

State of Mississippi

Single Audit Report

for the Fiscal Year Ended June 30, 2010

MISSISSIPPI



Stacey E. Pickering

State Auditor

Office of the State Auditor



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

March 31, 2011

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, 2010. 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-third 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 2009 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2010.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2010 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.

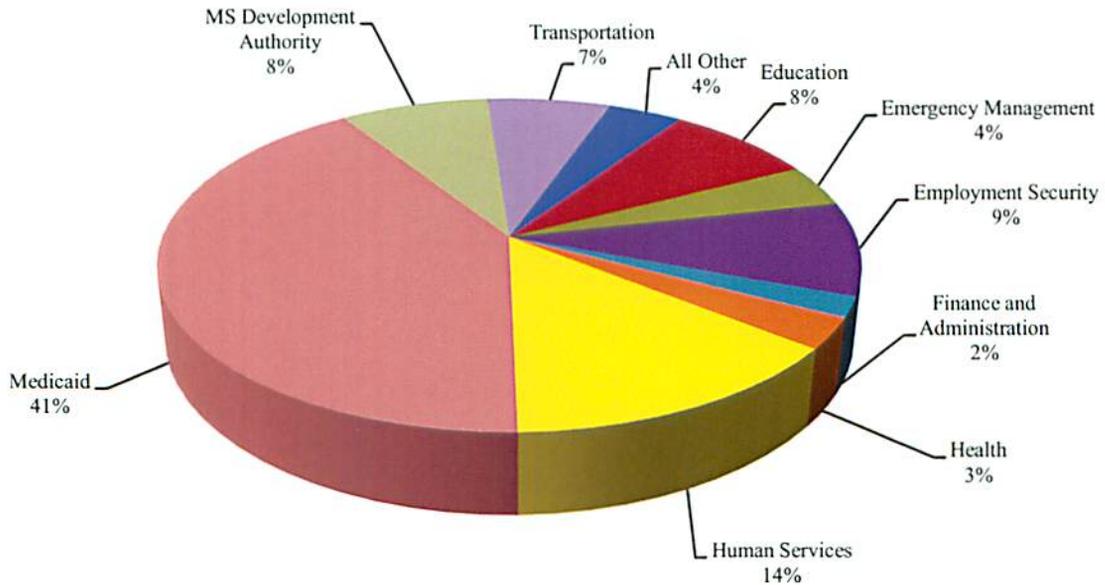
Respectfully submitted

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

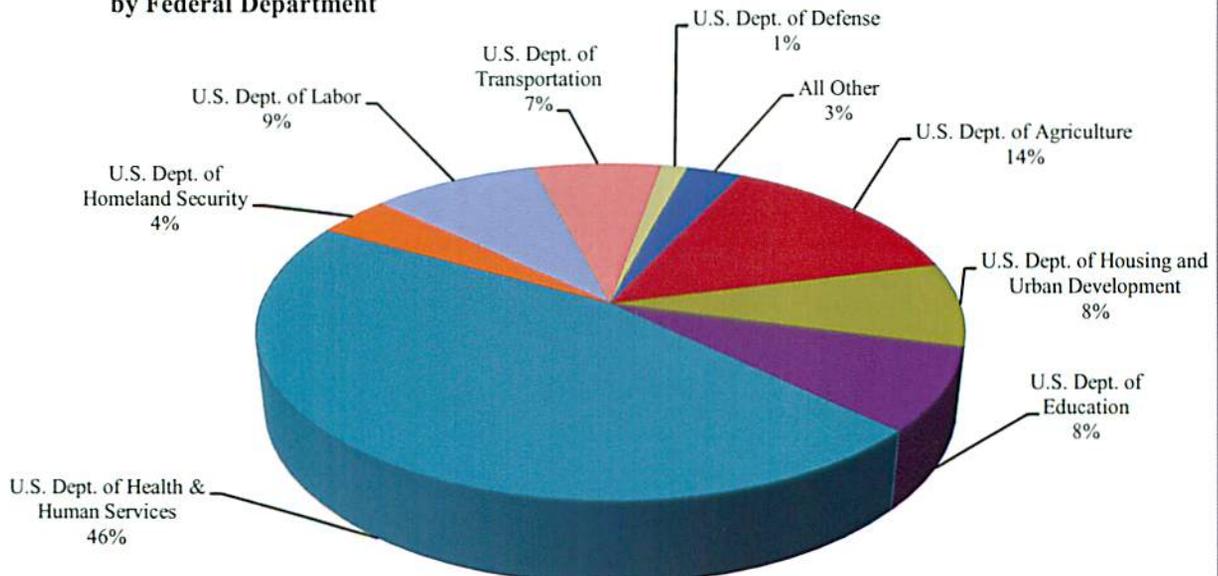
STACEY E. PICKERING
State Auditor

STATE OF MISSISSIPPI

Expenditures of Federal Awards by State Grantee Agency Fiscal Year 2010

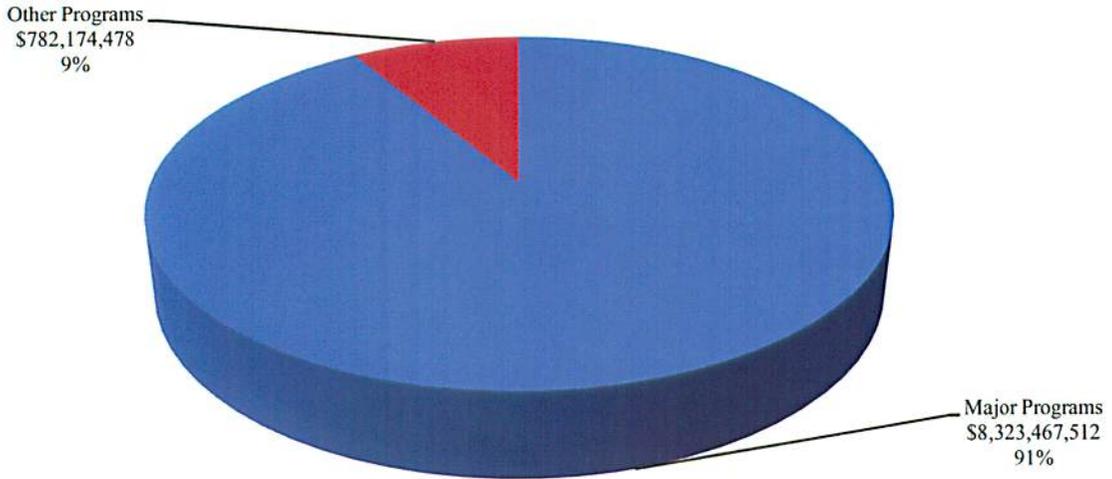


Expenditures of Federal Awards by Federal Department

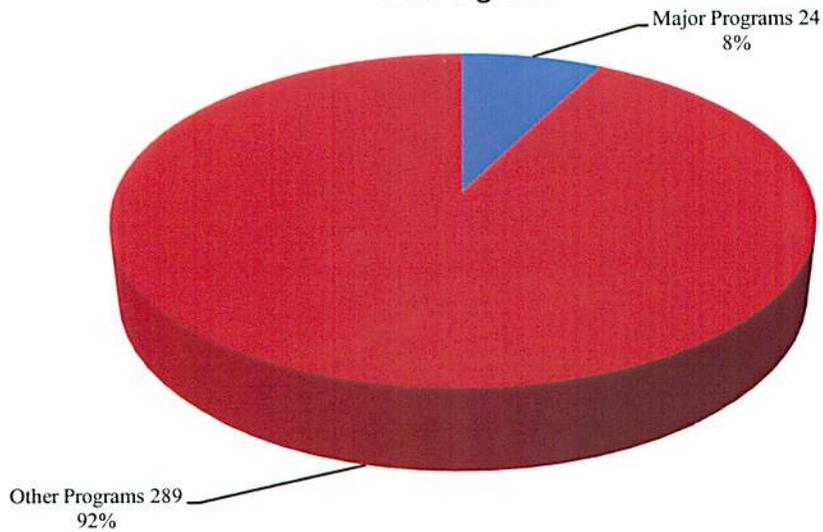


STATE OF MISSISSIPPI Fiscal Year 2010

Percentage of Major Program Assistance
Total Expenditures of Federal Awards \$9,105,641,990

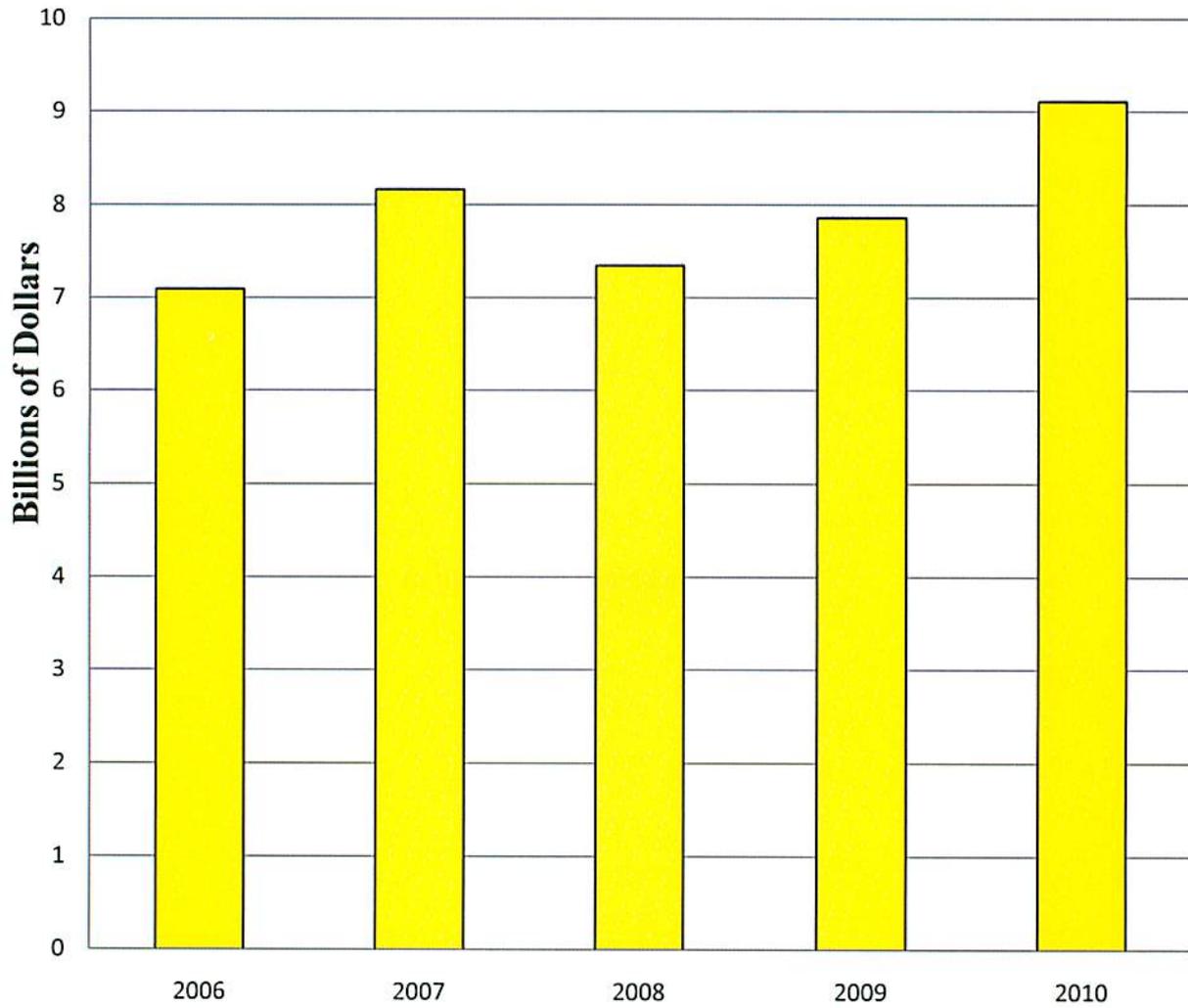


Percentage of Major Program Assistance
313 Programs



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, 2010

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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, 2010, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 25, 2011. 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 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, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 6% and 30%, 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 58% and 12%, respectively, of the assets and revenues of the Business-type Activities;

● Component Units

- the Universities and the nonmajor component units.

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 2

■ 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 21% and 32%, respectively, of the assets and revenues of the General 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, the Department of Rehabilitation Services 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 66%, 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. The financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the University of Southern Mississippi Foundation, the University of Mississippi Medical Center Educational Building Corporation, the University of Mississippi Educational Building Corporation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings", we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 - Financial Statement Findings" as items 2010-10, 2010-11 and 2010-12 to be material weaknesses.

We and the other auditors also noted certain matters involving the internal control over financial reporting, which we have reported to management of the applicable state agencies and institutions 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.

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

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as items 2010-03 and 2010-12.

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.

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.



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

Jackson, Mississippi
January 25, 2011



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

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. We did not audit the Aquaculture Grants 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 State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act Program within the State Fiscal Stabilization Fund Cluster, the Children's Health Insurance Program, the Medicaid Cluster, the Disaster Grants - Public Assistance Program, and the Hazard Mitigation Grant 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, provides 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.

Report on Compliance with Requirements
That Could Have a Direct and Material
Effect on Each Major Program and on
Internal Control over Compliance in
Accordance with OMB Circular A-133
Page 2

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi. The audit of those federal programs was conducted in accordance with the provisions of OMB Circular A-133, and a separate report was issued.

In our opinion, the State of Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. We did not test the transactions and records of the major federal programs administered by the state's public universities for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 10-03, 10-04, 10-05, 10-06, 10-10, 10-11 and 10-13.

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 was not designed to identify all deficiencies in the State of Mississippi's internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we and the other auditors identified a deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We and the other auditors consider the deficiency in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as item 10-01 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We 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 10-02, 10-03, 10-04, 10-05, 10-06, 10-07, 10-08, 10-09, 10-10, 10-11 and 10-12 to be significant deficiencies.

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, 2010, and have issued our report thereon dated January 25, 2011. We did not audit the financial statements of:

- Government-wide Financial Statements

- Governmental Activities

- 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, the Department of Rehabilitation Services, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 6% and 30%, 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 58% and 12%, 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 21% and 32%, respectively, of the assets and revenues of the General 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, the Department of Rehabilitation Services, 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 66%, 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; and our opinions, insofar as they relate to the amounts included for those agencies, funds, and component units, are based on the reports of the other auditors.

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

Report on Compliance with Requirements
That Could Have a Direct and Material
Effect on Each Major Program and on
Internal Control over Compliance in
Accordance with OMB Circular A-133
Page 5

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.



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

Jackson, Mississippi
March 31, 2011 except for the Schedule of Expenditures of Federal Awards, as to which the date is
January 25, 2011.

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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, 2010

<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	1,303,126
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			1,303,126
<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	1,087,722
10.086	ARRA – Aquaculture Grants Program	Agriculture and Commerce	15,842,206
10.163	Market Protection and Promotion	Agriculture and Commerce	27,000
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	92,352
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,913,550
10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Health	90,664,111
10.558	Child and Adult Care Food Program	Education	35,520,524
10.560	State Administrative Expenses for Child Nutrition	Education	2,620,106
10.565	Commodity Supplemental Food Program	Health	436,537
10.579	ARRA – Child Nutrition Discretionary Grants Limited Availability	Education	1,636,219
10.580	Supplemental Nutrition Assistance Program, Outreach/ Participation Program	Human Services	92,084
10.582	Fresh Fruit and Vegetable Program	Education	988,628
10.664	Cooperative Forestry Assistance	Agriculture and Commerce / Forestry Commission	6,028,345
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	Forestry Commission	155,075
10.861	Public Television Station Digital Transition Grant Program	Educational Television	77,739
10.902	Soil and Water Conservation	Soil & Water Conservation Commission	443,080
10.950	Agricultural Statistics Reports	Agriculture and Commerce	124,368
SUBTOTAL			157,749,646

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, 2010

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
	SNAP Cluster		
10.551	Supplemental Nutrition Assistance Program (SNAP)	Human Services	826,685,119
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	Human Services	31,806,071
10.561	ARRA – State Administrative Matching Grants for Supplemental Nutrition Assistance Program	Human Services	3,228,302
	Total SNAP Cluster		861,719,492
	Child Nutrition Cluster		
10.553	School Breakfast Program (SBP)	Education	53,385,891
10.555 @	National School Lunch Program (NSLP)	Education	161,990,841
10.556	Special Milk Program for Children (SMP)	Education	4,498
10.559	Summer Food Service Program for Children (SFSPC)	Education	5,609,087
	Total Child Nutrition Cluster		220,990,317
	Emergency Food Assistance Cluster		
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	763,824
10.568	ARRA – Emergency Food Assistance Program (Administrative Costs)	Human Services	327,087
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	6,767,449
	Total Emergency Food Assistance Cluster		7,858,360
	Schools and Roads Cluster		
10.665	Secure Payments for States and Counties Containing Federal Lands	Treasury	8,372,945
	Total Schools and Roads Cluster		8,372,945
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,256,690,760
U.S. DEPARTMENT OF COMMERCE			
11.407	Interjurisdictional Fisheries Act of 1986	Marine Resources	115,225
11.419	Coastal Zone Management Administration Awards	Marine Resources	1,089,547
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	835,220
11.434	Cooperative Fishery Statistics	Marine Resources	86,203
11.463	Habitat Conservation	Marine Resources	199,741

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
11.472	Unallied Science Program	Marine Resources	34,990
11.473	Coastal Services Center	Environmental Quality/ Marine Resources	569,395
11.558	ARRA – State Broadband Data and Development Grant Program	Governor's Office	751,617
TOTAL U.S. DEPARTMENT OF COMMERCE			3,681,938
<u>U.S. DEPARTMENT OF DEFENSE</u>			
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	675,022
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	151,061
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	87,001,276
12.402	National Guard Special Military Operations and Projects	Military Department	2,353,694
12.404	National Guard Civilian Youth Opportunities	Military Department	3,288,968
12.405	National Guard Drug Interdiction and Counter Drug Activities	Military Department	234,312
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	168,244
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying number assigned by the pass-through entity-TTWW-10-MS-WL, DACW-38-3-06-155, DACW-38-91-H-0007, DACW-38- 3-09-176.	Wildlife, Fisheries and Parks	1,868,343
TOTAL U.S. DEPARTMENT OF DEFENSE			95,740,920
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
14.231	Emergency Shelter Grants Program	MS Development Authority	1,420,801
14.239	Home Investment Partnerships Program	MS Development Authority	14,754,246
14.241	Housing Opportunities for Persons with AIDS	Health	1,279,167
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	MS Development Authority	2,457,371
SUBTOTAL			19,911,585
14.218	CDBG – Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	MS Development Authority	11,859,801

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Total CDBG – Entitlement Grants Cluster		11,859,801
14.228	CDBG – State-Administered Small Cities Program Cluster Community Development Block Grants/State's Program	MS Development Authority	709,177,110
14.255	ARRA – Community Development Block Grants/State's Program	MS Development Authority	3,946,052
	Total CDBG – State-Administered Small Cities Program Cluster		713,123,162
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		744,894,548
	<u>U.S. DEPARTMENT OF THE INTERIOR</u>		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	130,986
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Environmental Quality	30,239
15.426	Coastal Impact Assistance Program (CIAP)	Marine Resources	7,065,754
15.615	Cooperative Endangered Species Conservation Fund	Wildlife, Fisheries and Parks	84,938
15.616	Clean Vessel Act	Marine Resources	81,445
15.622	Sportfishing and Boating Safety Act	Marine Resources	11,396
15.632	Conservation Grants Private Stewardship for Imperiled Species	Wildlife, Fisheries and Parks	535
15.633	Landowner Incentive Program	Wildlife, Fisheries and Parks	984,779
15.634	State Wildlife Grants	Wildlife, Fisheries and Parks	912,277
15.808	U.S. Geological Survey Research and Data Collection	Environmental Quality	6,712
15.810	National Cooperative Geologic Mapping Program	Environmental Quality	96,854
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History	5,192,642
15.916	Outdoor Recreation Acquisition, Development and Planning	Wildlife, Fisheries and Parks	776,122
15.928	Civil War Battlefield Land Acquisition Grants	Archives and History	578,400
15.UN1	Conduct Southeastern Indian Basketry Symposium	Archives and History	19,500
	SUBTOTAL		15,972,579
15.605	Fish and Wildlife Cluster Sport Fish Restoration Program	Marine Resources/Wildlife, Fisheries and Parks	4,027,306

(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, 2010

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
15.611	Wildlife Restoration	Wildlife, Fisheries and Parks	4,484,121
	Total Fish and Wildlife Cluster		8,511,427
TOTAL U.S. DEPARTMENT OF THE INTERIOR			24,484,006
<u>U.S. DEPARTMENT OF JUSTICE</u>			
16.017	Sexual Assault Services Formula Program	Public Safety	26,540
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	Public Safety	15-
16.523	Juvenile Accountability Block Grants	Public Safety	524,051
16.527	Supervised Visitation, Safe Havens for Children	Human Services	3,947
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	Public Safety	267,682
16.543	Missing Children's Assistance	Attorney General	236,755
16.548	Title V Delinquency Prevention Program	Public Safety	76,306
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	21
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Public Safety	286,868
16.575	Crime Victim Assistance	Public Safety	5,641,088
16.576	Crime Victim Compensation	Attorney General	470,000
16.579	Edward Byrne Memorial Formula Grant Program	Public Safety	504
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	Supreme Court	60,819
16.588	Violence Against Women Formula Grants	Public Safety	1,917,191
16.588	ARRA – Violence Against Women Formula Grants	Public Safety	213,694
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, And Stalking Assistance Program	Public Safety	237,063
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	Attorney General	567,409
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	296,310
16.606	State Criminal Alien Assistance Program	Corrections	28,976
16.609	Community Prosecution and Project Safe Neighborhoods	Public Safety	142,956

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	613,796
16.727	Enforcing Underage Drinking Laws Program	Public Safety	337,199
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	6,370,859
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	Corrections	325,589
16.744	Anti-Gang Initiative	Public Safety	206,830
16.746	Capital Case Litigation	Attorney General	100,000
16.750	Support for Adam Walsh Act Implementation Grant Program	Public Safety	25,787
16.751	Edward Byrne Memorial Competitive Grant Program	Attorney General	20,781
16.800	ARRA – Recovery Act - Internet Crimes against Children Task Force Program (ICAC)	Attorney General	66,255
16.801	ARRA – Recovery Act - State Victim Assistance Formula Grant Program	Public Safety	21,684
16.803	ARRA – Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	Public Safety	494,387
16.810	ARRA – Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	Attorney General	79,289
16.UN	Domestic Cannabis Eradication/Suppression Program	Narcotics	1,458,956
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs	Pharmacy Board	153,799
16.UN4	Federal Asset Forfeitures	Public Safety	1,021,976
TOTAL U.S. DEPARTMENT OF JUSTICE			22,295,352
 <u>U.S. DEPARTMENT OF LABOR</u>			
17.002	Labor Force Statistics	Employment Security	817,890
17.005	Compensation and Working Conditions	Health	21,390
17.225 #	Unemployment Insurance	Employment Security	616,441,076
17.225 #	ARRA – Unemployment Insurance	Employment Security	81,030,428
17.235	Senior Community Service Employment Program	Human Services	1,355,651
17.235	ARRA – Senior Community Service Employment Program	Human Services	201,852
17.245	Trade Adjustment Assistance	Employment Security	1,817,003

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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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
17.261	WIA Pilots, Demonstrations, and Research Projects	Employment Security	457,112
17.268	H-1B Job Training Grants	Employment Security	3,166,473
17.271	Work Opportunity Tax Credit Program (WOTC)	Employment Security	225,240
17.273	Temporary Labor Certification for Foreign Workers	Employment Security	74,539
17.504	Consultation Agreements	Health	10,656
17.505	OSHA Data Initiative	Health	12,997
17.600	Mine Health and Safety Grants	Environmental Quality	44,830
SUBTOTAL			705,677,137
17.207	Employment Service Cluster Employment Service	Employment Security	6,773,434
17.207	ARRA – Employment Service	Employment Security	2,235,333
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security	674,436
17.804	Local Veterans' Employment Representative Program (LVER)	Employment Security	1,077,004
Total Employment Service Cluster			10,760,207
17.258	WIA Cluster WIA Adult Program	Employment Security	23,479,861
17.258	ARRA – WIA Adult Program	Employment Security	9,367,482
17.259	WIA Youth Activities	Employment Security	12,885,794
17.259	ARRA – WIA Youth Activities	Employment Security	11,002,606
17.260	WIA Dislocated Workers	Arts Commission / Employment Security	27,464,185
17.260	ARRA – WIA Dislocated Workers	Employment Security	8,470,587
Total WIA Cluster			92,670,515
TOTAL U.S. DEPARTMENT OF LABOR			809,107,859
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
20.217	Motor Carrier Safety	Public Safety	785,079
20.218	National Motor Carrier Safety	Public Safety	2,146,380

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
20.232	Commercial Driver License State Programs	Public Safety	270,864
20.237	Commercial Vehicle Information Systems and Networks	Transportation	1,992,014
20.2NA	Fatal Analysis Reporting System	Public Safety	65,136
20.313	Railroad Research and Development	Transportation	136,548
20.505	Federal Transit Metropolitan Planning Grants	Transportation	292,600
20.509	Formula Grants for Other Than Urbanized Areas	Transportation	9,390,026
20.509	ARRA – Formula Grants for Other Than Urbanized Areas	Transportation	5,594,228
20.700	Pipeline Safety Program Base Grants	Public Service Commission	476,581
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	241,427
SUBTOTAL			21,390,883
20.205	Highway Planning and Construction Cluster Highway Planning and Construction	Transportation	389,560,057
20.205	ARRA – Highway Planning and Construction	Transportation	223,746,201
20.219	Recreational Trails Program	Wildlife, Fisheries And Parks	1,044,994
Total Highway Planning and Construction Cluster			614,351,252
20.500	Federal Transit Cluster Federal Transit – Capital Investment Grants	Transportation	322,567
Total Federal Transit Cluster			322,567
20.513	Transit Services Programs Cluster Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	712,851
20.516	Job Access – Reverse Commute Program	Transportation	114,292
Total Transit Services Programs Cluster			827,143
20.600	Highway Safety Cluster State and Community Highway Safety	Public Safety	13,816,982
Total Highway Safety Cluster			13,816,982
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			650,708,827

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
<u>APPALACHIAN REGIONAL COMMISSION</u>			
23.002	Appalachian Area Development	MS Development Authority	855,563
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	Education/ MS Development Authority	448,012
TOTAL APPALACHIAN REGIONAL COMMISSION			1,303,575
<u>GENERAL SERVICES ADMINISTRATION</u>			
39.003 @	Donation of Federal Surplus Personal Property	Finance and Administration	2,871,141
39.011	Election Reform Payments	Secretary of State	54,787
TOTAL GENERAL SERVICES ADMINISTRATION			2,925,928
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>			
45.024	Promotion of the Arts Grants to Organizations and Individuals	Archives and History	91,112
45.025	Promotion of the Arts Partnership Agreements	Arts Commission	883,354
45.025	ARRA – Promotion of the Arts Partnership Agreements	Arts Commission	276,199
45.310	Grants to States	Library Commission	2,151,436
45.313	Laura Bush 21 st Century Librarian Program	Library Commission	35,466
TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			3,437,567
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>			
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	120,722
64.203	State Cemetery Grants	Veterans Affairs Board	517,089
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			637,811
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.032	State Indoor Radon Grants	Health	91,809
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	583,214
66.040	State Clean Diesel Grant Program	Environmental Quality	183,285
66.040	ARRA – State Clean Diesel Grant Program	Environmental Quality	1,178,593

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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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	294,193
66.432	State Public Water System Supervision	Health	1,209,334
66.433	State Underground Water Source Protection	Oil and Gas Board	105,700
66.454	Water Quality Management Planning	Environmental Quality	128,144
66.454	ARRA – Water Quality Management Planning	Environmental Quality	136,438
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	5,915,996
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	15,786,023
66.460	Nonpoint Source Implementation Grants	Environmental Quality	5,295,165
66.463	Water Quality Cooperative Agreements	Environmental Quality	61,976
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	8,107,473
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	Health	9,823,254
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Health	311,138
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	309,319
66.474	Water Protection Grants to the States	Health	78,266
66.475	Gulf of Mexico Program	Environmental Quality/ Marine Resources	531,789
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	Environmental Quality	6,625
66.600	Environmental Protection Consolidated Grants for the Insular Areas – Program Support	Environmental Quality	56,763
66.605	Performance Partnership Grants	Environmental Quality	7,282,996
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	66,374
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture and Commerce	453,272
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	102,971
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	252,896
66.708	Pollution Prevention Grants Program	Environmental Quality	62,669

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	25,836
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Environmental Quality	219,365
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality	791,290
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality	1,679,484
66.805	ARRA – Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality	1,280,739
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	143,179
66.817	State and Tribal Response Program Grants	Environmental Quality	73,873
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Quality	162,305
TOTAL ENVIRONMENTAL PROTECTION AGENCY			62,791,746
<u>U.S. DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	MS Development Authority	258,214
81.041	ARRA – State Energy Program	MS Development Authority	3,475,032
81.042	Weatherization Assistance for Low-Income Persons	Human Services	2,225,257
81.042	ARRA – Weatherization Assistance for Low-Income Persons	Human Services	16,000,871
81.117	ARRA – Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	MS Development Authority	27,529
81.119	State Energy Program Special Projects	MS Development Authority	199,412
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	MS Development Authority	9,545
81.127	ARRA – Energy Efficient Appliance Rebate Program (EEARP)	MS Development Authority	1,251,793
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	MS Development Authority	803,749
81.UN1	Petroleum Violation Escrow – Stripper Well	Treasury	179,309
81.UN5	Petroleum Violation Escrow – State Escrow	Treasury	50
81.UN7	DOE Salmon Site	Environmental Quality	1,083
TOTAL U.S. DEPARTMENT OF ENERGY			24,431,844

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
U.S. DEPARTMENT OF EDUCATION			
84.002	Adult Education – Basic Grants to States	Bd for Community and Junior Colleges	6,207,273
84.011	Migrant Education State Grant Program	Education	1,237,354
84.013	Title I Program for Neglected and Delinquent Children	Education	263,210
84.048	Career and Technical Education – Basic Grants to States	Education	14,889,311
84.144	Migrant Education - Coordination Program	Education	27,413
84.184	Safe and Drug-Free Schools and Communities National Programs	Education	370,094
84.185	Byrd Honors Scholarships	Education	414,750
84.186	Safe and Drug-Free Schools and Communities State Grants	Education / Public Safety	3,033,678
84.187	Supported Employment Services for Individuals with Significant Disabilities	Rehabilitation Services	294,600
84.213	Even Start State Educational Agencies	Education	454,492
84.224	Assistive Technology	Rehabilitation Services	437,844
84.243	Tech-Prep Education	Education	1,670,833
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	87,379
84.286	Ready to Teach	Educational Television	148,602
84.287	Twenty-First Century Community Learning Centers	Education	13,067,778
84.293	Foreign Language Assistance	Education	1,661
84.295	Ready-To-Learn Television	Educational Television	43,260
84.298	State Grants for Innovative Programs	Education	127,757
84.305	Education Research, Development and Dissemination	Education	85,756
84.323	Special Education – State Personnel Development	Education	763,134
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	141,120
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	Education	301,358
84.357	Reading First State Grants	Education	11,414,413
84.358	Rural Education	Education	4,547,759
84.365	English Language Acquisition Grants	Education	1,574,074

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.366	Mathematics and Science Partnerships	Education	2,453,679
84.367	Improving Teacher Quality State Grants	Education	36,153,263
84.369	Grants for State Assessments and Related Activities	Education	4,122,599
84.938	Hurricane Education Recovery	Education	3,516,703
SUBTOTAL			107,851,147
Title 1, Part A Cluster			
84.010	Title I Grants to Local Educational Agencies	Education	175,254,881
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	Education	54,574,911
Total Title 1, Part A Cluster			229,829,792
Special Education Cluster (IDEA)			
84.027	Special Education-Grants to States (IDEA, Part B)	Education	109,462,020
84.173	Special Education Preschool Grants (IDEA, Preschool)	Education	3,758,940
84.391	ARRA – Special Education Grants to States (IDEA, Part B), Recovery Act	Education	38,989,549
84.392	ARRA – Special Education - Preschool Grants (IDEA, Preschool), Recovery Act	Education	1,160,895
Total Special Education Cluster (IDEA)			153,371,404
Trio Cluster			
84.044	TRIO Talent Search	Education	393,650
Total Trio Cluster			393,650
Vocational Rehabilitation Cluster			
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Rehabilitation Services	44,366,184
84.390	ARRA – Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	Rehabilitation Services	7,019,264
Total Vocational Rehabilitation Cluster			51,385,448
Early Intervention Services (IDEA) Cluster			
84.181	Special Education - Grants for Infants and Families	Health	3,555,376
84.393	ARRA – Special Education - Grants for Infants and Families, Recovery Act	Health	1,963,262

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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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.394	State Fiscal Stabilization Fund Cluster ARRA – State Fiscal Stabilization Fund (SFSF) Education State Grants, Recovery Act (Education Stabilization Fund)	Finance and Administration	195,253,703
84.397	ARRA – State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	Finance and Administration	20,971,203
	Total State Fiscal Stabilization Fund Cluster		216,224,906
	TOTAL U.S. DEPARTMENT OF EDUCATION		771,818,278
	<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>		
89.003	National Historical Publications and Records Grants	Archives and History	24,760
	TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		24,760
	<u>ELECTIONS ASSISTANCE COMMISSION</u>		
90.401	Help America Vote Act Requirements Payments	Secretary of State	289,717
	TOTAL ELECTIONS ASSISTANCE COMMISSION		289,717
	<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	111,851
93.010	Community-Based Abstinence Education (CBAE)	Human Services	285,601
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	39,871
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	Human Services	108,329
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	Human Services	147,174
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	Human Services	243,276
93.052	National Family Caregiver Support, Title III, Part E	Human Services	1,320,307
93.069	Public Health Emergency Preparedness	Health	22,070,346
93.070	Environmental Public Health and Emergency Response	Health	364,250
93.071	Medicare Enrollment Assistance Program	Human Services	49,685
93.103	Food and Drug Administration - Research	Health	585

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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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	2,010,370
93.110	Maternal and Child Health Federal Consolidated Programs	Health	58,186
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	842,509
93.127	Emergency Medical Services for Children	Health	147,730
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health	100,210
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	495,109
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	318,865
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	323,430
93.217	Family Planning Services	Health	5,710,421
93.235	Abstinence Education Program	Human Services	171,761-
93.236	Grants for Dental Public Health Residency Training	Health	155,605
93.241	State Rural Hospital Flexibility Program	Health	484,956
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	Mental Health	3,379,083
93.251	Universal Newborn Hearing Screening	Health	89,059
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Health	6,895,791
93.301	Small Rural Hospital Improvement Grant Program	Health	443,169
93.414	ARRA – ARRA - State Primary Care Offices	Health	43,017
93.556	Promoting Safe and Stable Families	Human Services	7,009,261
93.563	Child Support Enforcement	Human Services	16,792,100
93.563	ARRA – Child Support Enforcement	Human Services	10,363,454
93.566	Refugee and Entrant Assistance State Administered Programs	Human Services	993,371
93.568	Low-Income Home Energy Assistance	Human Services	42,424,292
93.585	Empowerment Zones Program	MS Development Authority	529,631-
93.586	State Court Improvement Program	Supreme Court	486,851
93.597	Grants to States for Access and Visitation Programs	Human Services	83,783

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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 FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	311,028
93.603	Adoption Incentive Payments	Human Services	16,950
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	786,974
93.643	Children's Justice Grants to States	Human Services	268,326
93.645	Child Welfare Services State Grants	Human Services	3,374,165
93.658	Foster Care Title IV-E	Human Services	12,683,263
93.658	ARRA – Foster Care Title IV-E	Human Services	680,430
93.659	Adoption Assistance	Human Services	5,534,453
93.659	ARRA – Adoption Assistance	Human Services	447,462
93.667	Social Services Block Grant	Human Services	62,592,666
93.669	Child Abuse and Neglect State Grants	Human Services	1,793,714
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	Health	1,113,129
93.674	Chafee Foster Care Independence Program	Human Services	832,282
93.717	ARRA – ARRA - Preventing Healthcare-Associated Infections	Health	30,290
93.723	ARRA – ARRA - Prevention and Wellness – State, Territories and Pacific Islands	Health	80,059
93.725	ARRA – ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program	Human Services	1,364
93.767	Children's Health Insurance Program	Medicaid	152,510,700
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid	2,442,640
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	9,828,163
93.793	Medicaid Transformation Grants	Medicaid	84,301
93.889	National Bioterrorism Hospital Preparedness Program	Health	5,015,244
93.913	Grants to States for Operation of Offices of Rural Health	Health	134,487
93.917	HIV Care Formula Grants	Health	13,149,788
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	641,112
93.940	HIV Prevention Activities Health Department Based	Health	2,640,340

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	486,828
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	9,414
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	146,654
93.958	Block Grants for Community Mental Health Services	Mental Health	3,908,637
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	14,483,615
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	Health	1,372,077
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	Health	1-
93.991	Preventive Health and Health Services Block Grant	Health	1,137,438
93.994	Maternal and Child Health Services Block Grant to the States	Health	9,570,647
SUBTOTAL			431,799,144
Aging Cluster			
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	Human Services	2,384,031
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	Human Services	5,172,735
93.053	Nutrition Services Incentive Program	Human Services	1,308,783
93.705	ARRA – ARRA - Aging Home-Delivered Nutrition Services for States	Human Services	257,114
93.707	ARRA – ARRA - Aging Congregate Nutrition Services for States	Human Services	391,063
Total Aging Cluster			9,513,726
Immunization Cluster			
93.268 @	Immunization	Health	40,175,555
93.712	ARRA – ARRA - Immunization	Health	58,655
Total Immunization Cluster			40,234,210
TANF Cluster			
93.558	Temporary Assistance for Needy Families (TANF) State Programs	Human Services	76,086,145

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.714	ARRA – ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	Human Services	6,922,185
93.716	ARRA – ARRA - Temporary Assistance for Needy Families (TANF) Supplemental Grants	Human Services	6,782,034
	Total TANF Cluster		89,790,364
	CSBG Cluster		
93.569	Community Services Block Grants	Human Services	10,851,263
93.710	ARRA – ARRA - Community Services Block Grants	Human Services	11,613,644
	Total CSBG Cluster		22,464,907
	CCDF Cluster		
93.575	Child Care and Development Block Grant	Human Services	49,432,553
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	24,798,320
93.713	ARRA – ARRA - Child Care and Development Block Grant	Human Services	21,718,245
	Total CCDF Cluster		95,949,118
	Head Start Cluster		
93.600	Head Start	Governor's Office	175,000
	Total Head Start Cluster		175,000
	Medicaid Cluster		
93.778	Medical Assistance Program (Medicaid)	Medicaid	3,181,932,997
93.778	ARRA – Medical Assistance Program (Medicaid)	Medicaid	352,586,356
93.775	State Medicaid Fraud Control Units	Attorney General	1,912,337
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health/Medicaid	4,926,309
	Total Medicaid Cluster		3,541,357,999
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		4,231,284,468
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>		
94.004	Learn and Serve America School and Community Based	Education	227,454

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Programs		
94.007	Program Development and Innovation Grants	Education	113,589
94.013	Volunteers in Service to America	Human Services	31,897
	SUBTOTAL		372,940
94.016	Foster Grandparent/Senior Companion Cluster Senior Companion Program	Human Services	167,091
	Total Foster Grandparent/Senior Companion Cluster		167,091
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		540,031
	<u>SOCIAL SECURITY ADMINISTRATION</u>		
96.008	Social Security – Work Incentives Planning and Assistance Program	Rehabilitation Services	332,068
	SUBTOTAL		332,068
96.001	Disability Insurance/SSI Cluster Social Security - Disability Insurance (DI)	Rehabilitation Services	30,014,505
	Total Disability Insurance/SSI Cluster		30,014,505
	TOTAL SOCIAL SECURITY ADMINISTRATION		30,346,573
	<u>DEPARTMENT OF HOMELAND SECURITY</u>		
97.012	Boating Safety Financial Assistance	Wildlife, Fisheries and Parks	2,524,866
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	Emergency Management	2,226
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Emergency Management	222,534
97.029	Flood Mitigation Assistance	Emergency Management	25,278
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Emergency Management	291,029,235
97.039	Hazard Mitigation Grant	Emergency Management	31,880,131
97.041	National Dam Safety Program	Environmental Quality	199,547
97.042	Emergency Management Performance Grants	Public Safety	4,480,572

(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, 2010

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
97.043	State Fire Training Systems Grants	State Fire Academy 14,368
97.044	Assistance to Firefighters Grant	Insurance 4,872
97.045	Cooperating Technical Partners	Environmental Quality 3,883,856
97.070	Map Modernization Management Support	Environmental Quality 143,319
97.077	Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	Transportation 84,407
97.080	Information Analysis Infrastructure Protection (IAIP) and Critical Infrastructure Monitoring and Protection	Emergency Management 19,297,180
97.082	Earthquake Consortium	Emergency Management 7,318
97.089	Real ID Program	Public Safety 1,661,374
SUBTOTAL		355,461,083
Homeland Security Cluster		
97.067	Homeland Security Grant Program	Public Safety 11,441,273
Total Homeland Security Cluster		11,441,273
TOTAL DEPARTMENT OF HOMELAND SECURITY		366,902,356
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 9,105,641,990

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 \$287,441,750 and federal expenditures of \$410,029,754.

@ Denotes federal programs with noncash benefits.

(concluded)

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, 2010

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures/ Distributions/ Issuances
<u>Agriculture and Commerce</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	474,354
10.086	ARRA – Aquaculture Grants Program	15,842,206
10.163	Market Protection and Promotion	27,000
10.169	Specialty Crop Block Grant Program	92,352
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,913,550
10.664	Cooperative Forestry Assistance	100,000
10.950	Agricultural Statistics Reports	124,368
Total U.S. DEPARTMENT OF AGRICULTURE		18,573,830
ENVIRONMENTAL PROTECTION AGENCY		
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	453,272
TOTAL Agriculture and Commerce		19,027,102
<u>Animal Health</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	556,081
TOTAL Animal Health		556,081
<u>Archives and History</u>		
U.S. DEPARTMENT OF THE INTERIOR		
15.904	Historic Preservation Fund Grants-In-Aid	5,192,642
15.928	Civil War Battlefield Land Acquisition Grants	578,400
15.UN1	Conduct Southeastern Indian Basketry Symposium	19,500
Total U.S. DEPARTMENT OF THE INTERIOR		5,790,542
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.024	Promotion of the Arts Grants to Organizations and Individuals	91,112
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		
89.003	National Historical Publications and Records Grants	24,760
TOTAL Archives and History		5,906,414

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, 2010

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Arts Commission</u>		
	U.S. DEPARTMENT OF LABOR	
17.260	WIA Dislocated Workers	576
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.025	Promotion of the Arts Partnership Agreements	883,354
45.025	ARRA – Promotion of the Arts Partnership Agreements	276,199
	Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	1,159,553
	TOTAL Arts Commission	1,160,129
<u>Attorney General</u>		
	U.S. DEPARTMENT OF JUSTICE	
16.543	Missing Children's Assistance	236,755
16.576	Crime Victim Compensation	470,000
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	567,409
16.746	Capital Case Litigation	100,000
16.751	Edward Byrne Memorial Competitive Grant Program	20,781
16.800	ARRA – Recovery Act - Internet Crimes against Children Task Force Program (ICAC)	66,255
16.810	ARRA – Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	79,289
	Total U.S. DEPARTMENT OF JUSTICE	1,540,489
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.775	State Medicaid Fraud Control Units	1,912,337
	TOTAL Attorney General	3,452,826
<u>Bd for Community and Junior Colleges</u>		
	U.S. DEPARTMENT OF EDUCATION	
84.002	Adult Education - Basic Grants to States	6,207,273
	TOTAL Bd for Community and Junior Colleges	6,207,273
<u>Corrections</u>		
	U.S. DEPARTMENT OF JUSTICE	
16.606	State Criminal Alien Assistance Program	28,976
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	325,589
	Total U.S. DEPARTMENT OF JUSTICE	354,565

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Corrections	354,565
	<u>Education</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.553	School Breakfast Program (SBP)	53,385,891
10.555 @	National School Lunch Program (NSLP)	161,990,841
10.556	Special Milk Program for Children (SMP)	4,498
10.558	Child and Adult Care Food Program	35,520,524
10.559	Summer Food Service Program for Children (SFSPC)	5,609,087
10.560	State Administrative Expenses for Child Nutrition	2,620,106
10.579	ARRA – Child Nutrition Discretionary Grants Limited Availability	1,636,219
10.582	Fresh Fruit and Vegetable Program	988,628
	Total U.S. DEPARTMENT OF AGRICULTURE	261,755,794
	U.S. DEPARTMENT OF DEFENSE	
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	168,244
	APPALACHIAN REGIONAL COMMISSION	
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	276,418
	U.S. DEPARTMENT OF EDUCATION	
84.010	Title I Grants to Local Educational Agencies	175,254,881
84.011	Migrant Education State Grant Program	1,237,354
84.013	Title I Program for Neglected and Delinquent Children	263,210
84.027	Special Education-Grants to States (IDEA, Part B)	109,462,020
84.044	TRIO Talent Search	393,650
84.048	Career and Technical Education – Basic Grants to States	14,889,311
84.144	Migrant Education - Coordination Program	27,413
84.173	Special Education Preschool Grants (IDEA, Preschool)	3,758,940
84.184	Safe and Drug-Free Schools and Communities National Programs	370,094
84.185	Byrd Honors Scholarships	414,750
84.186	Safe and Drug-Free Schools and Communities State Grants	2,266,862
84.196	Education of Homeless Children and Youth	716,162
84.213	Even Start State Educational Agencies	454,492
84.243	Tech-Prep Education	1,670,833
84.287	Twenty-First Century Community Learning Centers	13,067,778
84.293	Foreign Language Assistance	1,661
84.298	State Grants for Innovative Programs	127,757
84.305	Education Research, Development and Dissemination	85,756
84.318	Education Technology State Grants (Enhancing Education through Technology Program)	2,381,448
84.323	Special Education – State Personnel Development	763,134
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	141,120

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	301,358
84.336	Teacher Quality Partnership Grants	77,974
84.357	Reading First State Grants	11,414,413
84.358	Rural Education	4,547,759
84.365	English Language Acquisition Grants	1,574,074
84.366	Mathematics and Science Partnerships	2,453,679
84.367	Improving Teacher Quality State Grants	36,153,263
84.369	Grants for State Assessments and Related Activities	4,122,599
84.372	Statewide Data Systems	24,761
84.377	School Improvement Grants	3,203,654
84.386	ARRA – Education Technology State Grants, Recovery Act (Enhancing Education through Technology Program)	25,041
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	377,636
84.388	ARRA – School Improvement Grants, Recovery Act	7,589
84.389	ARRA – Title I Grants to Local Educational Agencies, Recovery Act	54,574,911
84.391	ARRA – Special Education Grants to States (IDEA, Part B), Recovery Act	38,989,549
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	1,160,895
84.938	Hurricane Education Recovery	3,516,703
Total U.S. DEPARTMENT OF EDUCATION		490,274,484
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	641,112
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
94.004	Learn and Serve America School and Community Based Programs	227,454
94.007	Program Development and Innovation Grants	113,589
Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		341,043
TOTAL Education		753,457,095
<u>Educational Television</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.861	Public Television Station Digital Transition Grant Program	77,739
U.S. DEPARTMENT OF EDUCATION		
84.286	Ready to Teach	148,602
84.295	Ready-to-Learn Television	43,260
Total U.S. DEPARTMENT OF EDUCATION		191,862

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	TOTAL Educational Television	269,601
	<u>Emergency Management</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	241,427
	DEPARTMENT OF HOMELAND SECURITY	
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	2,226
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	222,534
97.029	Flood Mitigation Assistance	25,278
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	291,029,235
97.039	Hazard Mitigation Grant	31,880,131
97.080	Information Analysis Infrastructure Protection (IAIP) and Critical Infrastructure Monitoring and Protection	19,297,180
97.082	Earthquake Consortium	7,318
	Total DEPARTMENT OF HOMELAND SECURITY	342,463,902
	TOTAL Emergency Management	342,705,329
	<u>Employment Security</u>	
	U.S. DEPARTMENT OF LABOR	
17.002	Labor Force Statistics	817,890
17.207	Employment Service	6,773,434
17.207	ARRA – Employment Service	2,235,333
17.225 #	Unemployment Insurance	616,441,076
17.225 #	ARRA – Unemployment Insurance	81,030,428
17.245	Trade Adjustment Assistance	1,817,003
17.258	WIA Adult Program	23,479,861
17.258	ARRA – WIA Adult Program	9,367,482
17.259	WIA Youth Activities	12,885,794
17.259	ARRA – WIA Youth Activities	11,002,606
17.260	WIA Dislocated Workers	27,463,609
17.260	ARRA – WIA Dislocated Workers	8,470,587
17.261	WIA Pilots, Demonstrations, and Research Projects	457,112
17.268	H-1B Job Training Grants	3,166,473
17.271	Work Opportunity Tax Credit Program (WOTC)	225,240
17.273	Temporary Labor Certification for Foreign Workers	74,539
17.801	Disabled Veterans' Outreach Program (DVOP)	674,436
17.804	Local Veterans' Employment Representative Program (LVER)	1,077,004
	Total U.S. DEPARTMENT OF LABOR	807,459,907
	TOTAL Employment Security	807,459,907

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Environmental Quality</u>		
U.S. DEPARTMENT OF COMMERCE		
11.473	Coastal Services Center	310,541
U.S. DEPARTMENT OF DEFENSE		
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	151,061
U.S. DEPARTMENT OF THE INTERIOR		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	130,986
15.252	Abandoned Mine Land Reclamation (AMLR) Program	30,239
15.808	U.S. Geological Survey Research and Data Collection	6,712
15.810	National Cooperative Geologic Mapping Program	96,854
Total U.S. DEPARTMENT OF THE INTERIOR		264,791
U.S. DEPARTMENT OF LABOR		
17.600	Mine Health and Safety Grants	44,830
ENVIRONMENTAL PROTECTION AGENCY		
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	583,214
66.040	State Clean Diesel Grant Program	183,285
66.040	ARRA – State Clean Diesel Grant Program	1,178,593
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	294,193
66.454	Water Quality Management Planning	128,144
66.454	ARRA – Water Quality Management Planning	136,438
66.458	Capitalization Grants for Clean Water State Revolving Funds	5,915,996
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds	15,786,023
66.460	Nonpoint Source Implementation Grants	5,295,165
66.463	Water Quality Cooperative Agreements	61,976
66.472	Beach Monitoring and Notification Program Implementation Grants	309,319
66.475	Gulf of Mexico Program	318,910
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	6,625
66.600	Environmental Protection Consolidated Grants for the Insular Areas – Program Support	56,763
66.605	Performance Partnership Grants	7,282,996
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	66,374
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	102,971
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	252,896
66.708	Pollution Prevention Grants Program	62,669
66.709	Multi-Media Capacity Building Grants for States and Tribes	25,836
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	219,365
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	791,290
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,679,484

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
66.805	ARRA – Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,280,739
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	143,179
66.817	State and Tribal Response Program Grants	73,873
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	162,305
	Total ENVIRONMENTAL PROTECTION AGENCY	42,398,621
	U.S. DEPARTMENT OF ENERGY	
81.UN7	DOE Salmon Site	1,083
	DEPARTMENT OF HOMELAND SECURITY	
97.041	National Dam Safety Program	199,547
97.045	Cooperating Technical Partners	3,883,856
97.070	Map Modernization Management Support	143,319
	Total DEPARTMENT OF HOMELAND SECURITY	4,226,722
	TOTAL Environmental Quality	47,397,649
	<u>Finance and Administration</u>	
	GENERAL SERVICES ADMINISTRATION	
39.003 @	Donation of Federal Surplus Personal Property	2,871,141
	U.S. DEPARTMENT OF EDUCATION	
84.394	ARRA – State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	195,253,703
84.397	ARRA – State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	20,971,203
	Total U.S. DEPARTMENT OF EDUCATION	216,224,906
	TOTAL Finance and Administration	219,096,047
	<u>Forestry Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.664	Cooperative Forestry Assistance	5,928,345
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	155,075
	Total U.S. DEPARTMENT OF AGRICULTURE	6,083,420
	TOTAL Forestry Commission	6,083,420
	<u>Governor's Office</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.558	ARRA – State Broadband Data and Development Grant Program	751,617

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.600	Head Start	175,000
	TOTAL Governor's Office	926,617
	<u>Health</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	90,664,111
10.565	Commodity Supplemental Food Program	436,537
	Total U.S. DEPARTMENT OF AGRICULTURE	91,100,648
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.241	Housing Opportunities for Persons with AIDS	1,279,167
	U.S. DEPARTMENT OF LABOR	
17.005	Compensation and Working Conditions	21,390
17.504	Consultation Agreements	10,656
17.505	OSHA Data Initiative	12,997
	Total U.S. DEPARTMENT OF LABOR	45,043
	ENVIRONMENTAL PROTECTION AGENCY	
66.032	State Indoor Radon Grants	91,809
66.432	State Public Water System Supervision	1,209,334
66.468	Capitalization Grants for Drinking Water State Revolving Funds	8,107,473
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	9,823,254
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	311,138
66.474	Water Protection Grants to the States	78,266
	Total ENVIRONMENTAL PROTECTION AGENCY	19,621,274
	U.S. DEPARTMENT OF EDUCATION	
84.181	Special Education - Grants for Infants and Families	3,555,376
84.393	ARRA – Special Education - Grants for Infants and Families, Recovery Act	1,963,262
	Total U.S. DEPARTMENT OF EDUCATION	5,518,638
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	111,851

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.069	Public Health Emergency Preparedness	22,070,346
93.070	Environmental Public Health and Emergency Response	364,250
93.103	Food and Drug Administration - Research	585
93.110	Maternal and Child Health Federal Consolidated Programs	58,186
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	842,509
93.127	Emergency Medical Services for Children	147,730
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	100,210
93.136	Injury Prevention and Control Research and State and Community Based Programs	495,109
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	323,430
93.217	Family Planning Services	5,710,421
93.236	Grants for Dental Public Health Residency Training	155,605
93.241	State Rural Hospital Flexibility Program	484,956
93.251	Universal Newborn Hearing Screening	89,059
93.268 @	Immunization	40,175,555
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	6,895,791
93.301	Small Rural Hospital Improvement Grant Program	443,169
93.414	ARRA – ARRA - State Primary Care Offices	43,017
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	1,113,129
93.712	ARRA – ARRA - Immunization	58,655
93.717	ARRA – ARRA - Preventing Healthcare-Associated Infections	30,290
93.723	ARRA – ARRA - Prevention and Wellness – State, Territories and Pacific Islands	80,059
93.777	State Survey and Certification of Health Care Providers and Suppliers	2,241,727
93.889	National Bioterrorism Hospital Preparedness Program	5,015,244
93.913	Grants to States for Operation of Offices of Rural Health	134,487
93.917	HIV Care Formula Grants	13,149,788
93.940	HIV Prevention Activities Health Department Based	2,640,340
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	486,828
93.945	Assistance Programs for Chronic Disease Prevention and Control	9,414
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	146,654
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	1,372,077
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	1-
93.991	Preventive Health and Health Services Block Grant	1,137,438
93.994	Maternal and Child Health Services Block Grant to the States	9,570,647
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		115,698,555
TOTAL Health		233,263,325

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Human Services</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.551	Supplemental Nutrition Assistance Program (SNAP)	826,685,119
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	31,806,071
10.561	ARRA – State Administrative Matching Grants for Supplemental Nutrition Assistance Program	3,228,302
10.568	Emergency Food Assistance Program (Administrative Costs)	763,824
10.568	ARRA – Emergency Food Assistance Program (Administrative Costs)	327,087
10.569 @	Emergency Food Assistance Program (Food Commodities)	6,767,449
10.580	Supplemental Nutrition Assistance Program, Outreach/Participation Program	92,084
Total U.S. DEPARTMENT OF AGRICULTURE		869,669,936
U.S. DEPARTMENT OF JUSTICE		
16.527	Supervised Visitation, Safe Havens for Children	3,947
U.S. DEPARTMENT OF LABOR		
17.235	Senior Community Service Employment Program	1,355,651
17.235	ARRA – Senior Community Service Employment Program	201,852
Total U.S. DEPARTMENT OF LABOR		1,557,503
U.S. DEPARTMENT OF ENERGY		
81.042	Weatherization Assistance for Low-Income Persons	2,225,257
81.042	ARRA – Weatherization Assistance for Low-Income Persons	16,000,871
Total U.S. DEPARTMENT OF ENERGY		18,226,128
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.010	Community-Based Abstinence Education (CBAE)	285,601
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	39,871
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	108,329
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	147,174
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	2,384,031
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	5,172,735
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	243,276
93.052	National Family Caregiver Support, Title III, Part E	1,320,307
93.053	Nutrition Services Incentive Program	1,308,783
93.071	Medicare Enrollment Assistance Program	49,685
93.235	Abstinence Education Program	171,761-

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.556	Promoting Safe and Stable Families	7,009,261
93.558	Temporary Assistance for Needy Families (TANF) State Programs	76,086,145
93.563	Child Support Enforcement	16,792,100
93.563	ARRA – Child Support Enforcement	10,363,454
93.566	Refugee and Entrant Assistance State Administered Programs	993,371
93.568	Low-Income Home Energy Assistance	42,424,292
93.569	Community Services Block Grants	10,851,263
93.575	Child Care and Development Block Grant	49,432,553
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	24,798,320
93.597	Grants to States for Access and Visitation Programs	83,783
93.599	Chafee Education and Training Vouchers Program (ETV)	311,028
93.603	Adoption Incentive Payments	16,950
93.643	Children's Justice Grants to States	268,326
93.645	Child Welfare Services State Grants	3,374,165
93.658	Foster Care Title IV-E	12,683,263
93.658	ARRA – Foster Care Title IV-E	680,430
93.659	Adoption Assistance	5,534,453
93.659	ARRA – Adoption Assistance	447,462
93.667	Social Services Block Grant	62,592,666
93.669	Child Abuse and Neglect State Grants	1,793,714
93.674	Chafee Foster Care Independence Program	832,282
93.705	ARRA – ARRA - Aging Home-Delivered Nutrition Services for States	257,114
93.707	ARRA – ARRA - Aging Congregate Nutrition Services for States	391,063
93.710	ARRA – ARRA - Community Services Block Grants	11,613,644
93.713	ARRA – ARRA - Child Care and Development Block Grant	21,718,245
93.714	ARRA – ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	6,922,185
93.716	ARRA – ARRA - Temporary Assistance for Needy Families (TANF) Supplemental Grants	6,782,034
93.725	ARRA – ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program	1,364
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	654,488
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	386,597,449
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.013	Volunteers in Service to America	31,897
94.016	Senior Companion Program	167,091
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	198,988
	TOTAL Human Services	1,276,253,951

Insurance
DEPARTMENT OF HOMELAND SECURITY

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
97.044	Assistance to Firefighters Grant	4,872
TOTAL Insurance		4,872
 <u>Library Commission</u>		
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.310	Grants to States	2,151,436
45.313	Laura Bush 21st Century Librarian Program	35,466
Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		2,186,902
TOTAL Library Commission		2,186,902
 <u>Marine Resources</u>		
U.S. DEPARTMENT OF COMMERCE		
11.407	Interjurisdictional Fisheries Act of 1986	115,225
11.419	Coastal Zone Management Administration Awards	1,089,547
11.420	Coastal Zone Management Estuarine Research Reserves	835,220
11.434	Cooperative Fishery Statistics	86,203
11.463	Habitat Conservation	199,741
11.472	Unallied Science Program	34,990
11.473	Coastal Services Center	258,854
Total U.S. DEPARTMENT OF COMMERCE		2,619,780
 U.S. DEPARTMENT OF THE INTERIOR		
15.426	Coastal Impact Assistance Program (CIAP)	7,065,754
15.605	Sport Fish Restoration Program	313,963
15.616	Clean Vessel Act	81,445
15.622	Sportfishing and Boating Safety Act	11,396
Total U.S. DEPARTMENT OF THE INTERIOR		7,472,558
 ENVIRONMENTAL PROTECTION AGENCY		
66.475	Gulf of Mexico Program	212,879
TOTAL Marine Resources		10,305,217
 <u>Medicaid</u>		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.767	Children's Health Insurance Program	152,510,700
93.777	State Survey and Certification of Health Care Providers and Suppliers	2,684,582
93.778	Medical Assistance Program (Medicaid)	3,181,932,997
93.778	ARRA – Medical Assistance Program (Medicaid)	352,586,356

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	1,788,152
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	9,828,163
93.793	Medicaid Transformation Grants	84,301
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		3,701,415,251
TOTAL Medicaid		3,701,415,251
<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)	2,010,370
93.150	Projects for Assistance in Transition from Homelessness (PATH)	318,865
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	3,379,083
93.630	Developmental Disabilities Basic Support and Advocacy Grants	786,974
93.958	Block Grants for Community Mental Health Services	3,908,637
93.959	Block Grants for Prevention and Treatment of Substance Abuse	14,483,615
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		24,887,544
TOTAL Mental Health		24,887,544
<u>Military Department</u>		
U.S. DEPARTMENT OF DEFENSE		
12.401	National Guard Military Operations and Maintenance (O&M) Projects	87,001,276
12.402	National Guard Special Military Operations and Projects	2,353,694
12.404	National Guard Civilian Youth Opportunities	3,288,968
12.405	National Guard Drug Interdiction and Counter Drug Activities	234,312
Total U.S. DEPARTMENT OF DEFENSE		92,878,250
TOTAL Military Department		92,878,250
<u>MS Development Authority</u>		
U.S. DEPARTMENT OF DEFENSE		
12.002	Procurement Technical Assistance For Business Firms	675,022
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
14.218	Community Development Block Grants/Entitlement Grants	11,859,801
14.228	Community Development Block Grants/State's Program	709,177,110
14.231	Emergency Shelter Grants Program	1,420,801
14.239	Home Investment Partnerships Program	14,754,246

(concluded)

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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
14.255	ARRA – Community Development Block Grants/State's Program	3,946,052
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	2,457,371
	Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	743,615,381
	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	855,563
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	171,594
	Total APPALACHIAN REGIONAL COMMISSION	1,027,157
	U.S. DEPARTMENT OF ENERGY	
81.041	State Energy Program	258,214
81.041	ARRA – State Energy Program	3,475,032
81.117	ARRA – Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	27,529
81.119	State Energy Program Special Projects	199,412
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	9,545
81.127	ARRA – Energy Efficient Appliance Rebate Program (EEARP)	1,251,793
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	803,749
	Total U.S. DEPARTMENT OF ENERGY	6,025,274
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.585	Empowerment Zones Program	529,631-
	TOTAL MS Development Authority	750,813,203
	<u>Narcotics</u>	
	OFFICE OF NATIONAL DRUG CONTROL POLICY	
07.UN	High Intensity Drug Trafficking Area	1,303,126
	U.S. DEPARTMENT OF JUSTICE	
16.UN	Domestic Cannabis Eradication/Suppression Program	1,458,956
	TOTAL Narcotics	2,762,082
	<u>Oil and Gas Board</u>	
	ENVIRONMENTAL PROTECTION AGENCY	
66.433	State Underground Water Source Protection	105,700
	TOTAL Oil and Gas Board	105,700

(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, 2010

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures Distributions/ Issuances
<u>Pharmacy Board</u>		
U.S. DEPARTMENT OF JUSTICE		
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs	153,799
TOTAL Pharmacy Board		153,799
<u>Public Safety</u>		
U.S. DEPARTMENT OF JUSTICE		
16.017	Sexual Assault Services Formula Program	26,540
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	15-
16.523	Juvenile Accountability Block Grants	524,051
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	267,682
16.548	Title V Delinquency Prevention Program	76,306
16.554	National Criminal History Improvement Program (NCHIP)	21
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	286,868
16.575	Crime Victim Assistance	5,641,088
16.579	Edward Byrne Memorial Formula Grant Program	504
16.588	Violence Against Women Formula Grants	1,917,191
16.588	ARRA – Violence Against Women Formula Grants	213,694
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	237,063
16.593	Residential Substance Abuse Treatment for State Prisoners	296,310
16.609	Community Prosecution and Project Safe Neighborhoods	142,956
16.710	Public Safety Partnership and Community Policing Grants	613,796
16.727	Enforcing Underage Drinking Laws Program	337,199
16.738	Edward Byrne Memorial Justice Assistance Grant Program	6,370,859
16.744	Anti-Gang Initiative	206,830
16.750	Support for Adam Walsh Act Implementation Grant Program	25,787
16.801	ARRA – Recovery Act - State Victim Assistance Formula Grant Program	21,684
16.803	ARRA – Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	494,387
16.UN4	Federal Asset Forfeitures	1,021,976
Total U.S. DEPARTMENT OF JUSTICE		18,722,777
U.S. DEPARTMENT OF TRANSPORTATION		
20.217	Motor Carrier Safety	785,079
20.218	National Motor Carrier Safety	2,146,380
20.232	Commercial Driver License State Programs	270,864
20.2NA	Fatal Analysis Reporting System	65,136
20.600	State and Community Highway Safety	13,816,982
Total U.S. DEPARTMENT OF TRANSPORTATION		17,084,441

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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 STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	U.S. DEPARTMENT OF EDUCATION	
84.186	Safe and Drug-Free Schools and Communities State Grants	766,816
	DEPARTMENT OF HOMELAND SECURITY	
97.042	Emergency Management Performance Grants	4,480,572
97.067	Homeland Security Grant Program	11,441,273
97.089	Real ID Program	1,661,374
	Total DEPARTMENT OF HOMELAND SECURITY	17,583,219
	TOTAL Public Safety	54,157,253
	<u>Public Service Commission</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.700	Pipeline Safety Program Base Grants	476,581
	TOTAL Public Service Commission	476,581
	<u>Rehabilitation Services</u>	
	U.S. DEPARTMENT OF EDUCATION	
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	44,366,184
84.169	Independent Living State Grants	117,024
84.177	Independent Living Services for Older Individuals Who Are Blind	312,004
84.187	Supported Employment Services for Individuals with Significant Disabilities	294,600
84.224	Assistive Technology	437,844
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	87,379
84.390	ARRA – Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	7,019,264
	Total U.S. DEPARTMENT OF EDUCATION	52,634,299
	SOCIAL SECURITY ADMINISTRATION	
96.001	Social Security - Disability Insurance (DI)	30,014,505
96.008	Social Security - Work Incentives Planning and Assistance Program	332,068
	Total SOCIAL SECURITY ADMINISTRATION	30,346,573
	TOTAL Rehabilitation Services	82,980,872
	<u>Secretary of State</u>	
	GENERAL SERVICES ADMINISTRATION	
39.011	Election Reform Payments	54,787
	ELECTIONS ASSISTANCE COMMISSION	
90.401	Help America Vote Act Requirements Payments	289,717

(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, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Secretary of State	344,504
	<u>Soil & Water Conservation Commission</u>	
10.902	U.S. DEPARTMENT OF AGRICULTURE Soil and Water Conservation	443,080
	TOTAL Soil & Water Conservation Commission	443,080
	<u>State Fire Academy</u>	
97.043	DEPARTMENT OF HOMELAND SECURITY State Fire Training Systems Grants	14,368
	TOTAL State Fire Academy	14,368
	<u>Supreme Court</u>	
16.580	U.S. DEPARTMENT OF JUSTICE Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	60,819
93.586	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES State Court Improvement Program	486,851
	TOTAL Supreme Court	547,670
	<u>Transportation</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.205	Highway Planning and Construction	389,560,057
20.205	ARRA – Highway Planning and Construction	223,746,201
20.237	Commercial Vehicle Information Systems and Networks	1,992,014
20.313	Railroad Research and Development	136,548
20.500	Federal Transit – Capital Investment Grants	322,567
20.505	Federal Transit Metropolitan Planning Grants	292,600
20.509	Formula Grants for Other Than Urbanized Areas	9,390,026
20.509	ARRA – Formula Grants for Other Than Urbanized Areas	5,594,228
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	712,851
20.516	Job Access – Reverse Commute Program	114,292
	Total U.S. DEPARTMENT OF TRANSPORTATION	631,861,384
97.077	DEPARTMENT OF HOMELAND SECURITY Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	84,407

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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 STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Transportation	631,945,791
	<u>Treasury</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.665	Secure Payments for States and Counties Containing Federal Lands	8,372,945
	U.S. DEPARTMENT OF ENERGY	
81.UN1	Petroleum Violation Escrow – Stripper Well	179,309
81.UN5	Petroleum Violation Escrow – State Escrow	50
	Total U.S. DEPARTMENT OF ENERGY	179,359
	TOTAL Treasury	8,552,304
	<u>Veterans Affairs Board</u>	
	U.S. DEPARTMENT OF VETERANS AFFAIRS	
64.124	All-Volunteer Force Educational Assistance	120,722
64.203	State Cemetery Grants	517,089
	TOTAL Veterans Affairs Board	637,811
	<u>Wildlife, Fisheries and Parks</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	57,287
	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-TTWW-10-MS-WL, DACW-38-3-06-155, DACW-38-91-H-0007, DACW-38-3-09-176.	1,868,343
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	3,713,343
15.611	Wildlife Restoration	4,484,121
15.615	Cooperative Endangered Species Conservation Fund	84,938
15.632	Conservation Grants Private Stewardship for Imperiled Species	535
15.633	Landowner Incentive Program	984,779
15.634	State Wildlife Grants	912,277
15.916	Outdoor Recreation Acquisition, Development and Planning	776,122
	Total U.S. DEPARTMENT OF THE INTERIOR	10,956,115
	U.S. DEPARTMENT OF TRANSPORTATION	
20.219	Recreational Trails Program	1,044,994
	DEPARTMENT OF HOMELAND SECURITY	
97.012	Boating Safety Financial Assistance	2,524,866

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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 STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2010

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Wildlife, Fisheries and Parks	16,451,605
	TOTAL EXPENDITURES OF FEDERAL AWARDS:	<u>\$ 9,105,641,990</u>

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 \$287,441,750 and federal expenditures of \$410,029,754.

@ Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

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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, 2010

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, 2010, federal expenditures, distributions or issuances totaled \$9,105,641,990. This established the threshold for Type A programs as those with federal expenditures, distributions or issuances which exceeded \$27,316,926. For the fiscal year 2010 audit, there were 24 programs with expenditures exceeding the Type A threshold. Of these 24 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. Therefore for fiscal year 2010, twenty four federal award programs, comprising 19 high risk Type A programs and five 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 (continued)

- *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 accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2010. 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, 2011.
- 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, 2010, 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 (continued)

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 \$2,871,141. 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, 2010, as charges for sales and services of \$1,423,000. 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 \$1,078,581. 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, 2010, the outstanding loan balance for the program totaled \$6,485,697.
- 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	\$ 287,441,750
Federal Portion	<u>410,029,754</u>
Total	<u>\$ 697,471,504</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, 2010, was \$348,902,474. Total disbursements for new loans for the year ended June 30, 2010, totaled \$18,201,948. Administrative costs associated with the program for the year ended June 30, 2010, totaled \$1,407,901.
- 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, 2010, was \$116,927,713.

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

Total disbursements for new loans made during fiscal year 2010 totaled \$31,325,508. Administrative costs associated with the program for the year ended June 30, 2010, totaled \$1,794,107.

G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$41,709,021 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 (NSLP)
10.569	Emergency Food Assistance Program (Food Commodities)
39.003	Donation of Federal Surplus Personal Property
93.268	Immunization

- *CFDA 10.555 — National School Lunch Program received \$161,990,841 including cash assistance and noncash assistance. Cash assistance totaled \$146,019,306 and noncash assistance totaled \$15,971,535.*
- *CFDA 93.268 — Immunization Grants received \$40,175,555 including cash assistance and noncash assistance. Cash assistance totaled \$2,969,683 and noncash assistance totaled \$37,205,872.*

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, 2010, 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
10.086*	ARRA – Aquaculture Grants Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560*	State Administration Expenses for Child Nutrition

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (continued)

	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for Supplemental Nutrition Assistance Program
	Child Nutrition Cluster:
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
	CDBG – State-Administered Small Cities Program Cluster:
14.228	Community Development Block Grants/State’s program (State Administered Small Cities Program)
14.255	ARRA – Community Development Block Grants/State’s program (State Administered Small Cities Program)
	Unemployment Insurance
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 and Construction Cluster:
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program
	Capitalization Grants for Clean Water State Revolving Funds
66.458*	Capitalization Grants for Clean Water State Revolving Funds
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds
	Capitalization Grants for Drinking Water State Revolving Funds
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds
	Weatherization Assistance for Low-Income Persons
81.042*	Weatherization Assistance for Low-Income Persons
81.042	ARRA – Weatherization Assistance for Low-Income Persons
	Title I, Part A Cluster
84.010	Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)
84.389	ARRA – Title I Grants to Local Educational Agencies, Recovery Act

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

- Special Education Cluster:
- 84.027 Special Education – Grants to States (IDEA, Part B)
 - 84.173 Special Education – Preschool Grants (IDEA Preschool)
 - 84.391 ARRA – Special Education Grants to States (IDEA, Part B), Recovery Act
 - 84.392 ARRA – Special Education – Preschool Grants (IDEA Preschool), Recovery Act
- Vocational Rehabilitation Cluster:
- 84.126 Rehabilitation Services – Vocational Rehabilitation Grants to States
 - 84.390 ARRA - Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act
- State Fiscal Stabilization Fund Cluster:
- 84.394 ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)
 - 84.397 ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act
- Social Services Block Grant
- 93.667 Children’s Health Insurance Program
 - 93.767
- Immunization Cluster:
- 93.268 Immunization
 - 93.712 ARRA – ARRA – Immunization
- TANF Cluster:
- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
 - 93.714 ARRA – ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
 - 93.716 ARRA – ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants
- 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
 - 93.713 ARRA – ARRA – Child Care and Development Block Grant
- Medicaid Cluster:
- 93.778 Medical Assistance Program (Medicaid)
 - 93.778 ARRA – Medical Assistance Program (Medicaid)
 - 93.775 State Medicaid Fraud Control Units
 - 93.777 State Survey and Certification of Health Care Providers and Suppliers
- 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
 - 97.039 Hazard Mitigation Grant

*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, 2010

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? ___yes X 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? 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 for which a separate report 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
10.086*	ARRA – Aquaculture Grants Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560*	State Administration Expenses for Child Nutrition
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for Supplemental Nutrition Assistance Program
	Child Nutrition Cluster:
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
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14.228	Community Development Block Grants/State's program (State Administered Small Cities Program)
14.255	ARRA – Community Development Block Grants/State's program (State Administered Small Cities Program)
17.225	Unemployment Insurance
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17.259	WIA Youth Activities
17.259	ARRA – WIA Youth Activities
17.260	WIA Dislocated Workers
17.260	ARRA – WIA Dislocated Workers

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

	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program
66.458*	Capitalization Grants for Clean Water State Revolving Funds
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds
81.042*	Weatherization Assistance for Low-Income Persons
81.042	ARRA – Weatherization Assistance for Low-Income Persons
	Title 1, Part A Cluster:
84.010	Title I Grants to Local Educational Agencies (Title 1, Part A of the ESEA)
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act
	Special Education Cluster:
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
84.391	ARRA – Special Education Grants to States (IDEA, Part B), Recovery Act
84.392	ARRA – Special Education – Preschool Grants (IDEA Preschool), Recovery Act
	Vocational Rehabilitation Cluster:
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.390	ARRA - Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act
	State Fiscal Stabilization Fund Cluster:
84.394	ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)
84.397	ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
	Immunization Cluster:
93.268	Immunization
93.712	ARRA – ARRA – Immunization

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

TANF Cluster:

- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
- 93.714 ARRA – ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
- 93.716 ARRA – ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants

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
- 93.713 ARRA – ARRA – Child Care and Development Block Grant

Medicaid Cluster:

- 93.778 Medical Assistance Program (Medicaid)
- 93.778 ARRA – Medical Assistance Program (Medicaid)
- 93.775 State Medicaid Fraud Control Units
- 93.777 State Survey and Certification of Health Care Providers and Suppliers
- 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
- 97.039 Hazard Mitigation Grant

*Type B Program

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

\$27,316,926

Auditee qualified as low-risk auditee?

 yes x no

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, 2010

PART 2 – FINANCIAL STATEMENT FINDINGS

Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings classified as material weaknesses and instances of material noncompliance 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. Each finding has one of the following designations:

- **Material Weakness** – A deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected on a timely basis.
- **Material Noncompliance** – Matters coming to the auditor's attention relating to the state's compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts.

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**CFDA/Finding
Number**

Finding and Recommendation

EDUCATION

Material Weakness

2010-10

A Program of Information Technology Governance Should Be Implemented at the Mississippi Department of Education

Finding:

Information Technology (IT) governance is the leadership and organizational structures and processes that ensure an organization's IT investments sustain and extend business strategies and objectives. IT governance decision-making frameworks and processes help define how all IT investment decisions will be made, where accountability lies for those decisions and the ongoing management of IT investments and technology standards.

Policies, procedures, and standards define IT organizational behavior and uses of technology. They are a part of the written record that defines how the IT organization performs services that support the organization. Policy documents should be developed and ratified by IT management. IT policies typically cover topics such as security processes, risk management, roles and responsibilities, development practices, operational practices, incident management, project management and vulnerability management.

During our review, we found the Mississippi Department of Education to be deficient in policy, procedures and standards regarding:

- Risk Assessments
- Security
- Vulnerability Management
- Identity and Access Management
- Compliance Management
- Continuity of Operations
- Documentation

Recommendation:

We recommend the Mississippi Department of Education establish governance through an IT steering committee that will be responsible for setting long-term IT strategy and ensure that IT processes will effectively meet the agency's business needs. Additionally, we recommend the agency implement a program of IT governance that will address change management, quality management, security management, documentation requirements, performance optimization and establish an effective organizational structure and clear statements of roles and responsibilities.

**CFDA/Finding
Number**

Finding and Recommendation

EDUCATION

Material Weakness

2010-11

A Formal Information Security Policy Should Be Implemented

Finding:

Since our 2003 audit, the Office of the State Auditor (OSA) has communicated the need for the Mississippi Department of Education to implement a formal Information Security Policy or Enterprise Security Plan. This finding also relates to finding 2010-10 in this report, as a strong security stance is a function of a strong Information Technology (IT) Governance process.

The lack of a formal Information Security Policy has led to a breakdown of basic security practices in the areas of application security, LAN/WAN security, management of the security application and Internet protocol.

During 2009, the *Mississippi State Enterprise Security Policy* was substantially updated and strengthened and requires all state agencies to have a written information security plan, conduct a security risk analysis, implement a data classification scheme, and provide for periodic external security reviews.

Recommendation:

Practices outlined in the *Mississippi State Enterprise Security Policy* are typical of appropriate standards for any moderate sized IT organization. While full compliance with all facets of the policy may be an economic challenge for the Mississippi Department of Education, beginning steps to become compliant with the policy are necessary. We recommend the agency create a plan of compliance with industry standards and State policy to ensure progress towards a more robust documented information security plan.

**Finding
Number**

Finding and Recommendation

EMPLOYMENT SECURITY

Material Weakness

Material Noncompliance

2010-12

Controls Should Be Strengthened to Ensure Accounting Records are Complete and Accurate, GAAP Reporting Packages are Properly Prepared, and Contribution Rates are Accurately Calculated

Finding:

Subsection 25.00.00 of the *Mississippi Agency Accounting Policy and Procedures* (MAAPP) Manual requires each state agency to maintain a complete and accurate set of financial records. Once a transaction has occurred it is necessary to record the transaction promptly in the accounting/financial records. Subsection 3.50.20 of the manual further requires that financial transactions should be recorded in self-balancing groups of accounts through the double entry method of accounting. This technique embodies the inherent control features of the accounting equation. It follows that the sum of all debit entries in the accounting records must equal the sum of all credit entries, and the records are thereby self-balanced. In addition, Subsection 27.30.10 of the 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 ensure transactions were recorded promptly in the accounting/financial records and to verify the propriety of the fiscal year 2010 GAAP reporting package prepared by the Mississippi Department of Employment Security (MDES) for Fund 8191, we noted the following problems.

- The payments of federal income taxes on benefit claims for state unemployment compensation (UI) along with the Emergency Extended Unemployment Compensation (EEUC) and the Federal Additional Compensation (FAC) federal programs are disbursed from the benefit payment checking account. The agency erroneously recorded the UI payments, which totaled \$12,481,548, in the accounting records to the trust fund account and not correctly to the benefit payment checking account. Also, when the agency was recording the transactions which totaled the \$12,481,548, they failed to include the July 2009 transactions of \$1,232,464. In addition, the agency did not record the EEUC and the FAC payments, which totaled \$17,566,404, as a disbursement from the benefit payment checking account in the accounting records.
- The agency failed to record deposits made to the benefit payment checking account totaling \$9,171,179 in the accounting records.
- The agency improperly requested and received reimbursement twice for EEUC expenses in the amount of \$14,155,668. The agency subsequently repaid these federal funds. However, these transactions were not recorded in the accounting records.

- The agency prepared an accrual adjustment for the GAAP reporting package to record the allowance for uncollectible benefit overpayments recovery receivable account and the corresponding expense account. This adjustment was overstated by \$8,874,626. Another adjustment was made to correct the overstatement; however, the agency incorrectly adjusted a revenue account instead of the correct expense account. This resulted in revenue being overstated and expenses being understated by the \$8,874,626.
- Instances were noted in which the agency reimbursed other states twice for unemployment compensation benefits paid by the other states for former employees of the State of Mississippi who were currently residing in their state in the amount of \$5,538,299. The agency subsequently was repaid by the other states; however, the agency failed to properly reduce the expense account for the repayment in the accounting records. In addition, the agency failed to properly record in the accounting records the amount of \$2,009,290 for reimbursements due from other states for benefits paid by the state on behalf of the other states.
- When recording the September 2009 expense for state unemployment compensation benefit claims, the agency overstated the claims amount by \$3,285,898.
- The agency's accounting records for the entire fiscal year were not self-balancing. The sum of all debit entries in the accounting records did not equal the sum of all credit entries. As a result, a balancing entry was required to be made to the benefit claims expense account in order for the financial statements to balance.
- A prior year audit finding documented that the agency received and expended federal funds which were not recorded in the accounting records. In the current year, the agency also received and expended federal funds which were not recorded in the accounting records as revenues and expenses. The federal funds received and expended in the current year which were not recorded totaled \$356,140,438.
- A prior year audit finding documented that cash received from benefit overpayment recovery collections was not recorded in the accounting records or the GAAP reporting package. In the current year, the agency prepared an adjustment for the GAAP package to record the \$6,270,093 of cash received from the benefit overpayment recovery collections in the financial statements; however, the agency did not record the cash received in the accounting records.
- Prior period audit adjustments which affected an asset account had not been properly posted by the agency in the accounting records so that beginning balances for the current year would be proper.
- Adjustments were made to the GAAP reporting package for which supporting documentation was not available to substantiate the amounts recorded.

- Per Section 71-5-355, Miss. Code. Ann. (1972), the unemployment contribution assessment tax for each eligible employer shall be the sum of two rates: the employer's individual rate, plus a general experience rate. The general experience rate used to calculate each employer's contribution tax was determined to be overstated for the tax year beginning January 1, 2010 and ending December 31, 2010. This overstatement of the general experience rate resulted in overcharges to the employers in the amount of \$15,259,108.
- The agency did not prepare monthly bank reconciliations between the bank statements and the accounting records for the fiscal year.

As a result of problems noted above, audit adjustments 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 in the accounting records and properly prepare the GAAP reporting package resulted in misstatements on the agency's financial statements which required additional audit time to correct. Also, good internal control procedures require the reconciliations of monthly bank statements with the financial records. Failure to timely reconcile bank statements with the financial records could result in errors or fraud occurring without being detected in a timely manner and incorrect balances being recorded on the financial statements.

Recommendation:

We recommend the Mississippi Department of Employment Security (MDES) strengthen controls to ensure all recognized accounting events or transactions are accurately recorded in the accounting records. The agency should ensure its accounting records are self-balanced, the sum of all debit entries equaling the sum of all credit entries (double entry procedure). Also, the GAAP reporting package should be carefully reviewed by supervisory personnel to ensure accuracy. Any prior period audit adjustments which affect an asset account should be reflected in the current year beginning balance for the account in the accounting records. In addition, MDES should strengthen controls to ensure that employer contribution taxes are properly calculated. We further recommend the agency implement procedures to ensure bank accounts are properly reconciled to the accounting records. Differences on these reconciliations should be investigated and resolved in a timely manner.

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**Finding
Number**

Finding and Recommendation

TREASURY

Material Noncompliance

2010-03

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 State Treasury Department revealed the total of United States Government agency, instrumentality, and government sponsored enterprise obligations exceeded 50 percent of total relevant investments for 12 of the 12 dates selected for testwork (one per month). The actual investment percentages for dates tested ranged from approximately 89 to 91 percent, resulting in investments in U.S. Government agency, instrumentality, and government sponsored enterprise obligations of \$718 million up to \$1 billion in excess of statutory limits. 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 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.

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**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, 2010

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:

- **Material Weakness** – *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.
- **Significant Deficiency** – *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
- **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, 2010

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

CFDA/Finding
Number

Finding and Recommendation

EDUCATION

ALLOWABLE COSTS/COST PRINCIPLES

*Significant Deficiency
Immaterial Noncompliance*

10.560

State Administrative Expenses for Child Nutrition

Federal Award Number and Year: FLS09-SAE – 2009 /FLS10-SAE – 2010

Questioned Costs: \$19,060

10-11

Controls Should Be Strengthened to Ensure Employee Compensation Costs are Charged to the Proper Program

Finding:

The *Code of Federal Regulations* (7 CFR 235.6(b)) 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 compensation of employees relate to time devoted and identified specifically to the performance of the award.

During our audit of the Mississippi Department of Education, we reviewed the appropriateness of compensation charged directly to the State Administrative Expenses for Child Nutrition program. We selected 34 employees for testing and noted one employee out of 34 for which compensation of \$19,060 was improperly disbursed from the State Administrative Expenses for Child Nutrition award. The employee was linked to an incorrect organizational code during payroll setup, allowing the improper charge to occur.

Good internal controls require adequate controls be in place to ensure only allowable costs are charged to a federal grant award. Without adequate controls in place, the agency charged costs in violation of federal regulations, resulting in questioned costs.

Upon notification by the auditor, agency personnel corrected the error prior to year-end close.

**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 Department of Education strengthen controls over the review of employee compensation costs charged to the State Administrative Expenses for Child Nutrition program to ensure compliance with federal regulations. Payroll setup for each employee should be reviewed to ensure employee salaries are distributed from the proper source. Compensation charged to the program should be reviewed monthly to ensure all charges relate to time devoted and identified specifically to the performance of the award.

EDUCATION

PROCUREMENT AND SUSPENSION AND DEBARMENT

Significant Deficiency

10.560

State Administrative Expenses for Child Nutrition

Federal Award Number and Year: FLS09-SAE - 2009 / FLS10-SAE - 2010

10-12

Controls Should Be Strengthened over Procurement and Suspension and Debarment Requirements Prior to Entering into Contracts

Finding:

The Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* states non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties who are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods and services which are expected to equal or exceed \$25,000 or meet other specified criteria detailed in the *Code of Federal Regulations* (2 CFR 180.220). The Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* further states when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System* (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity (2 CFR section 180.300).

**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

During our review of the suspension and debarment compliance requirement at the Mississippi Department of Education, we tested all 5 contracts with parties who provided goods or services equal to or greater than \$25,000 under the State Administrative Expenses for Child Nutrition program in fiscal year 2010. We noted one instance, or 20 percent, in which the agreement with the contractor did not include any assurances related to the suspension and debarment requirement. In addition, the agency could not provide any documented certification from the contracted party or evidence of verification through the EPLS.

Failure to comply with Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* suspension and debarment requirements could result in distribution of federal funds to an entity who has been excluded from participation in federal programs by authorities. It should be noted we queried EPLS and did not find any evidence the contracted party was suspended or debarred.

Recommendation:

We recommend the Mississippi Department of Education strengthen controls to ensure procurement contracts are not entered into with parties who have been suspended or debarred. All contracts exceeding \$25,000 should include a clause or condition requiring the contracted party to comply with the suspension and debarment regulations. Further, we recommend the agency perform and document a search of the *Excluded Parties List System* annually to ensure the suspension and debarment contract provision has not been violated.

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557
 93.268

Special Supplemental Nutrition Program for Women, Infants, and Children
 Immunization

Federal Award Number and Year: Various

10-02

Controls over the Time Study System Should Be Strengthened

Finding:

The *Code of Federal Regulations* (7 CFR 3016.22 for the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC] and 45 CFR 92.22 for the Immunization program) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87. OMB

**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

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 salaries supported by time study forms used in the time study system and the actual amounts charged for payroll for each program per the Statewide Payroll and Human Resource System (SPAHRs) in order to determine the salaries charged to the federal program were reasonable and to ensure 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 testwork on the time study system, we reviewed 93 time study forms to ensure data entered into the time study system was input correctly. The following errors were noted.

- Two instances were noted in which the program codes, activity codes, hours, and minutes on the time study form did not agree to the input on the raw time report.
- One instance was noted in which the activity code was not listed on the time study form; however, one was assigned on the raw time report. There was no documentation supporting the change to the raw time report.

Audit testwork revealed that while the agency collected the patient encounter forms and data necessary to compute the relative values for services performed, all the data was not entered for fiscal year 2010 in a timely manner. The relative value data for

**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

fiscal year 2010 will be used when completing the time study for fiscal year 2011. Services and time charged from the patient encounter forms was only entered for the month of July 2009; none were input for the months of August 2009 through June 2010 until January 2011.

We also reviewed the reconciliation between the time study calculations and SPAHRS and noted the following errors.

- A reporting category not related to the WIC program which had expenditures totaling \$9,410 was included on the WIC reconciliation. It appears the inclusion of this reporting category had an immaterial effect on the reconciliation.
- WIC salaries and fringe benefits processed in September 2009 totaling \$3,123 and Immunization program salaries and fringe benefits processed in July 2010 totaling \$136 were not included on the reconciliation; however, it appears this had an immaterial effect on the reconciliations.

Review of the relative value process revealed the following problems.

- Eight instances were noted in which values on the “Relative Value Table” report could not be traced to the “Average Time and Associated Relative Value” report. Including these values to allocate nurses, nurse practitioners and doctors’ time appeared to have an immaterial effect on the total time study amounts allocated to the Immunization and WIC programs.
- One instance was noted in which it appeared the values on the “Relative Value Table” report could not be traced to the “Average Time and Associated Relative Value” report. However, agency personnel stated these values were keyed under the wrong service code. Upon review of the correct service code stated by agency personnel, these values were present. Therefore, the values had been included on the “Relative Value Table” report twice. Including these values twice to allocate nurses, nurse practitioners and doctors’ time appeared to have an immaterial effect on the total time study amounts allocated to the Immunization and WIC programs.
- We noted five instances in which the “Relative Value Table” report did not include values which were reported on the “Average Time and Associated Relative Value” report and we could not determine why these values were not included on the “Relative Value Table” report.

Good internal controls dictate that adequate procedures are in place to ensure time study and relative value data is entered accurately and promptly. Good internal controls also dictate reconciliations between the time study system and SPAHRS are accurate. Inadequate controls over the time study system could hinder the agency’s ability to manage federal funds effectively and to comply with federal regulations.

**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

Furthermore, failure to input time study data correctly could result in misallocation of federal funds.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the time study system to ensure all information is reliable and accurate. Information included on the time study forms and patient encounter forms should be accurately and promptly entered to the time study system to ensure that personnel costs are properly calculated. In addition, the time study reconciliations should be reviewed for accuracy and this review should be documented.

HEALTH

ELIGIBILITY

*Significant Deficiency
 Immaterial Noncompliance*

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2009
 5MS700704, 2010

Questioned Costs: Not Determined

10-03

Controls over Participant Eligibility Determination Process Should Be Strengthened

Finding:

The *Code of Federal Regulations (CFR)* (7 CFR 246.7 for the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]) states the following criteria must be met for an infant, child, or pregnant, postpartum, or breastfeeding woman to be eligible to receive WIC benefits: reside within the jurisdiction of the state; meet income criteria; and meet nutritional risk criteria. Federal regulations further explain the income criteria are: gross income less than 185 percent of the Federal income guidelines; certified as eligible to receive food stamps; certified as eligible to receive Temporary Assistance for Needy Families (TANF) assistance; or certified eligible to receive Medicaid.

The Mississippi State Department of Health (MSDH) issues a State Policy and Procedure Manual for the WIC program each year. The WIC Policy and Procedure Manual states WIC eligibility can only be determined by a physician, nutritionist, nurse, or lactation specialist who has completed the required training. The certifying professional must ensure the WIC application is correctly completed and required documentation is entered in the medical record before signing the certification form and the food prescription authorization (FPA). The WIC Policy and Procedure

**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

Manual states applicants must provide written proof of identification, residency, and income at each WIC certification and recertification appointment. WIC staff must verify proof and document the type of proof shown on the “Financial Status” form or the “Household Members Income Certification/Consent for Services” form. Verification of participation in Medicaid, food stamps, or the TANF program is required in the medical record (i.e. copy of HDX, Medifax, Envision, letter of eligibility).

During our review of participant eligibility, we reviewed participant files at five county health clinics for a total of 185 participant files reviewed. We noted the following problems during testwork.

- One instance was noted in which income documented on the “Household Members Income Certification/Consent for Services” form indicated the participant did not meet eligibility requirements; however, the participant was certified as eligible for WIC benefits. Income reported exceeded income criteria and the participant was not Medicaid, food stamps, or TANF eligible. Upon notification by the auditor, the agency sent a “Notice of Ineligibility/Termination” form to the participant.
- Nine instances were noted in which Medicaid eligibility documentation was not in the participant’s file for the WIC certification date.
- Five instances were noted in which the “Financial Status” form and the “Household Members Income Certification/Consent for Services” form did not indicate the type of documentation used to verify income. The participant was not identified as receiving Medicaid, food stamps, or TANF assistance, but the participant was certified or recertified.
- Five instances were noted in which the participant’s income was not documented on the WIC application.
- Two instances were noted in which income reported on the “Household Members Income Certification/Consent for Services” form did not agree to income on the WIC application.
- One instance was noted in which the “Household Members Income Certification/Consent for Services” form did not indicate the type of documentation used to verify income at the time of certification. Subsequently, Medicaid documentation was on file indicating the participant was receiving Medicaid at the time of certification.
- One instance was noted in which the certifying professional did not sign the FPA.

**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

- One instance was noted in which the “Household Members Income Certification/Consent for Services” form was not signed by the participant.
- One instance was noted in which the proof of residence documentation reviewed was not indicated on the “Household Members Income Certification/Consent for Services” form.

Good internal controls dictate that adequate procedures be in place to ensure compliance with federal and state regulations for determining participant eligibility. Failure to ensure federal and state regulations for determining participant eligibility are followed could result in ineligible clients being certified as eligible and receiving WIC benefits causing questioned costs for the program.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the Special Supplemental Nutrition Program for Women, Infants, and Children participant eligibility determination process. The agency should ensure compliance with income criteria when determining participant eligibility. In addition, adequate documentation of participant eligibility should be maintained in the participant file and required signatures should be obtained.

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, 2009 (10/1/2008-9/30/2009)

Questioned Costs: \$694,140

10-04

Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements for the WIC Program

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.

**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

During our review of 103 payment vouchers, 42 journal vouchers and five refund transactions 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 \$147,791 were incurred after the period of availability. In all five instances, costs were incurred after the end of the grant period of September 30, 2009 and were not obligated by the end of the grant period. These expenditures should have been paid with federal fiscal year 2010 funds instead of federal fiscal year 2009 funds.
- Thirteen instances were noted in which federal fiscal year 2009 expenditures totaling \$545,468 were not paid within 90 days after the end of the federal fiscal year.
- Three instances were noted in which expenditures totaling \$881 were incurred after the period of availability and were not paid within 90 days after the end of the federal fiscal year 2009. These expenditures were not obligated by the end of the grant period of September 30, 2009 and should have been paid with federal fiscal year 2010 funds instead of federal fiscal year 2009 funds.

Good internal controls require that adequate procedures 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 valid costs for the WIC program.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls to ensure compliance with period of availability requirements for expenditures for the 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 AGRICULTURE (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA – Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families (TANF) State Programs
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
93.713	ARRA – Child Care and Development Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716	ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-08 **Controls over the Cost Allocation Process 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 92.22). Furthermore, the Department of Agriculture and the Department of Energy stipulate that MDHS administer their grants in compliance with the *Code of Federal Regulations* (7 CFR 3016.22 and 10 CFR 600.222), respectfully . These parts of the federal regulations stipulate that allowable costs should be determined in accordance with Office of Management and Budget (OMB) Circular A-87. 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.

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

**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

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 two of the 95 cost pools used in the cost allocation system 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.

- 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.

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. 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.

HUMAN SERVICES

SUBRECIPIENT MONITORING

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA – Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families (TANF) State Programs
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
93.713	ARRA – Child Care and Development Block Grant

**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

93.714 ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
 93.716 ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-09

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 92.26). Furthermore, the Department of Agriculture and the Department of Energy stipulate that MDHS administer their grants in compliance with the *Code of Federal Regulations* (7 CFR 3016.26 and 10 CFR 600.226), respectfully. These parts of the federal regulations stipulate that audits shall be made in accordance with the Office of Management and Budget (OMB) Circular A-133.

OMB Circular A-133 requires the pass-through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending \$500,000 or more in federal awards during the subrecipient’s fiscal year. The reports are due to the primary recipient within nine months after the end of the subrecipient’s fiscal year end. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient’s audit report and to ensure the subrecipient took appropriate and timely corrective action. MDHS has developed an audit tracking system to indicate the subrecipients for which an audit should be received and to document follow-up procedures.

The Mississippi Department of Human Services and other entities provided \$500,000 or more of federal financial assistance to multiple subrecipients through a variety of federal programs during fiscal year 2008. Testwork performed during the fiscal year 2010 audit on subrecipient audits received and reviewed by the agency for subrecipient audit year 2008 revealed the following problems.

- Twenty three instances in which the audit report and/or audit information form was not submitted timely. The reminder letters requesting submission of the audit reports were dated September 30, 2009, which was approximately three to six months after the due date for most of the 2008 audit reports.

**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

- Twenty one instances in which the report spreadsheet from the audit tracking system did not document the dates of corrective actions or that a management decision had been issued. Therefore, it could not be determined that the agency had ensured the subrecipient took appropriate and timely corrective action. Also, in one instance, audit report findings were not included on the spreadsheet for proper tracking and disposition.
- Eleven instances in which the subrecipient's data collection form and reporting package could not be located on the Federal clearinghouse website as submitted. OMB A-133 requires that once an audit is complete a data collection form and a reporting package shall be submitted by the auditee to the Federal clearinghouse designated by OMB. OMB established that the pass-through entity is responsible for ensuring that its subrecipients' have met the audit requirements of OMB A-133.

Failure to maintain accurate and complete records hampers the efficient completion of monitoring procedures by agency personnel. Also, without adequate controls over the submission of subrecipient audit reports and prompt follow-up of audit findings, the agency could fail to comply with federal requirements and not detect noncompliance by subrecipients in a timely manner.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subrecipient audit reports are received in a timely manner. The appropriate funding division within the agency should be notified of any subrecipient audit findings and should resolve these findings within six months of receipt of the report by the agency. We further recommend the agency ensure the audit tracking report spreadsheet contains all pertinent information to document the agency complied with OMB A-133 audit requirements.

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**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

PORT OF GULFPORT

DAVIS-BACON ACT

Immaterial Noncompliance

14.228

Community Development Block Grants/State's Program

Federal Award Number and Year: R115-06-02

10-13

Procedures Should Be Established to Ensure Compliance with Grant Requirements

Finding:

In September 2009, a Disaster Recovery Division (DRD) was established by the Mississippi State Port Authority at Gulfport and staffed with a Director and a three person staff. The DRD assumed all responsibilities for HUD/CDBG Disaster Recovery Grant compliance requirements. In April 2010, a contract was entered into by the Authority with a construction management company to oversee the Authority's port restoration project that included the compliance requirement to obtain and review weekly certified payrolls from contractors and subcontractors on this project. However, pursuant to the grant agreement, the Authority is the subgrantee and is responsible for ensuring that the construction management company performs such duties to ensure grant compliance requirements are met. Prior to the April contract, certified payrolls were obtained weekly by the Authority's contracted engineering consulting firm through an ongoing contract for engineering services contract. Per review of certified payrolls received, weekly reports were properly received and reviewed prior to the newly executed construction management contract in April 2010. Subsequent to the April 2010 executed contract, certified payrolls were obtained and reviewed monthly only by the construction management company, with the construction contractors monthly pay applications, rather than weekly as required.

Department of Labor (DOL) regulations 29 CFR Sections 5.5 and 5.6 require that contractors and subcontractors submit certified payrolls to a subgrantee weekly for construction projects financed by federal funds. Failure to obtain weekly payrolls for verification with current wage rates could allow contractors or subcontractors to pay workers less than the required minimum wage rate without being detected timely. There are no questioned costs associated with the finding.

**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 that the construction manager responsible for obtaining the certified payrolls be reminded of the requirement to obtain certified payrolls on a weekly basis and that the Authority establish procedures to ensure that construction manager adheres to all grant requirements.

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

U. S. DEPARTMENT OF TRANSPORTATION

CFDA/Finding
Number

Finding and Recommendation

STATE AID ROAD

DAVIS-BACON ACT

*Significant Deficiency
Immaterial Noncompliance*

20.205
20.205

Highway Planning and Construction
ARRA - Highway Planning and Construction

Federal Award Number and Year: Various

Questioned Costs: Not Determined

10-10

Controls over Davis-Bacon Act Requirements Should Be Strengthened

Finding:

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). Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act, a requirement that the contractors or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5) "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction." This includes 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 Standard Operating Procedures (S.O.P. rule number SA II-2-10) established by the Mississippi Department of Transportation - Office of State Aid Road Construction (OSARC) require contractors and subcontractors working on a federal aid project to submit to OSARC a copy of each weekly payroll, the "Weekly Summary of Wage Rates" (CAD-880) and the "Weekly Statement of Compliance" (CAD 881). The Standard Operating Procedures further require OSARC to check each payroll submitted for compliance with payment of pre-determined wage rates. In the event a payroll sheet contains an error regarding wage rates, the payroll should be returned to the contractor or subcontractor for correction and re-submission. Along with the re-submitted payroll, OSARC requires a written affidavit from the laborer, or laborers, stating the proper payment has been tendered.

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

U. S. DEPARTMENT OF TRANSPORTATION (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

For fiscal year 2010, we selected 138 payrolls in order to verify submission and review of payroll documentation. Of the 138 payrolls tested, 32 were from projects financed by provisions of the American Recovery & Reinvestment Act of 2009 (ARRA). All selected payrolls were submitted and were initialed by the OSARC designated reviewer indicating no problems. However, one employee was paid less than the minimum hourly wage rate per the individual project's Supplement to Form FHWA-1273 for seven of the 138 payrolls tested. Two of the seven payrolls with identified errors were for projects financed by ARRA.

Failure to ensure proper wage rates were paid by contractors and subcontractors resulted in non-compliance with the Davis-Bacon Act and OSARC S.O.P. SA II-2-10.

Recommendation:

We recommend the Mississippi Department of Transportation - Office of State Aid Road Construction strengthen controls over Davis-Bacon Act Requirements. The agency should ensure each weekly payroll is properly reviewed for compliance with minimum hourly wage rates. We further recommend the agency investigate the errors noted by the auditors ensuring the prevailing wage rates are properly remitted.

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

ENVIRONMENTAL PROTECTION AGENCY

**CFDA/Finding
 Number**

Finding and Recommendation

HEALTH

REPORTING

Material Weakness

66.468
 66.468

Capitalization Grants for Drinking Water State Revolving Funds
 ARRA – Capitalization Grants for Drinking Water State Revolving Funds

Federal Award Number and Year: Various

10-01

Controls Should Be Implemented to Ensure the Schedule of Expenditures of Federal Awards Is Properly Prepared

Finding:

The Drinking Water Systems Improvements Revolving Loan Fund’s internal control over financial reporting of federal expenditures failed to properly identify the amount of federal expenditures accrued at year-end resulting in a material overstatement of federal program expenditures and revenues. The errors noted required audit adjustments to be proposed to, and approved by, management to properly state the Schedule of Expenditures of Federal Awards and the fund’s financial statements.

Recommendation:

We recommend the Drinking Water Systems Improvements Revolving Loan Fund Director and Finance/Administrative Coordinator implement procedures that will improve internal controls over the financial reporting of federal expenditures and revenues for the fund to ensure the fund’s financial statements and Schedule of Expenditures of Federal Awards are properly stated.

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

U. S. DEPARTMENT OF ENERGY

**CFDA/Finding
 Number**

Finding and Recommendation

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA – Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families (TANF) State Programs
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
93.713	ARRA – Child Care and Development Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716	ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-08 **Controls over the Cost Allocation Process 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 92.22). Furthermore, the Department of Agriculture and the Department of Energy stipulate that MDHS administer their grants in compliance with the *Code of Federal Regulations* (7 CFR 3016.22 and 10 CFR 600.222), respectfully . These parts of the federal regulations stipulate that allowable costs should be determined in accordance with Office of Management and Budget (OMB) Circular A-87. 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.

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

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

U. S. DEPARTMENT OF ENERGY (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

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 two of the 95 cost pools used in the cost allocation system 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.
- 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.

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. 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.

HUMAN SERVICES

SUBRECIPIENT MONITORING

Significant Deficiency

10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA - Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families (TANF) State Programs
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
93.713	ARRA – Child Care and Development Block Grant

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

U. S. DEPARTMENT OF ENERGY (continued)

CFDA/Finding Number	Finding and Recommendation
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716	ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-09 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 92.26). Furthermore, the Department of Agriculture and the Department of Energy stipulate that MDHS administer their grants in compliance with the *Code of Federal Regulations* (7 CFR 3016.26 and 10 CFR 600.226), respectfully. These parts of the federal regulations stipulate that audits shall be made in accordance with the Office of Management and Budget (OMB) Circular A-133.

OMB Circular A-133 requires the pass-through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending \$500,000 or more in federal awards during the subrecipient's fiscal year. The reports are due to the primary recipient within nine months after the end of the subrecipient's fiscal year end. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action. MDHS has developed an audit tracking system to indicate the subrecipients for which an audit should be received and to document follow-up procedures.

The Mississippi Department of Human Services and other entities provided \$500,000 or more of federal financial assistance to multiple subrecipients through a variety of federal programs during fiscal year 2008. Testwork performed during the fiscal year 2010 audit on subrecipient audits received and reviewed by the agency for subrecipient audit year 2008 revealed the following problems.

- Twenty three instances in which the audit report and/or audit information form was not submitted timely. The reminder letters requesting submission of the audit reports were dated September 30, 2009, which was approximately three to six months after the due date for most of the 2008 audit reports.

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

U. S. DEPARTMENT OF ENERGY (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

- Twenty one instances in which the report spreadsheet from the audit tracking system did not document the dates of corrective actions or that a management decision had been issued. Therefore, it could not be determined that the agency had ensured the subrecipient took appropriate and timely corrective action. Also, in one instance, audit report findings were not included on the spreadsheet for proper tracking and disposition.
- Eleven instances in which the subrecipient's data collection form and reporting package could not be located on the Federal clearinghouse website as submitted. OMB A-133 requires that once an audit is complete a data collection form and a reporting package shall be submitted by the auditee to the Federal clearinghouse designated by OMB. OMB established that the pass-through entity is responsible for ensuring that its subrecipients' have met the audit requirements of OMB A-133.

Failure to maintain accurate and complete records hampers the efficient completion of monitoring procedures by agency personnel. Also, without adequate controls over the submission of subrecipient audit reports and prompt follow-up of audit findings, the agency could fail to comply with federal requirements and not detect noncompliance by subrecipients in a timely manner.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subrecipient audit reports are received in a timely manner. The appropriate funding division within the agency should be notified of any subrecipient audit findings and should resolve these findings within six months of receipt of the report by the agency. We further recommend the agency ensure the audit tracking report spreadsheet contains all pertinent information to document the agency complied with OMB A-133 audit requirements.

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
93.268

Special Supplemental Nutrition Program for Women, Infants, and Children
Immunization

Federal Award Number and Year: Various

10-02

Controls over the Time Study System Should Be Strengthened

Finding:

The *Code of Federal Regulations* (7 CFR 3016.22 for the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC] and 45 CFR 92.22 for the Immunization 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 HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Reconciliations are performed between salaries supported by time study forms used in the time study system and the actual amounts charged for payroll for each program per the Statewide Payroll and Human Resource System (SPAHRs) in order to determine the salaries charged to the federal program were reasonable and to ensure 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 testwork on the time study system, we reviewed 93 time study forms to ensure data entered into the time study system was input correctly. The following errors were noted.

- Two instances were noted in which the program codes, activity codes, hours, and minutes on the time study form did not agree to the input on the raw time report.
- One instance was noted in which the activity code was not listed on the time study form; however, one was assigned on the raw time report. There was no documentation supporting the change to the raw time report.

Audit testwork revealed that while the agency collected the patient encounter forms and data necessary to compute the relative values for services performed, all the data was not entered for fiscal year 2010 in a timely manner. The relative value data for fiscal year 2010 will be used when completing the time study for fiscal year 2011. Services and time charged from the patient encounter forms was only entered for the month of July 2009; none were input for the months of August 2009 through June 2010 until January 2011.

We also reviewed the reconciliation between the time study calculations and SPAHRs and noted the following errors.

- A reporting category not related to the WIC program which had expenditures totaling \$9,410 was included on the WIC reconciliation. It appears the inclusion of this reporting category had an immaterial effect on the reconciliation.
- WIC salaries and fringe benefits processed in September 2009 totaling \$3,123 and Immunization program salaries and fringe benefits processed in July 2010 totaling \$136 were not included on the reconciliation; however, it appears this had an immaterial effect on the reconciliations.

**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

Review of the relative value process revealed the following problems.

- Eight instances were noted in which values on the “Relative Value Table” report could not be traced to the “Average Time and Associated Relative Value” report. Including these values to allocate nurses, nurse practitioners and doctors’ time appeared to have an immaterial effect on the total time study amounts allocated to the Immunization and WIC programs.
- One instance was noted in which it appeared the values on the “Relative Value Table” report could not be traced to the “Average Time and Associated Relative Value” report. However, agency personnel stated these values were keyed under the wrong service code. Upon review of the correct service code stated by agency personnel, these values were present. Therefore, the values had been included on the “Relative Value Table” report twice. Including these values twice to allocate nurses, nurse practitioners and doctors’ time appeared to have an immaterial effect on the total time study amounts allocated to the Immunization and WIC programs.
- We noted five instances in which the “Relative Value Table” report did not include values which were reported on the “Average Time and Associated Relative Value” report and we could not determine why these values were not included on the “Relative Value Table” report.

Good internal controls dictate that adequate procedures are in place to ensure time study and relative value data is entered accurately and promptly. Good internal controls also dictate reconciliations between the time study system and SPAHRS are accurate. 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 time study data correctly could result in misallocation of federal funds.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over the time study system to ensure all information is reliable and accurate. Information included on the time study forms and patient encounter forms should be accurately and promptly entered to the time study system to ensure that personnel costs are properly calculated. In addition, the time study reconciliations should be reviewed for accuracy and this review should be documented.

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

HEALTH

PERIOD OF AVAILABILITY

*Significant Deficiency
 Immaterial Noncompliance*

93.268

Immunization

Federal Award Number and Year: 5H231P422524-04, 2009

Questioned Costs: \$127,696

10-05

**Controls Should Be Strengthened over the Immunization Program Period of
 Availability Requirements**

Finding:

The *Code of Federal Regulations* (45 CFR 92.23) 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* (45 CFR 92.23) 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 ten payment vouchers and nine journal vouchers for compliance with period of availability requirements for the Immunization program at the Mississippi State Department of Health, we noted the following problems.

- Two instances were noted in which expenditures totaling \$126,831 were not paid within 90 days after the grant year end.
- One instance was noted in which an expenditure totaling \$865 was incurred after the period of availability. Costs were incurred after the end of the grant period of December 31, 2009 and were not obligated by the end of the grant period. This expense should have been paid with grant year 2010 funds instead of grant year 2009 funds.

Good internal controls require that adequate procedures 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 Immunization program.

**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 to ensure compliance with period of availability requirements for expenditures of the Immunization program. 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 grant year.

HEALTH

**PROGRAM INCOME
 REPORTING**

*Significant Deficiency
 Immaterial Noncompliance*

93.268
 93.712

Immunization
 ARRA-Immunization

Federal Award Number and Year: SMS700704 / 2009 (10/1/2008-9/30/2009)

Questioned Costs: Not Determined

10-06

Controls over the Identification and Reporting of Program Income Should Be Implemented

Finding:

The *United States Code (42 USC 1396s(c)(2)(C))* states grantees providing direct immunization services may generate program income from fees or donations. The *Office of Management and Budget Circular A-133 Compliance Supplement* states the *Financial Status Report (SF-269)* and the *Federal Financial Report (SF-425/SF-425A)* are required reports for the Immunization program. These reports require program income to be reported. Audit procedures performed revealed the Mississippi State Department of Health (MSDH) has policies related to charging for vaccines administered to patients in the various Health Department Clinics, but we also noted that MSDH did not report program income received on the *SF-269* or *SF-425/SF-425A* reports for the Immunization program. In addition, the accounting records did not provide an adequate audit trail to identify program income received. The failure to properly identify and record program income could result in the agency being in noncompliance with program income and federal reporting requirements.

**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 implement controls to identify and record program income received. We further recommend the agency to ensure program income is properly reported on the *SF-269* or *SF-425/SF-425A* reports for each federal program administered by the agency.

HEALTH

REPORTING

Significant Deficiency

93.268
 93.712

Immunization
 ARRA-Immunization

Federal Award Number and Year: 5H23IP422524-07, 2009
 5H23IP422524-07, 2010
 3H23IP422524-07S1, 2010 ARRA

10-07

**Controls over the Preparation of the Schedule of Expenditures of Federal Awards
 Should Be Strengthened**

Finding:

The *Office of Management and Budget Circular A-133 Compliance Supplement* states that after the end of each month, and after the end of each federal fiscal year, that the Centers for Disease Control advises each grantee of the value of all federally funded vaccines that were distributed in lieu of cash directly to the grantee and/or on behalf of the grantee to vaccinating providers located in the grantee's geographical area. It also states that the annual dollar value of federally funded vaccines should be treated by the grantee as a grant expenditure for purposes of determining audit coverage and reporting on the Schedule of Expenditures of Federal Awards.

During our review of the Schedule of Expenditures of Federal Awards at the Mississippi State Department of Health, we noted the expenditures for the in lieu of cash portion of the Immunization program were understated by \$37,205,872. In addition, the expenditures for the in lieu of cash portion of the ARRA-Immunization program were understated by \$281,257. The amount reported as receipts agreed to documentation of vaccines provided in lieu of cash; however, these amounts were not reported as expenditures on the Schedule of Expenditures of Federal Awards for vaccines provided in lieu of cash. These errors resulted in needed changes being made to the Schedule of Expenditures of Federal Awards to correctly state the federal expenditures recorded in the Single Audit Report of the state.

**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 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.

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

- | | |
|--------|--|
| 10.551 | Supplemental Nutrition Assistance Program (SNAP) |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 10.561 | ARRA – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 81.042 | Weatherization Assistance for Low-Income Persons |
| 81.042 | ARRA – Weatherization Assistance for Low-Income Persons |
| 93.558 | Temporary Assistance for Needy Families (TANF) State Programs |
| 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 |
| 93.713 | ARRA – Child Care and Development Block Grant |
| 93.714 | ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program |
| 93.716 | ARRA – Temporary Assistance for Needy Families (TANF) Supplemental Grants |

Federal Award Number and Year: Various

10-08 Controls over the Cost Allocation Process 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 92.22). Furthermore, the Department of Agriculture and the Department of Energy stipulate that MDHS administer their grants in compliance with the *Code of Federal Regulations* (7 CFR 3016.22 and 10 CFR 600.222), respectfully. These parts of the federal regulations stipulate that allowable costs should be determined in accordance with Office of Management and Budget (OMB) Circular A-87. 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 two of the 95 cost pools used in the cost allocation system 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.
- 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.

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. 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.

**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 primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action. MDHS has developed an audit tracking system to indicate the subrecipients for which an audit should be received and to document follow-up procedures.

The Mississippi Department of Human Services and other entities provided \$500,000 or more of federal financial assistance to multiple subrecipients through a variety of federal programs during fiscal year 2008. Testwork performed during the fiscal year 2010 audit on subrecipient audits received and reviewed by the agency for subrecipient audit year 2008 revealed the following problems.

- Twenty three instances in which the audit report and/or audit information form was not submitted timely. The reminder letters requesting submission of the audit reports were dated September 30, 2009, which was approximately three to six months after the due date for most of the 2008 audit reports.
- Twenty one instances in which the report spreadsheet from the audit tracking system did not document the dates of corrective actions or that a management decision had been issued. Therefore, it could not be determined that the agency had ensured the subrecipient took appropriate and timely corrective action. Also, in one instance, audit report findings were not included on the spreadsheet for proper tracking and disposition.
- Eleven instances in which the subrecipient's data collection form and reporting package could not be located on the Federal clearinghouse website as submitted. OMB A-133 requires that once an audit is complete a data collection form and a reporting package shall be submitted by the auditee to the Federal clearinghouse designated by OMB. OMB established that the pass-through entity is responsible for ensuring that its subrecipients' have met the audit requirements of OMB A-133.

Failure to maintain accurate and complete records hampers the efficient completion of monitoring procedures by agency personnel. Also, without adequate controls over the submission of subrecipient audit reports and prompt follow-up of audit findings, the agency could fail to comply with federal requirements and not detect noncompliance by subrecipients in a timely manner.

**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

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure subrecipient audit reports are received in a timely manner. The appropriate funding division within the agency should be notified of any subrecipient audit findings and should resolve these findings within six months of receipt of the report by the agency. We further recommend the agency ensure the audit tracking report spreadsheet contains all pertinent information to document the agency complied with OMB A-133 audit requirements.

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



STATE OF MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010

INDEX LISTED BY FINDING NUMBER

<u>FINDING NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>	<u>PAGE NUMBER</u>
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08-04	Finance and Administration	119
08-06	Mississippi Development Authority	129
08-08	Health	121
08-09	Health	121
08-10	Health	121
08-13	Human Services	125
08-16	Human Services	125
08-17	Human Services	126
08-20 *a	Health	121
08-21 *a	Health	122
09-01	Human Services	126
09-02	Human Services	126
09-03	Human Services	126
09-04	Human Services	127
09-05	Human Services	127
09-06	Education	117
09-07	Mississippi Development Authority	129
09-08	(not used)	--
09-09 *a	Health	122
09-10	Health	122
09-11	Health	123
09-12	Health	123
09-13	Health	123

*a 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.

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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

INDEX LISTED BY STATE GRANTEE AGENCY

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
Education	09-06	117
Finance and Administration	06-05	119
Finance and Administration	08-04	119
Health	08-08	121
Health	08-09	121
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Health	08-20	121
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Human Services	09-03	126
Human Services	09-04	127
Human Services	09-05	127
Mississippi Development Authority	08-06	129
Mississippi Development Authority	09-07	129

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**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, 2010**

09-06 Controls over Comparability Requirements Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

Signed: Tom Burnham
Tom Burnham, State Superintendent of Education

Date: February 24, 2011

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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, 2010**

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

93-UN Various

FULLY CORRECTED

Repayment of the FY 2006 transfers and interest has been made to the Department of Health and Human Services. The payment was sent on May 24, 2010 following an additional appropriation from the 2010 Legislative Session. Documentation of the payment is attached.

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

93-UN Various

FULLY CORRECTED

Repayment of the FY 2008 transfers and interest has been made to the Department of Health and Human Services. The payment was sent on May 24, 2010 following an additional appropriation from the 2010 Legislative Session. Documentation of the payment is attached.

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

Date: 10-11-10

attachments

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2010

08-08 Controls Over Time Study Procedures Should Be Strengthened

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
CFDA # 93.268 Immunization Grant

PARTIALLY CORRECTED

Time Study procedures and processes are under new administrative review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

08-09 Controls Should Be Strengthened Over Davis-Bacon Act

CFDA # 93.667 Social Services Block Grant

NOT VALID Federal determination was made during the appeal process that Davis-Bacon Act requirements did not apply to this grant.

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

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

PARTIALLY CORRECTED

Training will be reinforced by the Accounting Director to ensure that all efforts are made to code expenditures into the proper grant.

08-20 MWITS Application System Reliability Should Be Improved

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

PARTIALLY CORRECTED

Mississippi WIC acknowledges that MWITS is an antiquated and outdated system that needs to be replaced. MSDH obtained ITS Board approval on February 19, 2009 to issue a Request for Proposal (RFP) to transfer the WIC Spirit System to Mississippi and implement a new Inventory Management System which will replace MWITS. The Spirit System is a Net/Java application using Smart Client technology supported by a SQL Server database. The Inventory management system will be similar technology, thus ensuring maintainability and increasing the reliability of the system. The current system is not maintainable by OHI.

The schedule for implementing the new systems is attached. The RFP for a QA vendor and the Implementation Contractor were submitted last year; the responses have come in and are being evaluated. We are on track to implement the new systems by February 8, 2013.

08-21 Time Study Data Control Processes Should Be Improved

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
CFDA # 93.268 Immunization Grants

PARTIALLY CORRECTED

Time Study procedures and processes are under new administrative review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

09-09 Controls Over PHEP and HHP Sub Recipient Monitoring Should Be Strengthened

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

PARTIALLY CORRECTED

Sub Recipient Monitoring tool was reviewed by Office of Emergency Management for accuracy and sent to all funded programs. A training session was held with all MSDH areas that were funded with Office of Emergency Management sub-grants. The contract section has worked in conjunction with other areas to ensure that all problems have been addressed.

09-10 Controls Over Time Study Procedures Should Be Strengthened

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

PARTIALLY CORRECTED

Time Study procedures and processes are under new administrative review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

09-11 Controls Should Be Strengthened Over Davis-Bacon Act

CFDA # 93.667 Social Services Block Grant

NOT VALID

Federal determination was made during the appeal process that Davis-Bacon Act requirements did not apply to this grant.

09-12 Controls Should Be Strengthened To Ensure Compliance with Period of Availability Requirements

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

PARTIALLY CORRECTED

Training will be reinforced by the Accounting Director to ensure that all efforts are made to code expenditures into the proper grant.

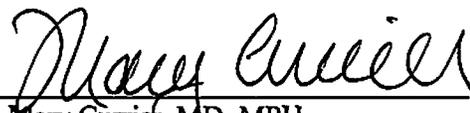
09-13 Controls Over the Preparation of the Schedule of Expenditures of Federal Awards Will Be Strengthened

CFDA # 93.268 Immunization Grants

PARTIALLY CORRECTED

Supervisor and Office Director will review.

Signed: _____


Mary Currier, MD, MPH
State Health Officer

Date: 2/16/2011

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

February 18, 2011

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, 2010.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2010

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

93.667 Social Services Block Grant

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

FULLY CORRECTED

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

FULLY CORRECTED

09-01 Controls Over Cost Allocation Should Be Strengthened

- 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

PARTIALLY CORRECTED

In order to close the pool, it had to be reopened to remove the cost. During this process additional costs were charged to the pool. While the correction process was taking place, additional cost came in, thus making it necessary to go through the correction process again. The correction process is complete once the actual cost allocation quarterly process has taken place. Steps have been taken to help ensure that additional cost will not be entered during the correction process.

09-02 Controls Over Cash Management Should Be Strengthened

- 93.667 Social Services Block Grant

FULLY CORRECTED

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

- 93.667 Social Services Block Grant

FULLY CORRECTED

09-04 Federal Financial Reports Should Agree with Accounting Records

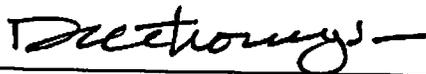
93.558 Temporary Assistance for Needy Families
93.667 Social Services Block Grant

FULLY CORRECTED

09-05 Controls over Sub Recipients Monitoring Should Be Strengthened

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

FULLY CORRECTED

Signed: 
Donald Thompson, Executive Director

Date: 2/18/11

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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, 2010

June 15, 2010

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 responses are 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

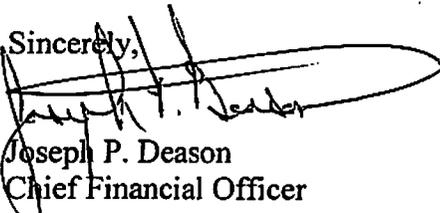
Status:
(b) (1) Fully Corrected

09-07 Controls over Reporting Requirement Should Be Strengthened

CDFA 14.228 – Community Development Block Grants/State's Program

Status: (b)(1) Fully Corrected

Sincerely,


Joseph P. Deason
Chief Financial Officer

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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, 2010
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

June 18, 2010

INFORMATION SYSTEMS MANAGEMENT REPORT FINDINGS

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 June 7, 2010 correspondence, the Department of Education is providing the following responses and corrective action plans for the Information Systems Audit findings.

AUDIT FINDING

2010-10 MDE MIS Should Implement a Program of IT Governance

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 has engaged a IT consulting firm to review and report on the Information Technology controls and governance of the Office of Management Information Systems (MIS) with the objective of creating a framework for IT governance for MIS, to include formal policies, procedures and accountability methods. MDE MIS staffing has been improved by hiring an IT professional with a background in governance.

MDE is implementing a MIS Steering Committee to provide direction and accountability to its IT Processes. The first meeting of this committee will be on or about July 20, 2010.

Name of the contact person responsible for the corrective action:

John O. Gilbert, CPA, Deputy State Superintendent
Office of Educational Accountability

B. Anticipated completion date for corrective action:

MDE expects the initial evaluation of the MIS governance process to be complete and implementation of the governance framework to begin about December 31, 2010.

2010-11 MDE MIS Should Implement a Formal Information Security Policy

Response:

We concur with the finding and recommendation

Corrective Action Plan:

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

MDE MIS with the assistance of our IT consulting and security advisors is reviewing current policies, practices and activities relating to information security. MDE will create a complete information security policy and program to comply with the State of Mississippi Enterprise Security Policy requirements, and any applicable laws and regulations as necessary.

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

John O. Gilbert, CPA, Deputy State Superintendent
Office of Educational Accountability

C. Anticipated completion date for corrective action:

MDE has begun this process and will formalize a MIS security policy on or about December 31, 2010.

Sincerely,



Tom Burnham
State Superintendent of Education



**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Tom Burnham, Ed.D.
State Superintendent of Education

SINGLE AUDIT FINDINGS

March 24, 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 18, 2011, 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:

10.560 State Administrative Expenses for Child Nutrition

10-11 Controls Should be Strengthened to Ensure Employee Compensation Costs are charged to the Proper Program

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 Accounting has corrected the issue in the payroll system and strengthened controls to ensure that the errors of this kind do not happen in the future.

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

James Hart, Director of Office of Accounting

C. Anticipated completion date for corrective action:

Procedures have been implemented.

10.560 State Administrative Expenses for Child Nutrition

10-12 Controls Should be Strengthened over Procurement and Suspension and Debarment Requirements Prior to Entering into Contracts

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 Child Nutrition is verifying that the suspension and debarment supplement is part of the contract.

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

Scott Clements, Director of the Office of Child Nutrition

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

Sincerely,



Tom Burnham
State Superintendent of Education



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR

LES RANGE

EXECUTIVE DIRECTOR

Financial Audit Findings

March 10, 2011

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 Mississippi Department of Employment Security appreciates this opportunity to submit responses to the financial audit finding for the year ended June 30, 2010 for Fund 8191.

Audit Findings:

Finding 2010-12 – Controls Should Be Strengthened to Ensure Accounting Records are Complete and Accurate, GAAP Reporting Packages are Properly Prepared, and Contribution Rates are Accurately Calculated

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.

Corrective Action Plan:

- A. In June, 2010 MDES contracted with a highly regarded local CPA firm to assist us in strengthening controls regarding reconciliation processes. Training has been conducted, supervisory reviews established and processes documented to ensure accounting events or transactions are properly recorded in the accounting records. A remediation plan for general experience rate charges to employers is under development.

Page 2
March 10, 2011

Corrective Action Plan (continued):

- B. Contracts – Guy Martin – Business Manager and Jackie Turner – Director,
Office of Comptroller.
- C. Currently in place.
- D. N/A

Sincerely,

A handwritten signature in blue ink, appearing to read "Les Range". The signature is fluid and cursive, with a large initial "L" and "R".

Mr. Les Range
Executive Director

LR:tp



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 18, 2011

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 2010.

AUDIT FINDINGS:

CFDA #66.468 Capitalization Grants for Drinking Water State Revolving Funds

10-01: **REPORTING**
Controls Should Be Implemented to Ensure the Schedule of Expenditures of Federal Awards Is Properly Prepared.

The agency concurs with this finding. The agency has contracted with a CPA with experience in consolidated statewide financial statement preparation to come in and train the staff on the correct methods of reporting transactions. Also, the reports will be more closely reviewed by management before they are submitted.

Sincerely,

Mary Currier, MD, MPH
State Health Officer

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 21, 2011

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 (MSDH) for the Fiscal Year ended 2010.

AUDIT FINDINGS:

10-02: ALLOWABLE COSTS/ COST PRINCIPLES

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

Federal Award Number and Year: Various

Controls over Time Study Procedures Should Be Strengthened

The agency concurs with this finding. Office of Health Informatics will establish specified time frames (dates) for all time sheets to be received and data entered into the system. Office of Health Informatics will meet with the appropriate functional area managers to outline expectations and coordinate time study form flow. To meet these time frames, additional resources (data entry clerks) will be employed as necessary.

During the data entry process the Time Study supervisor will pull a sampling of forms and perform an internal quality assurance audit. The results will be published and forwarded to the appropriate functional manager if corrective action is required. A trend sheet will be published and forwarded to all managers.

MSDH is also reviewing an enterprise employee time and attendance program with the capability to record a breakdown of an individual's daily activities by minutes. Such an application will detail the actual times for each program an individual is involved in for cost accounting.

10-03: ELIGIBILITY

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

Federal Award Number and Year: SMS700704, 2009
SMS700704, 2010

Controls over Participants Eligibility Process Should Be Strengthened

The agency concurs with this finding. All WIC clerical and certifying staff will receive more training regarding the eligibility determination process. A state-wide training is currently being planned for the coming months and each district and non-profit will ensure that all WIC staff attend. Special emphasis will be placed on following the WIC Policy/Procedure guidelines to ensure compliance with federal and state regulations for determining participant eligibility which will ensure only clients that meet all stated criteria receive WIC services. WIC Central Office monitors will pay special attention to income criteria when in the field and any findings will be reported to the district administrators.

10-04: PERIOD OF AVAILABILITY

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

Federal Award Number and Year: SMS700704, 2009
(10/1/2008-9/30/2009)

Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements for the WIC Program

The agency concurs that there were eight instances of expenditures incurred after the period of availability paid with federal fiscal year 2009 funds instead of federal fiscal year 2010 funds. However, we do not concur that there were thirteen instances in which federal fiscal year 2009 expenditures were not paid within 90 days after the end of the federal fiscal year.

Per Otis Spears, USDA Deputy Director, Grants Management, MSDH is correct in using 120 days after the end of the federal fiscal year or to coincide with the submission of the FNS-798 final report due in early February. We have documentation of this in an e-mail.

The state FY 2010 audit finding was a repeat finding from the state FY 2009 finding. The state auditors have conducted consecutive audits of FY 2009 and FY 2010 beginning in November of 2009. Due to the timing of the two audits, there was no chance to implement corrective action after the FY 2009 findings.



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

SINGLE AUDIT FINDINGS

March 25, 2011

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 2010:

AUDIT FINDINGS:

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

- | | |
|--------|--|
| 10.551 | Supplemental Nutrition Assistance Program (SNAP) |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 81.042 | Weatherization Assistance for Low-Income Persons |
| 93.558 | Temporary Assistance for Needy Families (TANF) |
| 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
93.713 ARRA - Child Care Development Block Grant
93.714 ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.716 ARRA- Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-08 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.

Corrective Action Plan:

The Mississippi Department of Human Services has corrected all of the listed issues. All established policies and procedures are being adhered to. A routine review of the cost allocation plan is done during the quarterly cost allocation process. This is also done anytime during the quarter as situations arise, although corrections to the cost allocation tables are only made during the quarterly cost allocation process.

This task was completed by Tommy Brumfield.

SUBRECIPIENT MONITORING

Significant Deficiency

10.551 Supplemental Nutrition Assistance Program (SNAP)
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
81.042 Weatherization Assistance for Low-Income Persons
93.558 Temporary Assistance for Needy Families (TANF) State Programs
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
- 93.713 ARRA- Child Care Development Block Grant
- 93.714 ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
- 93.716 ARRA- Temporary Assistance for Needy Families (TANF) Supplemental Grants

Federal Award Number and Year: Various

10-09 Controls over Sub Recipients Monitoring Should Be Strengthened

Response:

The Mississippi Department of Human Services concurs with the recommendation to strengthen controls to ensure subrecipient audit reports are received in a timely manner.

Corrective Action Plan:

The Agency will issue an initial notice letter to all subrecipients with subgrants active during the state fiscal year within 60 days from the end of the state fiscal year. A reminder letter will be issued by the end of February of the following year (prior to the earliest due date) to any subrecipients that have not submitted an audit report, if required, or the Subgrantee Audit Information Form to document that an audit is not required.

The Agency has revised its procedures for reviewing audit reports to include specific identification of audit findings and assignment of responsibility for resolving the findings to the funding division that awarded the subgrants in the Subgrantee Audit Tracking System. The transmittal memorandum will require that the funding division provide written documentation to the Office of Monitoring that the funding division has issued a management decision on the audit findings within six months from receipt of the audit report. And, once a clearance letter is received from the funding division, the Subgrantee Audit Tracking System will be updated to indicate the date the audit findings were cleared by the funding division.

The Agency will revise the initial notice letter and reminder letter to specifically state that the subgrantee is responsible for submitting the data collection form and reporting package directly to the Federal clearinghouse.

Mr. J. Win Girod, Director MDHS, Division of Program Integrity - Office of Monitoring, is the contact person. The corrective actions will be implemented for FY 2010 subrecipient audits and should be completed by June 30, 2011.

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



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 FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SINGLE AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2010

Finding 10-13:

Certified payrolls were not submitted weekly by the construction contractor.

Management Comments and Corrective Action Plan

Appropriate procedures were in place and were being adhered to for certifying contractor and subcontractor payrolls on a weekly basis prior to April 2010. Between the advent of employing additional Department of Restoration staff and the engagement of a new firm for Construction Management, a variance in adherence to these procedures occurred. Upon notification of the variance, management immediately mandated that the original procedures be reinstated. In addition, certified payrolls were no longer allowed to be attached to and included with monthly pay applications. All certified payrolls are being submitted to the Construction Manager on a weekly basis and will be maintained in files in the possession of the Construction Manager.

The Director of the Department of Restoration is requiring the Program Manager to follow up weekly to be sure the Construction Manager is following the required procedures. Physical inspection of the Certified Payroll files is being conducted no less than monthly by both the Department of Restoration and the Authority's Program Manager.

Donald R. Allee
Executive Director & CEO

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**OFFICE OF
STATE AID ROAD CONSTRUCTION**

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

*J. Brooks Miller, Sr., P.E.
State Aid Engineer
Tele 601-359-7150
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SINGLE AUDIT FINDINGS

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

March 23, 2011

Dear Mr. Pickering:

This letter is in response to the Single Audit Management Report dated March 17, 2011 regarding the June 30, 2010 audit of the Office of State Aid Road Construction. We respectfully submit our response and corrective action plan for the finding listed below.

AUDIT FINDINGS:

Davis-Bacon Act

*Significant Deficiency
Immaterial Noncompliance*

<u>CFDA Number</u>	<u>Program Name</u>
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction

<u>Finding Number</u>	<u>Finding Recommendation</u>
10-10	Controls over Davis-Bacon Act Requirements Should Be Strengthened

RESPONSE:

The OSARC designated reviewer responsible for the payroll reports in question was temporarily assigned to this function. This individual was trained on Davis-Bacon Act requirements and compliance, however, had no experience in this area. Failure to thoroughly adhere to compliance guidelines as instructed resulted in the identified errors.

The Office of State Aid Road Construction concurs with the Office of the State Auditor's finding and recommendations regarding controls over Davis-Bacon Act requirements.

CORRECTIVE ACTION PLAN:

a.

1. The function of designated reviewer has been reassigned to an employee with extensive knowledge and experience regarding Davis-Bacon Act requirements.
2. Responsible staff attended a NHI training course on Contract Administration and Davis-Bacon compliance requirements.
3. Management held a meeting with responsible staff to discuss ways to strengthen controls over Davis-Bacon Act requirements.
4. A Davis-Bacon Act requirement checklist will be implemented in the weekly payroll review process.
5. The errors noted by the auditors are being investigated to ensure that the prevailing wage rates are properly remitted.

b. Persons responsible for the corrective action plan:

1. Dan Jordan – Director of Administrative Services
2. John Bond – Director of Contract Administration
3. Kimberly Peyton – Designated Reviewer
4. Sandy Mohr – Final Reviewer

c. Steps 1, 2, and 3 above have been completed as of the date of this letter. Steps 4 and 5 are anticipated to be completed by April 30, 2011.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Brooks Miller, Sr.", with a stylized, cursive script.

J. Brooks Miller, Sr.
State Aid Engineer



**STATE OF MISSISSIPPI
TREASURY DEPARTMENT**

**TATE REEVES
STATE TREASURER**

**POST OFFICE BOX 138
JACKSON, MISSISSIPPI 39205
TELEPHONE (601) 359-3800**

March 14, 2011

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

Dear Mr. Pickering:

We have reviewed the financial audit findings in reference to our fiscal year 2010 audit. Listed below are our responses and plan for corrective action:

AUDIT FINDING 2010-03: 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.

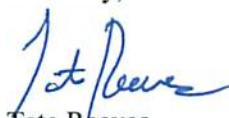
Corrective Action: Under the conservatorship put in place on September 7, 2008, FNMA and FHLMC are being run by the Federal Housing Finance Agency. The US Treasury's actions on September 7th included the institution of Preferred Stock Purchase Agreements, which are the foundation of the direct financial 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, although it has been taken up in Congress recently. 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 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. Hopefully, some clarity will be given by Congress with regard to FNMA and FHLMC, at which time, we will review the status of the Agencies and act appropriately to ensure the safety and security of taxpayer dollars.

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.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Tate Reeves", written in a cursive style.

Tate Reeves
State Treasurer

IV. INDICES



STATE OF MISSISSIPPI

INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS (by finding number)

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
2010-03	71	Treasury
2010-10	65	Education
2010-11	66	Education
2010-12	67	Employment Security

MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS (by State agency)

Education: Page 133

Employment Security: Page 137

Treasury: Page 153

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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, 2010**

1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: Pages 75-87
3. U.S. Department of Commerce: None
4. U.S. Department of Defense: None
5. U.S. Department of Housing and Urban Development: Pages 89-90
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: Pages 91-92
10. Appalachian Regional Commission: None
11. General Services Administration: None
12. National Foundation on the Arts and the Humanities: None
13. U.S. Department of Veterans Affairs: None
14. Environmental Protection Agency: Page 93
15. U.S. Department of Energy: Pages 95-98
16. U.S. Department of Education: None
17. National Archives and Records Administration: None
18. Elections Assistance Commission: None
19. U.S. Department of Health and Human Services: Pages 99-109
20. Corporation for National and Community Service: None
21. Social Security Administration: None
22. 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, 2010

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. Corrections: None
8. Education: Page 75
9. Educational Television: None
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Governor's Office: None
16. Health: Pages 77, 93, 99
17. Human Services: Pages 84, 95, 105
18. Insurance: None
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: None
23. Military Department: None
24. Mississippi Development Authority: None
25. Narcotics: None
26. Oil and Gas Board: None
27. Pharmacy Board: None
- ** Port of Gulfport: Page 89
28. Public Safety: None
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: Page 91
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None

** The Port of Gulfport, a state agency, received federal funds which were transferred from other state agencies. For this reason, the Port of Gulfport does not appear on the Schedule of Expenditures of Federal Awards. The finding on page 89 relates to funds received from the Mississippi Development Authority through the CDBG program from the U.S. Department of Housing and Urban Development.

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, 2010

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
10-01	93	Health
10-02	77, 99	Health
10-03	80	Health
10-04	82	Health
10-05	102	Health
10-06	103	Health
10-07	104	Health
10-08	84, 95, 105	Human Services
10-09	86, 97, 107	Human Services
10-10	91	State Aid Road
10-11	75	Education
10-12	76	Education
10-13	89	Port of Gulfport

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STATE OF MISSISSIPPI

**INDEX OF MANAGEMENT RESPONSES TO FEDERAL AWARD FINDINGS
AND CORRECTIVE ACTION PLANS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2010**

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. Corrections: None
8. Education: Page 135
9. Educational Television: None
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Governor's Office: None
16. Health: Page 139
17. Human Services: Page 145
18. Insurance: None
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: None
23. Military Department: None
24. Mississippi Development Authority: None
25. Narcotics: None
26. Oil and Gas Board: None
27. Pharmacy Board: None
- ** Port of Gulfport: Page 149
28. Public Safety: None
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: Page 151
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None

** The Port of Gulfport, a state agency, received federal funds which were transferred from other state agencies. For this reason, the Port of Gulfport does not appear on the Schedule of Expenditures of Federal Awards. The response and corrective action plan on page 149 relates to funds received from the Mississippi Development Authority through the CDBG program from the U.S. Department of Housing and Urban Development.

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V. ACKNOWLEDGMENTS



ACKNOWLEDGMENTS

REPORT PREPARED BY:

Stacey E. Pickering, State Auditor
Patrick S. Dendy, CPA, Deputy State Auditor
William R. Doss, CPA, Director, Financial and Compliance Audit Division
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Many thanks to the following managers, supervisors and field staff of the Office of the State Auditor for their efforts in gathering information contained in this Single Audit Report:

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Alan Jarrett	Lisa Worthy

Special thanks to Jacqueline Thomas and Janet Wilson for their help in processing this report.

We would also like to thank staff members of the Bureau of Financial Reporting, Department of Finance and Administration, for their assistance with this report through compilation of the Schedule of Expenditures of Federal Awards.

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