cost pool.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

CASH MANAGEMENT

Significant Deficiency

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601MSSORS, 2006

09-02

Controls over Cash Management Should Be Strengthened

Finding:

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the Department of Health and Human Services stipulate that MDHS administer the grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45CFR Part 92) requires that procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. The grantees must monitor cash drawdowns by their subgrantees to ensure that they conform substantially to the same standards of timing and amount as apply for advances for the grantee. If a subgrantee cannot meet the criteria for advance payments, the grantee may provide a working capital advance. In addition, it requires that subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The subgrantee may keep interest amounts up to \$100 per year for administrative expenses.

MDHS has developed a Subgrantee Manual which provides the subgrantee with guidelines for complying with federal regulations. Included in the financial management section of the manual is the requirement that all subgrantees and lower-tier subrecipients have in place, prior to the receipt of funds, a financial management system that will provide procedures to ensure that all cash requested under MDHS subgrants will be expended within 30 calendar days of receipts and procedures to minimize the time between receipt and expenditure of subgrant funds.

During our review of cash management procedures for the Social Services Block Grant program at the Mississippi Department of Human Services, we noted that MDHS's controls were not operating effectively to ensure that its subgrantees expended federal funds within 30 calendar days of receipt as stipulated in the Subgrantee Manual. The subgrantees are required to report costs incurred to MDHS on a monthly basis. A review of 60 advance payments to subgrantees revealed four instances, or six percent, in which the time which lapsed between the disbursement of funds to the subgrantees and the corresponding reporting of costs to MDHS ranged between two months and 23 months. We also noted the agency does not have a subgrantee policy regarding excess cash balances.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding
Number

Finding and Recommendation

In addition, the agency does not have a policy in place to address the calculation of an interest liability and the submission of interest on funds paid to the subgrantees in excess of immediate cash needs.

Adequate controls should be in place to ensure subgrantees do not maintain excess cash balances for federal assistance programs as compared to the immediate cash needs of the program. Inadequate controls over cash management could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations. Excess cash could result in idle funds which could lead to sanctions by the federal grantor agency.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subgrantees expend federal funds within the timeframe allowed per the Subgrantee Manual. In addition, we recommend the agency establish a subgrantee policy regarding interest earned on funds paid in excess of immediate cash needs. We further recommend the agency contact the federal grantor agency and obtain written representation as to whether or not interest liability should be calculated on the federal funds held by the subgrantees in excess of immediate needs. If interest is due back to the federal grantor agency, it should be collected from subgrantees and submitted to the federal grantor.

HUMAN SERVICES

DAVIS-BACON ACT

Material Weakness

Material Noncompliance

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601MSSORS, 2006
Questioned Costs: \$64,000,000

09-03

Agency Should Ensure Compliance with the Davis-Bacon Act

Finding:

During fiscal year 2006, the Mississippi Department of Human Services (MDHS) -Division of Social Services Block Grant received federal emergency disaster funds (Katrina Funds). Per review of the 2007 Social Services Block Grant (SSBG) Post-Expenditure Report (OMB Form No. 0970-0234) prepared by MDHS and submitted to the Department of Health and Human Services, approximately \$64 million in SSBG Katrina funds have been spent on construction by the subrecipients of the grant. These funds were used for construction in those areas of the state which were severely damaged by Hurricane Katrina.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

The Department of Labor regulations (29 CFR Part 5) requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by federal assistance funds be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (40 USC 276a to 276a-7). Non-federal entities are required to include in their construction contracts which are subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction". This includes a requirement for the contractor and/or lower-tier contractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

The Division of Program Integrity within the Mississippi Department of Human Services was assigned the responsibility and received Katrina Funds to conduct on-site monitoring reviews of the Katrina contracts including the lower-tier contracts for compliance with federal regulations. Conversations with and documentation obtained from the Division of Program Integrity staff revealed that no monitoring procedures specific to compliance with the Davis-Bacon Act had been completed on the Katrina contracts as of June 30, 2009. Thus we were unable to verify compliance with the Davis-Bacon Act.

The failure to verify and document compliance with the Davis-Bacon Act could result in questioned costs and funds due back to the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen control procedures to ensure compliance with the Davis-Bacon Act requirement for the Social Services Block Grant (SSBG). We further recommend the agency strengthen procedures to determine if the subrecipients receiving funding under SSBG grant complied with Davis-Bacon Act requirements. Documentation of such compliance should be maintained on file at the agency and made available for audit review.

**STATE OF MISSISSIPPI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Part 3 – Federal Award Findings and Questioned Costs (continued)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

HUMAN SERVICES

REPORTING

Significant Deficiency

93.558 Temporary Assistance for Needy Families
 93.667 Social Services Block Grant

Federal Award Number and Year: various

09-04 **Federal Financial Reports Should Agree with Accounting Records**

Finding:

The Mississippi Department of Human Services (MDHS) has been designated as the state agency to administer several federal block grants awarded by the U.S. Department of Health and Human Services (Department). The *Code of Federal Regulations* (45 CFR Section 96.30) requires that the State's fiscal and accounting procedures must be sufficient to permit preparation of reports required by statute authorizing the block grant and permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statutes authorizing the block grant. The State is required to report to the Department the total funds obligated and the total funds expended by the grantee during the appropriate statutory periods.

While performing testwork on the Temporary Assistance for Needy Families program and the Social Services Block Grant program at the agency, we noted that the federal financial reports for the programs did not agree with the accounting records for the same time periods. The differences noted were due to adjustments being made to the federal reports but not being posted to the accounting records promptly. These adjustments totaled approximately \$2,444,220.

Good internal controls dictate a detailed supervisory review of federal reports and comparison of the reports to the accounting records be performed prior to submission to the grantor agency. Failure to ensure the federal reports properly agree to the financial records could result in inaccurate financial information being reported to the grantor agency.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen internal controls to ensure a detailed supervisory review of the federal financial report and comparison of these reports to the accounting records is performed before the reports are submitted to the grantor agency. Reports submitted to the federal grantor agency should agree with the agency's accounting records. We further recommend the accounting records reflect adjustments made in the federal program area, as appropriate, in a timely manner.

STATE OF MISSISSIPPI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>HUMAN SERVICES</u>
	SUBRECIPIENT MONITORING
	<i>Significant Deficiency</i>
93.558	Temporary Assistance for Needy Families
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
	Federal Award Number and Year: various

09-05 Controls over Subrecipient Monitoring Should Be Strengthened

Finding:

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the Department of Health and Human Services stipulate that MDHS administer the grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45 CFR Part 92.40) designates MDHS for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable federal requirements, and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity. The MDHS’s Division of Program Integrity - Office of Monitoring has developed monitoring procedures that require an on-site visit to take place at least once during the subgrant period to ensure compliance with all applicable federal regulations. MDHS has a tracking mechanism in place to ensure all subgrantees are properly identified and monitored. Monitoring tools/checklists are used during the on-site monitoring review to provide guidance and to document a review was performed. The monitoring workpapers are reviewed and approved by supervisory personnel prior to issuance of a written report to the subgrantees/subrecipients.

During testwork performed on subrecipient on-site monitoring for 61 subgrantees during fiscal year 2009, we noted the following weaknesses.

- Twenty three instances, or 38 percent, in which the files reviewed did not include evidence of supervisory review and approval.
- Twenty three instances, or 38 percent, in which adequate follow-up procedures were not in place to ensure the timely resolution of monitoring findings and questioned costs. As a result we were unable to determine if corrective action or questioned costs were properly handled.

**STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (concluded)**

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

- Two instances, or 3 percent, in which the monitoring staff failed to properly complete the fiscal monitoring tool. The staff had not documented that costs on the reporting worksheets and the amount of cash requested agreed to the subgrantee's accounting records.
- Seven instances, or 11 percent, in which the programmatic monitoring tool was not properly completed.
- Five instances, or 8 percent, in which the auditors were given a file but the monitoring testwork had not been completed.
- One instance, or 1 percent, in which the file submitted to the auditors indicated the workpapers were located in another folder. Review of the referenced folder did not reveal workpapers for the contract under review.
- One instance, or 1 percent, in which a contract was included in the accounting records as an active subgrant but the contract was not included on the tracking document used by the agency to ensure all recipients receive an on on-site monitoring review. In addition, the agency was not able to locate a monitoring file for the subgrant.

Good internal controls require monitoring workpapers receive adequate supervisory review to ensure completeness and propriety. The funding divisions rely upon the monitoring procedures to verify compliance with program regulations and to identify potential problem areas that may need to be addressed. The failure to properly monitor the subgrants could allow noncompliance with federal regulations to occur and go undetected resulting in questioned costs. Good internal controls also dictate supervisory personnel ensure the monitoring tracking document is properly prepared to ensure the required inspections/visits are performed by agency personnel. Failure to ensure the propriety of the monitoring inspection/visits tracking document could result in nonperformance of the required inspections/visits.

Recommendation:

We recommend the Mississippi Department of Human Services' Division of Program Integrity- Office of Monitoring strengthen its existing internal controls over subrecipient on-site monitoring. All active subgrants should receive on-site monitoring visits. Any findings or questioned costs noted during the visits/reviews should be followed up on and resolved in a timely manner. Greater care should be taken during the supervisory review process to ensure the completeness of monitoring files. We further recommend the agency ensure the on-site monitoring tracking document is properly prepared to ensure all subrecipients are identified and monitored for compliance with federal regulations.

**II. SUMMARY SCHEDULE OF PRIOR
FEDERAL AUDIT FINDINGS**



STATE OF MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

Instructions to Management

Each state grantee agency included in the prior year Single Audit Report for the State of Mississippi prepared a summary schedule of prior federal audit findings as required by OMB Circular A-133, Section 315 (b). In order to provide a systematic approach for reporting, agencies were asked to follow the format listed below.

For each prior year federal audit finding, the agency should include the following: (1) finding identification including finding number, finding heading, *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) current status, and (3) planned corrective action, if required. These items are discussed below:

- (1) Each finding number, finding heading, CFDA number and program name should be listed in the same sequence as presented in the prior year Single Audit Report.
- (2) The current status should be identified with one of the following terms:
 - a. "Fully Corrected" - All corrective action has been taken.
 - b. "Partially Corrected" - Some, but not all, corrective action has been taken.
 - c. "Not Corrected" - Corrective action has not been taken.
 - d. "Not Valid" - Finding is no longer valid and does not warrant further action.
- (3) Corrective action should be noted for findings that are not identified as "Fully Corrected."
 - a. When audit findings are "Partially Corrected" or "Not Corrected," describe the planned corrective action as well as any partial corrective action taken.
 - b. When audit findings are "Not Valid," describe the reasons the findings are no longer considered valid or do not warrant further action.

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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

INDEX LISTED BY FINDING NUMBER

<u>FINDING NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>	<u>PAGE NUMBER</u>
06-05 *a	Finance and Administration	105
06-16	Education	103
07-13 *b	Human Services	111
07-20 *b	Health	107
07-21 *b	Health	107
07-22 *c	Health	107
08-01	Education	103
08-02	Education	103
08-04 *a	Finance and Administration	105
08-06 *c	Mississippi Development Authority	117
08-07	Transportation	121
08-08 *b	Health	107
08-09 *d	Health	108
08-10 *b	Health	108
08-11	Health	108
08-12	Human Services	112
08-13 *b	Human Services	112
08-14	Human Services	113
08-15	Human Services	113
08-16 *b	Human Services	113
08-17 *b	Human Services	113
08-18	Mental Health	115
08-19	Public Safety	119

STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
Index Listed by Finding Number (concluded)

<u>FINDING NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>	<u>PAGE NUMBER</u>
08-20 *c	Health	108
08-21 *c	Health	108

*a Management indicates the finding was partially corrected and the agency has been requested to repay funds to the federal grantor agency. Because there were no current year problems noted, and because the agency is negotiating directly with the federal grantor agency, no current year finding was written.

*b Management indicates the finding was partially corrected. A current year finding was written for recurring problems.

*c Management indicates the finding was partially corrected. No finding was considered necessary for the current year based on enhanced procedures put in place by the agency for the current year.

*d Management indicates the finding was fully corrected. However, a current year finding was written because of recurring problems.

STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

INDEX LISTED BY STATE GRANTEE AGENCY

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
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Education	08-01	103
Education	08-02	103
Finance and Administration	06-05	105
Finance and Administration	08-04	105
Health	07-20	107
Health	07-21	107
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Human Services	08-12	112
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Human Services	08-14	113
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STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
Index Listed by State Grantee Agency (concluded)

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
Human Services	08-16	113
Human Services	08-17	113
Mental Health	08-18	115
Mississippi Development Authority	08-06	117
Public Safety	08-19	119
Transportation	08-07	121



**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Tom Burnham, Ed.D.
State Superintendent of Education

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2009**

06-16 Controls over Special Test and Provisions Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

08-01 Controls over Maintenance of Effort Requirements Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

08-02 Controls over the Earmarking Requirement Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

Signed:

Handwritten signature of Tom Burnham in black ink.

Tom Burnham, State Superintendent of Education

Date: March 1, 2010

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STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION
KEVIN J. UPCHURCH
EXECUTIVE DIRECTOR

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2009**

06-05 Transfers from Self-Insurance Funds Should Not Include Federal Funds

93-UN Various

Partially Corrected

Details of the FY 2006 transfers have been provided to the federal DHHS negotiator assigned to the State of Mississippi, and the DHHS negotiator has requested repayment of the FY 2006 transfers including interest accruals. The Department of Finance and Administration has requested a FY 2010 appropriation in order to make the repayment to the Federal Government.

08-04 Transfers from Self-Insurance Funds Should Not Include Federal Funds

93-UN Various

Partially Corrected

Details of the FY 2008 transfers have been provided to the federal DHHS negotiator assigned to the State of Mississippi, and the DHHS negotiator has requested repayment of the FY 2008 transfers including interest accruals. The Department of Finance and Administration has requested a FY 2010 appropriation in order to make the repayment to the Federal Government.

Signed: Kevin J. Upchurch
Kevin J. Upchurch
Executive Director

Date: February 18, 2010

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended June 30, 2009

07-20 Controls over Time Study Procedures Should Be Strengthened

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

PARTIALLY CORRECTED

The Agency is in the process of developing an electronic Time Study system into a comprehensive program that will require different procedures and ensure better controls over those procedures. In addition, in April, 2010, the WIC program will begin the Spirit project, which will implement an electronic WIC system, again ensuring better controls.

07-21 Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

PARTIALLY CORRECTED

Due to the large volume of Transactions processed by the agency, human errors will always occur. However, we will continue to make every effort to ensure that all WIC are paid within the proper grant period

07-22 MWITS Application System's Reliability Should be Improved

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

PARTIALLY CORRECTED

In April, 2010, the WIC program will begin the Spirit project that will replace the current manual WIC clinic system and the MWITS system, which is a twenty-year-old, DOS-based system that runs over an out-of-date Novell network, on hardware past useful life, and for which there is no source code available. Changes can't be made to the current system, but the replacement will be a state-of-the-art, web-based system on new hardware over the ITS network, which will improve and increase its reliability and accuracy. Implementation is expected to take place in the next 18 – 24 months.

08-08 Controls over Time Study Procedures Should Be Strengthened

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
93.667 Immunization Grants

PARTIALLY CORRECTED

The Agency is in the process of developing an electronic Time Study system into a comprehensive program that will require different procedures and ensure better controls over those procedures. Currently written onto a paper form and forwarded to OHI for entry into the system, the Time Study times will be entered directly into the system by those in the field or at Central Office, eliminating keying efforts, the possible misdirection or loss of the forms, and the storage of paper forms. The data will be kept in a relational database, retrievable by auditors and those in the program areas who need the information for grant reporting and other purposes. In addition, enforcement of rules and better controls will be written into the system, allowing for minimal human intervention. This, plus the WIC Spirit system to be implemented and a new Immunization Registry system, now in production, will ensure better control over the program areas' time reporting.

08-09 Controls Should Be Strengthened over Davis-Bacon Act Requirements

93.667 Social Services Block Grant

FULLY CORRECTED

08-10 Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

PARTIALLY CORRECTED

Due to the large volume of Transactions processed by the agency, human errors will always occur. However, we will continue to make every effort to ensure that all WIC are paid within the proper grant period

08-11 Controls over Monitoring Subrecipient Audit Requirements Should be Strengthened

93.667 Social Services Block Grant

FULLY CORRECTED

08-20 MWITS Application System's Reliability Should be Improved

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

PARTIALLY CORRECTED

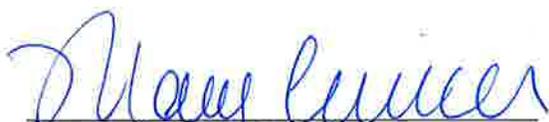
In April, 2010, the WIC program will begin the Spirit project that will replace the current manual WIC clinic system and the MWITS system, which is a twenty-year-old, DOS-based system that runs over an out-of-date Novell network, on hardware past useful life, and for which there is no source code available. Changes can't be made to the current system, but the replacement will be a state-of-the-art, web-based system on new hardware over the ITS network, which will improve and increase its reliability and accuracy. Implementation of the Spirit system is expected to take place in the next 18 – 24 months.

08-21 Time Study Data Control Processes Should Be Strengthened

10-557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
93.667 Immunization Grants

PARTIALLY CORRECTED

The Agency is in the process of developing an electronic Time Study system into a comprehensive program that will require different procedures and ensure better controls over the data being entered into the system. Currently written onto a paper form and forwarded to OHI for entry into the system, the Time Study times will be entered directly into the system by those in the field or at Central Office, eliminating keying efforts, the possible misdirection or loss of the forms, and the storage of paper forms. The data will be kept in a relational database, retrievable by auditors and those in the program areas who need the information for grant reporting and other purposes. In addition, enforcement of rules and better controls will be written into the system, allowing for minimal human intervention. This, plus the WIC Spirit system to be implemented and a new Immunization Registry system, now in production, will ensure better control over the program areas' time reporting.



Mary Currier, MD, MPH

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STATE OF MISSISSIPPI
HALEY REEVES BARBOUR, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
DON THOMPSON
EXECUTIVE DIRECTOR

December 11, 2009

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

The following are our responses and corrective action plans to the prior year audits for the year ended June 30, 2009.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2009

07-13 Controls over Sub Recipients Monitoring Should be Strengthened

- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child
Care Development Fund
- 93.667 Social Services Block Grant

PARTIALLY CORRECTED

Training was provided to the monitoring staff on Monday, March 16, 2009 to 1) stress the importance of ensuring all monitoring work papers are fully and correctly completed; and, 2) to provide other training that was needed by the monitors.

All of the monitoring staff, with the exception of one (1) monitor who had prior approved leave, was present during the training. Information presented during this training was provided to the monitor on leave after he returned to work. The importance of fully completing each work paper as well as the requirement for accuracy was stressed to the entire monitoring staff.

08-12 Controls over Cash Management Should be Strengthened

- 93.558 Temporary Assistance for Needy Families
- 93.568 Low-Income Home Energy Assistance
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child
Care Development Fund
- 93.667 Social Services Block Grant

FULLY CORRECTED

08-13 Agency Should Ensure Compliance with Davis-Bacon Act

- 93.667 Social Services Block Grant

PARTIALLY CORRECTED

The Division of Program Integrity has implemented actions to resolve the finding. The Division of Program Integrity staff developed a monitoring instrument to document monitoring of each subgrant/contract which included funds for construction costs that exceeded \$2,000.00. The Division of Program Integrity, Office of Monitoring hired a new monitoring team leader to supervise monitors who are monitoring SSBG Katrina subgrants/contracts and the new employee reported to work on Monday, March 16, 2009. This employee had to be replaced and another monitoring team leader was hired and reported to work on October 12, 2009. The new monitoring team leader and three (3) monitors have been trained to monitor subgrants for compliance with the Davis-Bacon Act. The monitors compiled a list of seventy five (75) subgrants/contracts that included construction costs funded with SSBG Katrina funds. The monitors are currently returning to the office of each subgrantee/subcontractor whose SSBG Katrina subgrant award included construction costs and are monitoring for compliance with the Davis-Bacon Act. Documents are being copied and maintained in the offices of the Division of Program Integrity to support monitoring for compliance with the Davis-Bacon Act, and the result of the monitoring. Reports are being issued and tracked until any findings noted are resolved and/or cleared. As of December 5, 2009, 16 of the 75 construction projects funded with SSBG Katrina funds have been monitored for compliance with the Davis Bacon Act.

The monitoring team leader and three (3) monitors are currently assigned full-time to monitoring for compliance with the Davis Bacon Act until records for all 75 of the construction projects have been monitored. Monitoring of the records for all 75 of the construction projects will be completed by March 31, 2010.

08-14 Controls over Eligibility Determinations Should be Strengthened

93.568 Low-Income Home Energy Assistance

FULLY CORRECTED

08-15 Agency Should Comply with Period of Availability of Federal Funds Requirements

93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child
Care Development Fund

FULLY CORRECTED

08-16 Federal Financial Reports Should Agree with Accounting Records

93.568 Low-Income Home Energy Assistance
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child
Care Development Fund
93.667 Social Services Block Grant

PARTIALLY CORRECTED

MDHS has set internal controls to ensure that the accounting records agree with the federal reports unless adjustments are pending. The Division of Budgets and Accounting is working with the different programmatic divisions within the agency to help ensure that appropriate and timely adjustments are made.

08-17 Controls over Sub Recipients Monitoring Should be Strengthened

93.558 Temporary Assistance for Needy Families
93.568 Low-Income Home Energy Assistance

- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child
Care Development Fund
- 93.667 Social Services Block Grant

PARTIALLY CORRECTED

Training was provided to the monitoring staff on Monday, March 16, 2009 to 1) stress the importance of ensuring all monitoring work papers are fully and correctly completed; and, 2) to provide other training that was needed by the monitors. All of the monitoring staff, with the exception of one (1) monitor who had prior approved leave, was present during the training. Information presented during this training was provided to the monitor on leave after he returned to work. The importance of fully completing each work paper as well as the requirement for accuracy was stressed to the entire monitoring staff. This training also addressed the requirement to issue initial monitoring reports and responses to subgrantees within the time frames previously established and to track the status of each report until all findings and/or questioned costs are resolved and/or cleared. The supervisors were also reminded that their job duties include reviewing each work paper for accuracy and ensuring that each work paper/checklist is fully complete before approving and filing in the applicable monitoring file. The number of prior year subgrants not monitored as of March 17, 2009 has been reduced to zero (0) for SFY 2006, zero (0) for SFY 2007 and six (6) for SFY 2008. These six (6) subgrants will be monitored by January 31, 2010. For the first time in several months, all of the monitoring positions are currently filled and all of the monitors have been fully trained. The Division of Program Integrity staff has monitored all of the SFY 2009 in addition monitoring the prior year subgrants that were not previously monitored.

Signed: 
Donald Thompson, Executive Director

Date: 12.11.09

DEPARTMENT OF MENTAL HEALTH

State of Mississippi

1101 Robert E. Lee Building
239 North Lamar Street
Jackson, Mississippi 39201



(601) 359-1288
FAX (601) 359-6295
TDD (601) 359-6230

Edwin C. LeGrand III - Executive Director

February 5, 2010

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended June 30, 2009

08-18 Controls Should Be Strengthened over Davis-Bacon Requirements

CFDA# 93.667 Social Services Block Grant

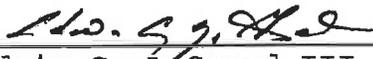
CORRECTED

No mention was made to DMH of Davis-Bacon requirements being attached to Katrina SSBG funding until it was simply too late to insert those requirements in contracts for construction and repairs being funded by Katrina SSBG funding. In researching the penalty that might attach for non-compliance, Glynn Kegley, Director of the Bureau of Administration, became convinced that Davis-Bacon requirements do NOT automatically apply to construction and renovation contracts of \$2,000 or more just because federal funds are used. Rather, those requirements only automatically follow when the Federal Government or the District of Columbia is a party to the contract. (Emphasis added.) Merely providing funding for a contract does not make one a party to that contract, and examples of federally funded projects where Davis-Bacon did not apply have been found.

But the Congress can, if it chooses to do so, require Davis-Bacon compliance in federally funded projects IF the legislation authorizing the funding says those requirements apply. States can also require Davis-Bacon compliance whether the federal government does or not. It is the contention of the Department of Mental Health that neither of those actions occurred with respect to Katrina SSBG funding. Additional documentation is attached.

Department of Mental Health
Summary Schedule of Prior Federal Audit Findings
For the Year Ended June 30, 2009
February 5, 2010
Page 2

Nevertheless, if DMH ever gets any more federal funding that can be used for construction, repair or renovation projects, we will require compliance with Davis-Bacon since there is no harm in complying with an act even if not required to do so.

Signed: 
Edwin C. LeGrand III
Executive Director

2/8/10
Date



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
GRAY SWOOPE
EXECUTIVE DIRECTOR

Summary Schedule of Prior Federal Audit Findings
For the Year Ended June 30, 2008

December 15, 2009

Office of the State Auditor
State of Mississippi
Attn: Rob Robertson
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Robertson:

This letter is in response to your request concerning the Summary Schedule of Prior Federal Audit Findings for the Mississippi Development Authority (MDA). Our response is as follows:

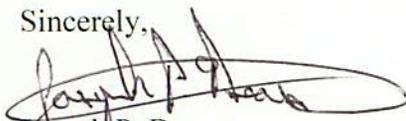
08-06 Controls Over Subrecipient Monitoring Should Be Strengthened.

CDFA 14.228 – Community Development Block Grant/State's Program and Non-Entitlement Grants to Hawaii

Status:
(b) (1) Partially Corrected

Corrective Action Plan:
A new system has been initiated to provide stronger assurance of file content during file transfers. The Close-out Package Checklist has been revised for the MDA staff to indicate that the project file has been reviewed for completeness. The Compliance Review Form has been revised to include the MDA staff signature as an overall responsibility of the monitoring which has been performed.

Sincerely,


Joseph P. Deason
Chief Financial Officer

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STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
DEPARTMENT OF PUBLIC SAFETY
STEPHEN B. SIMPSON, COMMISSIONER

Summary Schedule of Prior Federal Audit Findings
For the Year Ended June 30, 2009

February 4, 2010

08-19 Reviews of Subrecipient Reimbursement/Advance Requests Should be Documented

97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

Current Status: This finding is fully corrected.


Stephen B. Simpson, Commissioner

CC: Director, Administrative Services
Director, Mississippi Office of Homeland Security
Comptroller

JMV

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**OFFICE OF
STATE AID CONSTRUCTION**

MISSISSIPPI DEPARTMENT OF TRANSPORTATION
P. O. Box 1850
JACKSON, MISSISSIPPI 39215-1850

J. Brooks Miller, Sr. P.E.
State Aid Engineer
Telephone 359-7150

412 Woodrow Wilson Drive
Jackson, Mississippi 39216
Fax 601-359-7141

February 03, 2010

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2009

08-07 Controls Should Be Strengthened over Subrecipient Monitoring

CFDA #20.205 Highway Planning and Construction

FULLY CORRECTED

Signed:



J. Brooks Miller, Sr., Executive Director

Date:

2-3-10

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III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



STATE OF MISSISSIPPI

**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED JUNE 30, 2009
Instructions to Management**

In order to provide a systematic approach for agencies to respond to audit findings, the management of each agency was requested to follow the instructions listed below in preparation of the formal response to single audit findings and the corrective action plan.

For each AUDIT FINDING, the agency should include the following: (1) *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) type of compliance requirement, (3) audit finding number and finding heading, (4) response, and (5) corrective action plan. These items are discussed below:

1. Each CFDA number and program name should be listed in the same sequence presented in the management letter. The entire finding is not required to be repeated.
2. Each type of compliance requirement should be listed in the same sequence as presented in the management letter.
3. Each audit finding number and finding heading should be listed separately in the same sequence as presented in the management letter. The entire finding is not required to be repeated.
4. Responses of the agency to audit findings should be included directly below each audit finding heading. For each response, the agency should state whether they concur or do not concur with the individual finding and recommendation and the reasons why.
5. After an audit finding heading has been listed along with the corresponding agency response, the plan for corrective action should be listed using the following format:
 - a. Specific steps to be taken to correct situation.
 - b. Name(s) of the contact person(s) responsible for corrective action.
 - c. Anticipated completion date for corrective action.
 - d. Specific reasons why corrective action is not necessary, if applicable.

OMB Circular A-133, Section 400 requires audit findings to be resolved between federal agencies and audited agencies within six months after the receipt of the single audit report by the federal government. Audited agencies should maintain permanent files on all correspondence with the federal government during the audit resolution process. Federal agencies may ask for additional information pertaining to audit findings.

On the following pages, we have compiled the formal response to the findings and recommendations and the corrective action plan of each agency's management.

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**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Tom Burnham, Ed.D.
State Superintendent of Education

SINGLE AUDIT FINDINGS

March 26, 2010

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, Mississippi 39205-0956

Dear Mr. Pickering:

In accordance with your correspondence dated March 12, 2010, the Mississippi Department of Education is providing the following responses and corrective action plans for the single audit findings for the fiscal year ended June 30, 2010:

AUDIT FINDINGS:

84.010 Title I Grants to Local Educational Agencies

Matching, Level of Effort, Earmarking

09-06 Controls over Comparability Requirement Should Be Strengthened

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

A. Specific steps to be taken to correct the situation:

The Mississippi Department of Education - Office of Innovative Support has strengthened controls to ensure that the comparability reports receive a documented review for completeness, accuracy, and compliance.

B. Name of the contact person responsible for corrective action:

Dr. Lynn House, Deputy State Superintendent
Instructional Enhancement and Internal Operations

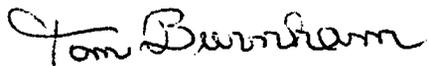
Stacey E. Pickering, State Auditor
March 26, 2010
Page 2

C. Anticipated completion date for corrective action:

Procedures have been implemented.

Should you have any questions or need additional information, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Tom Burnham".

Tom Burnham
State Superintendent of Education



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR
LES RANGE
EXECUTIVE DIRECTOR

Financial Audit Findings

February 10, 2010

Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

The Mississippi Department of Employment Security appreciates this opportunity to submit responses to the financial audit findings for the year ended June 30, 2009 for Enterprise Fund 8191.

Audit Findings:

Finding 2009-14 – Controls Should Be Strengthened to Ensure Accounting Records and GAAP Reporting Packages are Properly Prepared

Response: MDES accepts this finding and agrees that strengthened controls and supervisory review are necessary to fairly present the financial position of MDES for each fiscal year end. Unemployment Insurance (UI) Trust Fund accounting has now moved to the Business Management Department under the Office of Comptroller to centralize the financial responsibilities of the agency.

Corrective Action Plan:

- A. In September, 2009 the employees responsible for UI Trust Fund accounting moved from the Tax Department to the Business Management Department. Proper training and supervisory reviews are being developed to ensure accounting events or transactions are recorded in the accounting records. Controls for proper preparation of the GAAP reporting package include training for UI Trust Fund Unit staff, the Business Manager and contract staff and development of a review process by supervisory personnel.

Page 2
February 11, 2010

- B. Contacts - Erin Landrum - UI Trust Fund Accounting Manager, Guy Martin - Business Manager, and Jackie Turner – Director, Office of Comptroller.
- C. Currently in place.
- D. N/A

Finding 2009-15 – State Funds Should Be Adequately Collateralized

Response: MDES accepts this finding. This was noted by the audit staff in February, 2009, corrected by MDES staff and has not been an issue since that time. Collateralization of the accounts is a priority with MDES. The UI Trust Fund accounting manager will periodically review collateral and will ensure MDES UI and Workforce Enhancement Training (WET) Fund Holding accounts are properly collateralized.

Corrective Action Plan:

- A. All accounts except the WET Fund Holding Account will be collateralized at 110% as required by law. The WET Fund Holding Account will be collateralized at 105% since it is not an unemployment insurance account. The daily bank balances spreadsheet will be retained by staff for audit purposes and reviewed by supervisory personnel. Collateral statements will be secured from each depository on a monthly basis, retained by staff, and available for audit purposes for a reasonable period after the close of the year.
- B. Contacts – Erin Landrum - UI Trust Fund Accounting Manager, Guy Martin - Business Manager, and Jackie Turner – Director, Office of Comptroller.
- C. Currently in place.
- D. N/A

Sincerely,



Mr. Les Range
Executive Director

LR: jt



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 23, 2010

SINGLE AUDIT FINDINGS

Stacey E. Pickering, State Auditor
Office of the State Auditor
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Single Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2009.

AUDIT FINDINGS:

CFDA #93.069 Public Health Emergency Preparedness
CFDA #93.889 National Bioterrorism Hospital Preparedness Program

REPORTING

Controls Over HHP Reporting Should Be Strengthened

The agency concurs with this finding. Procedures are being immediately implemented to correct this problem.

CFDA #10.557 Special Supplemental Nutrition Program for Woman, Infants & Children
CFDA #93.268 Immunization

ALLOWABLE COSTS/COST PRINCIPLES

Controls Over Time Study Procedures Should Be Strengthened

The agency concurs that the Time Study Process is a paper and resource intensive, antiquated and outdated approach to the Time Study Process that needs to be replaced.

As a result of the audit the IT Department is in the process of reviewing online data entry systems that will allow the required data to be entered by the individual performing the activity. Three courses of action are currently being reviewed 1- suitable applications that can be transferred from another state agency, 2- current off the shelf (COTS) programs, 3- develop an application in-house.

CFDA #93.667 Social Services Block Grant

DAVIS-BACON ACT

Controls Should Be Strengthened Over Davis-Bacon Act Requirements

MSDH acknowledges that even though a statement is included in all current sub-grant contracts that require all sub-grantees to comply with all applicable Federal Regulations, compliance with the Davis-Bacon Act is not spelled out.

All current sub-grant contracts will be amended to say that all Federal Regulations, including but not limited to the Davis-Bacon Act must be followed.

CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PERIOD OF AVAILABILITY

Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

MSDH concurs that even though the costs in question are allowable costs that they are paid outside of the correct grant year.

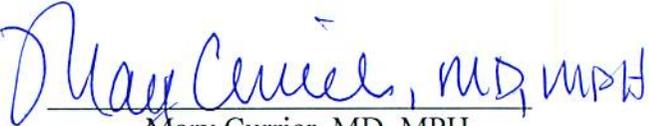
We will examine the expenditure review procedures to determine what improvements can be made to the system to ensure that this problem will be corrected in the future.

CFDA #93.268 Immunization Grants

REPORTING

Controls Over the Preparation of the Schedule of Expenditures of Federal Awards Should Be Strengthened

MSDH concurs with this finding. A misunderstanding occurred on what was to be reported, this has now been cleared up and will not occur in the future.


Mary Currier, MD, MPH
State Health Officer



STATE OF MISSISSIPPI
HALEY REEVES BARBOUR, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
DON THOMPSON
EXECUTIVE DIRECTOR

SINGLE AUDIT FINDINGS

March 25, 2010

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2009:

AUDIT FINDINGS:

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

93.558	Temporary Assistance for Needy Families
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year: Various

09-01 Controls over Cost Allocation Should be Strengthened

Response:

The Mississippi Department of Human Services agrees that controls over the review of computations and data used in the cost allocation process to ensure accurate distribution of costs to federal programs should be strengthened.

However, twenty-two of the twenty-five cost pools that had the incorrect basis code listed for them did have the correct statistical units from the basis that was listed for them in the approved cost allocation plan. All of the expenditures for these cost pools were charged as the approved cost allocation plan stated.

Costs were incorrectly charged to two cost pools that are not part of the currently approved cost allocation plan. Corrections were made and these cost pools were closed.

The Monitor's Quarterly Recap Sheets did contain some discrepancies with their time sheets. Cost Allocation and Research and Statistics are working with the Office of Monitoring to rectify this situation, as they do not have the resources to match up every time-study or RMSS with each individual time sheet.

Corrective Action Plan:

All of the issues have been fully corrected. All established policies and procedures are being adhered to more consistently. A routine review of the cost allocation plan and cost allocation reports is done during the quarterly cost allocation process and anytime during the quarter as situations arise. However, corrections to the cost allocation tables are only made during the quarterly cost allocation process. The Office of Cost Allocation will continue to work with the Office of Monitoring and other areas to guarantee supervisory review of data submitted for the cost allocation process.

CASH MANAGEMENT

Significant Deficiency

93.667 Social Services Block Grant

Federal Award Number and Year: G0601MSSORS, 2006

09-02 Controls over Cash Management Should be Strengthened

Response:

The Mississippi Department of Human Services concurs with the recommendation to strengthen controls to ensure subgrantees expend federal funds in a timely manner as allowed per the MDHS Subgrantee Manual.

Corrective Action Plan:

Procedures are in place to make sure this finding is not repeated in the future. During the Katrina period there were some circumstances that were inadvertently missed because of the complexity and nature of the disaster.

DAVIS-BACON ACT

Material Weakness

Material Noncompliance

93.667 Social Services Block Grant

Federal Award Number and Year: G0601MSSORS, 2006

09-03 Agency Should Ensure Compliance with the Davis-Bacon Act

Response:

The Mississippi Department of Human Services concurs with the aforementioned finding and has implemented corrective actions to resolve the finding.

Corrective Action Plan:

The Division of Program Integrity staff developed a monitoring instrument to document monitoring of each subgrant/contract which included funds for construction costs that exceeded \$2,000.00. The Division of Program Integrity, Office of Monitoring hired a new monitoring team leader to supervise monitors who are monitoring SSBG Katrina subgrants/contracts. The new monitoring team leader and three (3) monitors have been trained to monitor subgrants for compliance with the Davis-Bacon Act. The monitors maintain a separate tracking document for subgrants/contracts that include construction costs funded with SSBG Katrina funds. Documents are copied and maintained in the offices of the Division of Program Integrity to support monitoring for compliance with the

Davis-Bacon Act, and the result of the monitoring. Reports are issued and tracked until any findings noted are resolved and/or cleared.

REPORTING

Significant Deficiency

93.558 Temporary Assistance for Needy Families
93.667 Social Services Block Grant

Federal Award Number and Year: Various

09-04 Federal Financial Reports Should Agree with Accounting Records

Response:

Of the instances where the federal reports did not agree with the accounting records, MDHS did not overstate the federal grant award amount or inaccurately report to the grantor agency.

The Office of Budgets completes internal quarterly reports for the divisions to provide them their expenditures each quarter for each grant. We notify the division of any discrepancies.

As part of internal control, the Office of Budgets does not transfer expenditures without permission from the responsible division. Therefore, a letter was sent to the responsible division making them aware of the overages, as well as asking them how they would like to cover those expenditures.

Corrective Action Plan:

The Agency's internal control system is in place and will be strengthened to ensure that it is functioning as intended. We have 3 levels of supervisory review in comparing the federal reports to the accounting records.

To prevent further discrepancies, the Office of Budgets will ensure adjustments are completed prior to the ending of the next quarter. We will also make certain the responsible division is notified and instructs the analysts which funds will be used to remove any discrepancies. The journal entries will be verified and approved by the supervisor of the analysts.

SUB RECIPIENT MONITORING

Significant Deficiency

93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.667 Social Services Block Grant

Federal Award Number and Year: Various

09-05 Controls over Sub Recipients Monitoring Should Be Strengthened

Response:

The Mississippi Department of Human Services concurs with the aforementioned finding. The following corrective actions address the weaknesses noted.

Corrective Action Plan:

The Division of Program Integrity provided training to the monitoring staff to stress the importance of ensuring all monitoring work papers are fully and correctly completed. This training also addressed the requirement to issue initial monitoring reports and responses to subgrantees within the time frames previously established and to track the status of each report until all findings and/or questioned costs are resolved and/or cleared. The supervisors were also reminded that their job duties include reviewing each work paper for accuracy and ensuring that each work paper/checklist is fully complete before approving and filing in the applicable monitoring file.

The monitoring team responsible for the reviews of the subgrants awarded to the Planning and Development Districts (PDD's), is now separating the work papers/documentation of each subgrant into individual files/folders rather than combining the work papers of the subgrants monitored for each PDD.

We appreciate the courtesy and professionalism demonstrated by Marilyn Purvis and her field staff throughout the audit. Should you have any questions regarding our responses or corrective action plans, please feel free to contact Earl D. Walker of the Division of Budgets and Accounting at 601-359-4690.

Respectfully,



Don Thompson
Executive Director

DT:EDW:dd

pc: Mark Smith
Richard Berry
Richard Harris
Earl D. Walker



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
GRAY SWOOPE
EXECUTIVE DIRECTOR

March 22, 2010

Mr. Stacey E. Pickering
State Auditor
State of Mississippi
Post Office Box 956
Jackson, Mississippi 39205-0956

Dear Mr. Pickering:

This letter is in response to your letter of March 16, 2010 concerning the Single Audit Management Report for the Mississippi Development Authority for the Fiscal Year 2009. The Mississippi Development Authority's response to the Finding and Recommendation is as follows:

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
14.228	Community Development Block Grants / State's Program Federal Award number and Year: various
09-07	<u>Controls over Reporting Requirement Should Be Strengthened</u> Finding: The Code of Federal Regulations (24CFR Part 135) requires the Mississippi Development Authority (MDA) to "ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing." Form HUD 60002- Section 3 Summary Report applies to recipients of HUD Community Development and Planning (CPD) financial assistance exceeding \$200,000 that is used for projects involving housing construction, rehabilitation, or other public construction. This information is required to be submitted as part of the annual performance report, which is due 90 days after close of the program year.

During testwork for fiscal year 2009, it was noted that the agency had not requested the information needed for Section 3 reporting from the subrecipients, and therefore, it was not included in the annual performance report. The Section 3 information was not submitted by the agency until November 30, 2009, after being notified by HUD on October 9, 2009, of their delinquency and given an extension on filing.

MDA Response: MDA concurs with the findings related to Section 3 Reporting Requirements. MDA has issued the appropriate policy directives to all grant recipients (CSD Policy Statement 09-003) and will assure that the information will be reported timely in future Consolidated Annual Performance Evaluation Reports.

HUD Notice: CPD 07-06: Interim Reporting Requirements for the State Performance and Evaluation Report (PER) pending Re-engineering of the Integrated Disbursement and Information System (IDIS) states “recaptured/reallocated funds must be reported by year of annual grant.” Our testwork revealed that the agency did not identify the recaptured/reallocated funds in the PER.

MDA Response: MDA concurs with the finding related to recaptured/reallocated fund reporting. MDA has made the corrections to the 2009 Consolidated Annual Performance Evaluation Report and will incorporate the proper identification of recaptured/reallocated funds in future reports.

Testwork performed on the PER submitted to HUD revealed several instances of miscalculations. In all instances, the PER had been reviewed by management, with no revisions noted or made. Our calculations determined that the reporting was still within requirements, however dollar amounts were not reported accurately.

MDA Response: MDA concurs with the finding related to reporting inaccuracies. For future performance reports, MDA will conduct a two level process data input and supervisory review of calculations.

Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal reporting requirements. Failure to properly monitor subrecipients and to properly review reporting requirements could result in noncompliance with federal regulations and jeopardize continued funding or impede federal oversight of the program.

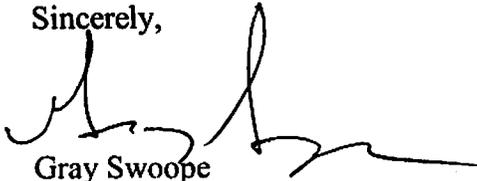
Recommendation:

We recommend the Mississippi Development Authority strengthen its existing internal controls over preparation of federal reports to ensure accuracy prior to submission to the federal grantor agency. Also, information required to be reported to the federal cognizant agency should be obtained in a timely manner to ensure the agency is in compliance with federal requirements.

MDA Response: MDA has and will continue the process of strengthening internal controls over preparation of federal reports. The reports will be submitted in a timely manner.

We appreciate the professional manner in which the audit team conducted this single audit. We also appreciate your recommendations as we continue to improve efficiencies and effectiveness in delivering programs and services to the citizens of the State of Mississippi. If you have any questions, concerning the response, please contact Steve Hardin at (601) 359-2366.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gray Swoope', with a long horizontal flourish extending to the right.

Gray Swoope
Executive Director

GS: sh/pj

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MISSISSIPPI STATE PORT AUTHORITY AT GULFPORT

JOHN K. RESTER
Commissioner
LENWOOD S. SAWYER, JR.
Commissioner
JAMES C. SIMPSON, JR.
Commissioner

FRANCES TURNAGE
Commissioner
FRANK WILEM
Commissioner
DONALD R. ALLEE
Executive Director & CEO
www.shipmspa.com

Corrective Action Plan Fiscal Year Ending June 30, 2009

Finding 2009-16

All disbursements for wire transfers are approved by the Board of Commissioners prior to processing. Currently, the wire transfer forms are signed by two members of senior management who are also authorized check signers. The Authority will review and consider their bank's process for electronic wire transfer of funds.

Finding 2009-17

These items are reviewed and reconciled by the Deputy Director of Finance and Administration when the OMB monthly report is reviewed, approved, and signed by the Deputy Director of Finance and Administration. The OMB working file contains the support and approval for these capital assets.

Finding 2009-18

There are other significant controls in place that serve the same objective. All invoices are logged when received. The log with all invoices is delivered to the Deputy Director of Finance and Administration for review and then returned to Accounts Payable Clerk for processing. Assistant Comptroller reviews all invoices and unposted voucher report before any checks are prepared. Assistant Comptroller and Deputy Director of Finance and Administration compare the list of disbursements to the invoices after checks are printed (the list of disbursements is automatically generated from the check run), prior to the signing and mailing of checks.

Finding 2009-19

Due to small staff, checks are sometimes returned to AP for safekeeping prior to being mailed. Management immediately instituted a check list and procedure to address suggested deficiency, as follows. Payroll Clerk checks off each check as it is mailed and makes notes on the check register of why any check might not be mailed immediately. Payroll Clerk manages any follow up needed.

Finding 2009-20

Other significant controls are in place to ensure accurate billing. This has always been the nature of a port operation. Manifests are often not available for as long as two weeks after vessel sails. Invoices must be prepared in a timely manner.

Mary J. Bourdin, CPA
Deputy Director
Finance & Administration

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Executive Division
Street Address:
1577 Springridge Road
Raymond, Mississippi 39154

www.mstc.state.ms.us



MISSISSIPPI

STATE TAX COMMISSION

Mailing Address:
Post Office Box 22828
Jackson, Mississippi 39225

Telephone: 601-923-7400
FAX: 601-923-7423

February 19, 2010

Stacey E. Pickering, State Auditor
Office of the State Auditor
501 North West Street
Suite 801
Jackson, MS 39201

RE: Information Systems Management Report

Dear Mr. Pickering:

The Mississippi Tax Commission offers the following comment to your limited assessment of the Information Systems (IS) general controls and selected application controls of the agency as of your report dated February 2, 2010.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL:

1. MSTC Should Implement a Formal IT Management Framework

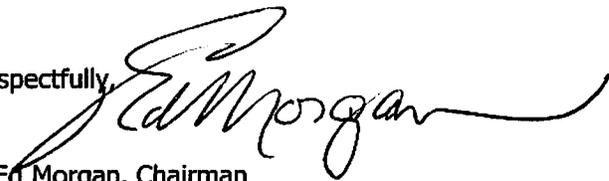
Finding:

New Titanium Application and Its Security Was Not Documented. During the review of the new Titanium system, security functions and personnel roles were undocumented, and the lack of a formal documented security scheme prevented an effective audit of the application security.

Response:

Titanium is a COTS program; rights and privileges can only be given according to the standard, prescribed program options. Within the program are 1247 privileges; we have *informal* listings of all job descriptions and which privileges each job description has. All formal documentation created by the vendor has been previously provided to you. All requirements and objectives of the new system were created before its purchase or implementation. The agency did extensive testing of all required elements before acceptance of the product. A standard for interfaces with legacy systems is currently being written.

Respectfully,


J. Ed Morgan, Chairman
And Commissioner of Revenue

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STATE OF MISSISSIPPI
TREASURY DEPARTMENT

TATE REEVES
STATE TREASURER

POST OFFICE BOX 138
JACKSON, MISSISSIPPI 39205
TELEPHONE (601) 359-3600

February 8, 2010

Honorable Stacey Pickering
State Auditor
State of Mississippi
8th Floor, Woolfolk Building
Jackson, Mississippi 39201

Dear Mr. Pickering:

We have reviewed the audit finding below in reference to our fiscal year 2009 audit. Listed below is our individual response and plan for corrective action:

AUDIT FINDING:	Investment Ratios Should be Maintained in Accordance with State Law
Response:	We do not concur with the audit finding. We fundamentally disagree with the application of the 50 percent limitation to certain Agency securities.
Corrective Action:	Under the conservatorship put in place on September 7, 2008, FNMA and FHLMC are being run by the Federal Housing Finance Agency. The US Treasury's actions on September 7th included the institution of Preferred Stock Purchase Agreements, which are the foundation of the direct financial support of the US government to the agencies. The Treasury secretary's speech highlighted the additional security and clarity that these agreements provide to debt holders of FNMA and FHLMC. There were other steps that provided additional security to the debt holders through the provision of greater market stability, but the Purchase Agreements are, in our view, the most important and direct source of financial support. Because FNMA and FHLMC are congressionally chartered, only Congress can effect a permanent change in the status of the companies – either making them entirely public or entirely private. That is a matter that has yet to be determined. Reform will likely occur in some form over the next couple of years, and we will see what ultimately becomes of FNMA and FHLMC. The point put forth



STATE OF MISSISSIPPI
TREASURY DEPARTMENT

TATE REEVES
STATE TREASURER

POST OFFICE BOX 138
JACKSON, MISSISSIPPI 39205
TELEPHONE (601) 359-3600

by Treasury is that what we know today is that the debt is for all intents and purposes fully supported by the US government, and therefore the debt of FNMA and FHLMC held in the portfolio should not be included in the 50 percent calculation. There is not an explicit legal guarantee, and there will not be – partly because of the balance sheet effects on the US as a whole and partly because of the congressional charters of these companies, to say nothing of the precedent set by the US assuming a public/private entity's debt. But the net result of the conservatorship is financial support of the companies, which includes support to pay its debt obligations and amounts to a guarantee from the federal government on the debt.

Treasury does not believe it is in the best interests of the taxpayers to liquidate FNMA and FHLMC holdings in favor of Treasuries to lower the allocation to Agencies due to the large losses in income to the portfolio that would result from such a rebalancing. The allocation to FNMA and FHLMC securities does not represent additional risk vis-à-vis Treasuries to the State or the taxpayers but does offer meaningfully higher yields. Over the next couple of years, the status of FNMA and FHLMC should be clarified, and once that is done, we will be able to determine where FNMA and FHLMC belong in the interpretation of the statute.

If you have any question, please call Liz Welch, Deputy Treasurer at 359-3600.

Sincerely,

Tate Reeves
State Treasurer

IV. INDICES



STATE OF MISSISSIPPI

**INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS (by finding number)

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
2009-03	72	Treasury
2009-05	70	Tax Commission
2009-14	63	Employment Security
2009-16	65	Port of Gulfport
2009-17	66	Port of Gulfport
2009-18	67	Port of Gulfport
2009-19	68	Port of Gulfport
2009-20	69	Port of Gulfport

MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS (by State agency)

Employment Security: Page 127
Port of Gulfport: Page 141
Tax Commission: Page 143
Treasury: Page 145

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STATE OF MISSISSIPPI

**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FEDERAL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2009**

1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: Pages 75-78
3. U.S. Department of Commerce: None
4. U.S. Department of Defense: None
5. U.S. Department of Housing and Urban Development: Pages 79-80
6. U.S. Department of the Interior: None
7. U.S. Department of Justice: None
8. U.S. Department of Labor: None
9. U.S. Department of Transportation: None
10. U. S. Department of the Treasury: None
11. Appalachian Regional Commission: None
12. General Services Administration: None
13. National Foundation on the Arts and the Humanities: None
14. U.S. Department of Veterans Affairs: None
15. Environmental Protection Agency: None
16. U.S. Department of Energy: None
17. U.S. Department of Education: Pages 81-82
18. National Archives and Records Administration: None
19. Elections Assistance Commission: None
20. U.S. Department of Health and Human Services: Pages 83-96
21. Corporation for National and Community Service: None
22. Social Security Administration: None
23. Department of Homeland Security: None

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2009

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Capital Defense Counsel: None
8. Corrections: None
9. Education: Page 81
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Pages 75, 83
18. Human Services: Page 89
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: None
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: Page 79
26. Narcotics: None
27. Oil and Gas Board: None
28. Pharmacy Board: None
29. Public Safety: None
30. Public Service Commission: None
31. Rehabilitation Services: None
32. Secretary of State: None
33. Soil and Water Conservation Commission: None
34. State Fire Academy: None
35. Supreme Court: None
36. Tax Commission: None
37. Transportation: None
38. Treasury: None
39. Veterans Affairs Board: None
40. Wildlife, Fisheries and Parks: None

Note: If findings and recommendations related to an agency appear on more than one page in a sequence, only the first page is indicated in the above reference.

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FINDING NUMBER
FOR THE YEAR ENDED JUNE 30, 2009

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
09-01	89	Human Services
09-02	91	Human Services
09-03	92	Human Services
09-04	94	Human Services
09-05	95	Human Services
09-06	81	Education
09-07	79	Mississippi Development Authority
09-08	-	(not used)
09-09	87	Health
09-10	75, 83	Health
09-11	85	Health
09-12	77	Health
09-13	86	Health

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STATE OF MISSISSIPPI

**INDEX OF MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2009**

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Capital Defense Counsel: None
8. Corrections: None
9. Education: Page 125
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Page 129
18. Human Services: Page 131
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: None
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: Page 137
26. Narcotics: None
27. Oil and Gas Board: None
28. Pharmacy Board: None
29. Public Safety: None
30. Public Service Commission: None
31. Rehabilitation Services: None
32. Secretary of State: None
33. Soil and Water Conservation Commission: None
34. State Fire Academy: None
35. Supreme Court: None
36. Tax Commission: None
37. Transportation: None
38. Treasury: None
39. Veterans Affairs Board: None
40. Wildlife, Fisheries and Parks: None

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V. ACKNOWLEDGMENTS



ACKNOWLEDGMENTS

REPORT PREPARED BY:

Stacey E. Pickering, State Auditor
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