

State of Mississippi

Single Audit Report

for the Fiscal Year Ended June 30, 2012

MISSISSIPPI



Stacey E. Pickering

State Auditor

Office of the State Auditor

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

March 28, 2013

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, 2012. 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-fifth 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 2011 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2012.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2012 and our report thereon, dated December 20, 2012, has been issued under separate cover 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.

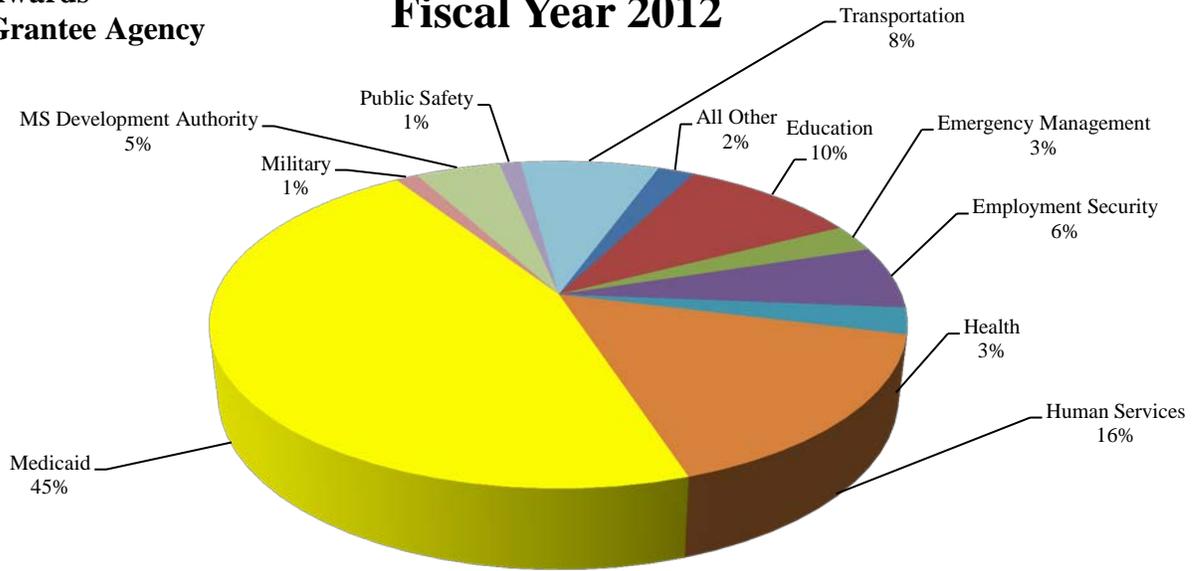
Respectfully submitted

A handwritten signature in black ink, appearing to read "Stacey E. Pickering". The signature is fluid and cursive, with a large initial "S" and "P".

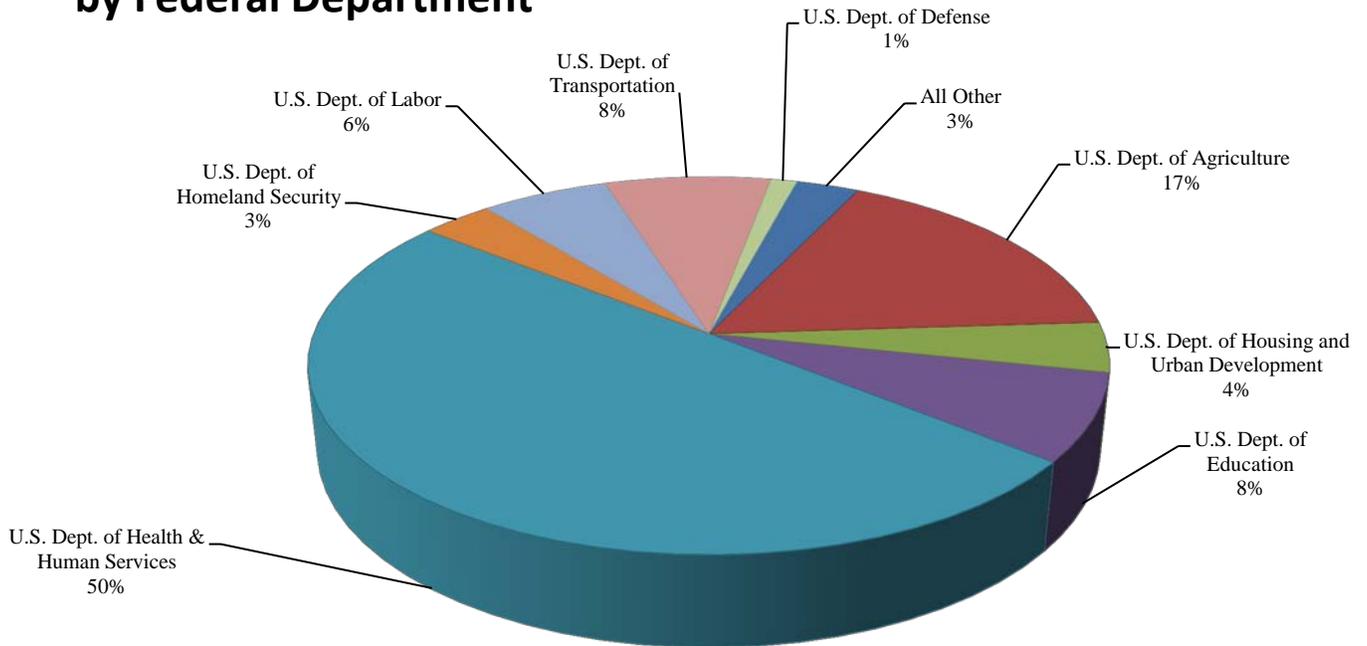
STACEY E. PICKERING
State Auditor

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

**STATE OF MISSISSIPPI
Fiscal Year 2012**

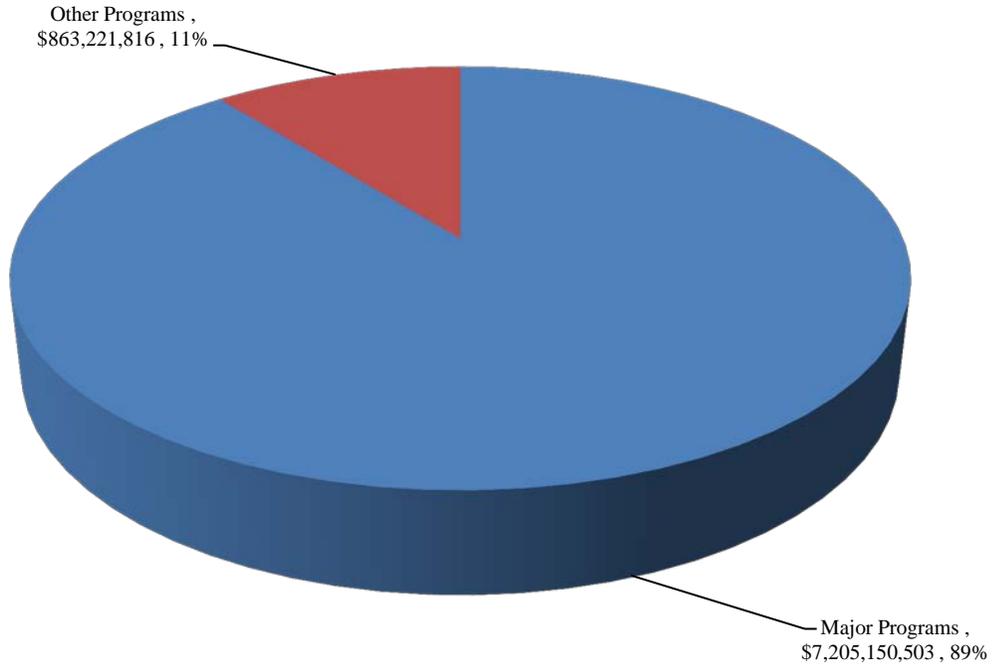


**Expenditures of Federal Awards
by Federal Department**

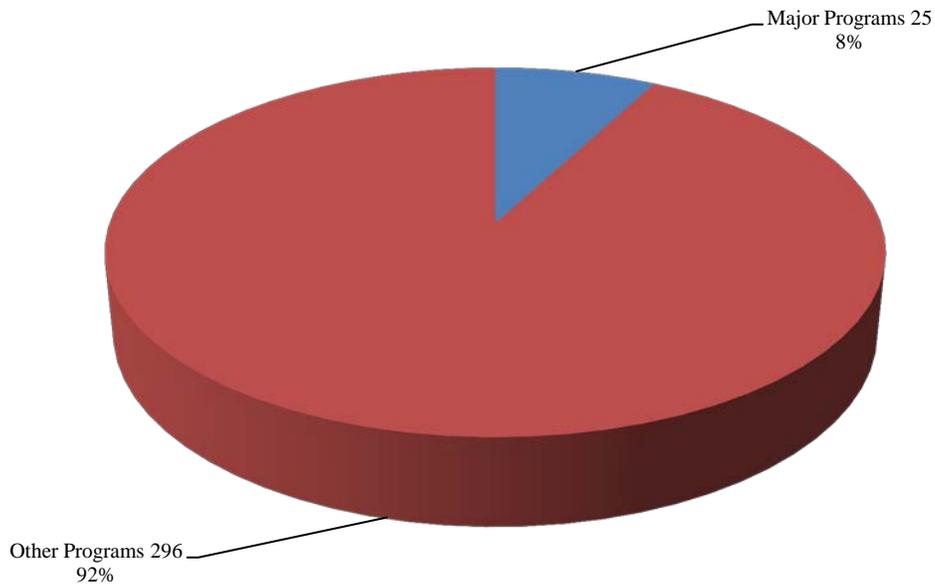


STATE OF MISSISSIPPI Fiscal Year 2012

Percentage of Major Program Assistance Total Expenditures of Federal Awards \$8,068,372,319

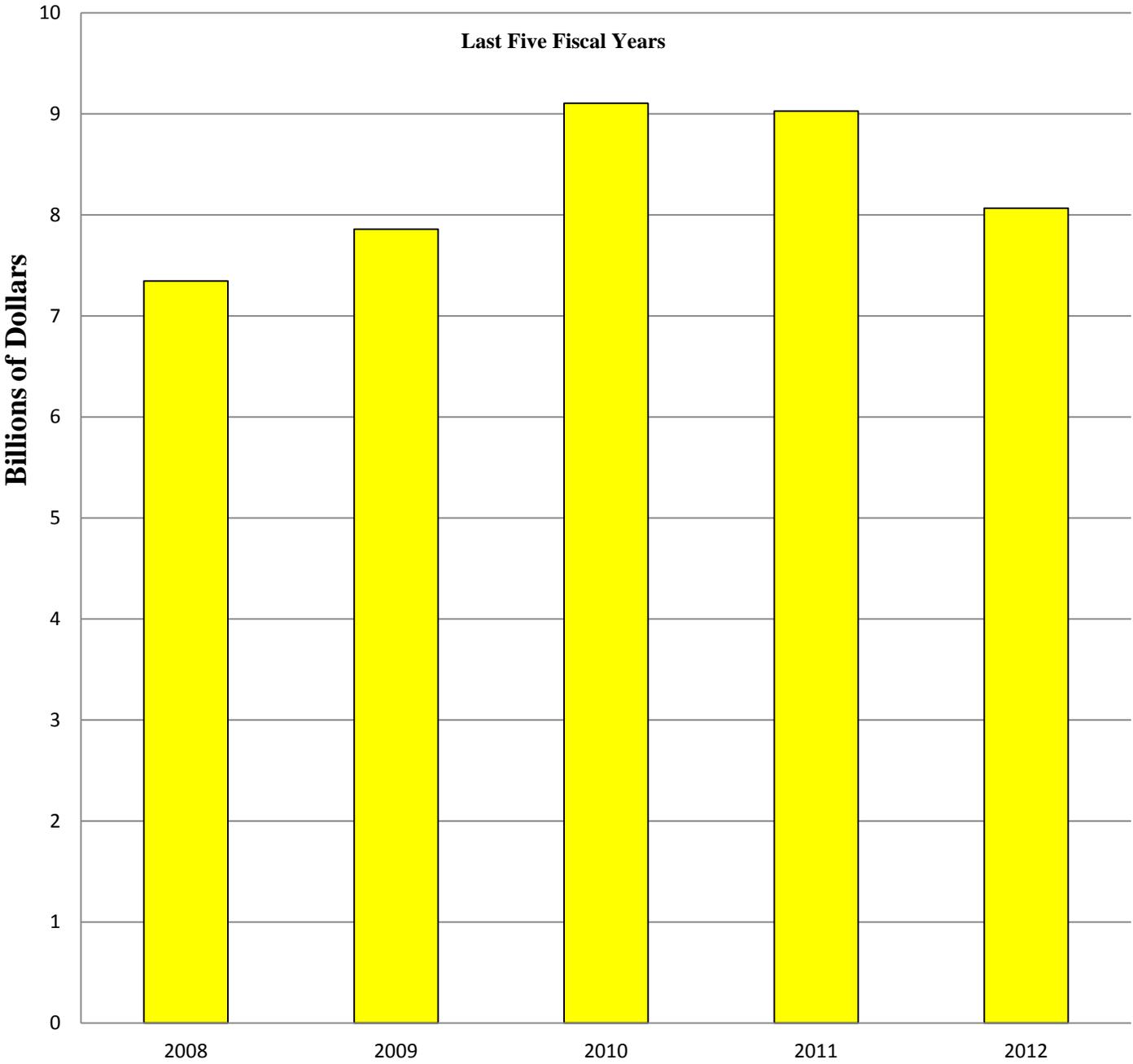


Percentage of Major Program Assistance 321 Programs



STATE OF MISSISSIPPI

Total Federal Financial Assistance



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STATE OF MISSISSIPPI

SINGLE AUDIT REPORT

For the Year Ended June 30, 2012

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I. AUDIT REPORTING



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

**INDEPENDENT AUDITOR'S 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 (the State), as of and for the year ended June 30, 2012, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 20, 2012. 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 Department of Employment Security, the Department of Environmental Quality, the Department of Finance and Administration – Office of Insurance, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 38%, 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 the Unemployment

Independent Auditor's 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

Compensation Fund which, in the aggregate, represent 96% and 94%, 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 Department of Corrections, the Department of Environmental Quality, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 22% and 33%, respectively, of the assets and revenues of the General Fund;

- Proprietary Funds

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

- Aggregate Remaining Funds

- selected nonmajor governmental funds at the Mississippi Emergency Management Agency and the Department of Employment Security;
- the State Agencies Self-Insured Workers' Compensation Trust Fund and selected funds at the Department of Finance and Administration – Office of Insurance within the Internal Service Fund;
- nonmajor enterprise funds for the Veterans' Home Purchase Board;
- the Pension Trust Funds;
- the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 97% and 88%, 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

Independent Auditor's 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

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.

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 not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these funds or entities.

Internal Control over Financial Reporting

Management of the State of Mississippi is responsible for establishing and maintaining effective 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.

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.

Our and the other auditors' consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We and the other auditors did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2012-13, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

Independent Auditor's 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

Compliance and Other Matters

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

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2012-02.

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
December 20, 2012



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

**INDEPENDENT AUDITOR'S 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 AND ON THE SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS**

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 (the State) 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, 2012. We did not audit the National Guard Military Operations and Maintenance (O&M) Projects, the Disaster Recovery Funds within the Community Development Block Grants/State's Program, the Unemployment Insurance Program, the WIA Cluster, the Recreational Trails Program within the Highway Planning and Construction Cluster, the Capitalization Grants for Clean Water State Revolving Funds Program, the Capitalization Grants for Drinking Water State Revolving Funds Program, the Vocational Rehabilitation Cluster, the Children's Health Insurance Program, the Medicaid Cluster, the Disability Insurance/SSI Cluster, the Mississippi Interoperable Communications Grant Program, 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.

The State of Mississippi's basic financial statements include the operations of the State's public universities, as a major component unit within the discretely presented component units, which received \$991,467,810 in federal awards which is not included in the State's schedule during the year ending June 30, 2012. Our audit, described below, did not include the operations of the public universities because the universities component unit engaged other auditors to perform an audit in accordance with the provisions of OMB Circular A-133.

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-*

Independent Auditor's 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

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.

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.

As described in item 12-04 in the accompanying "Schedule of Findings and Questioned Costs: Part 3 – Federal Award Findings and Questioned Costs," the State of Mississippi did not comply with requirements regarding reporting that are applicable to its TANF Cluster and the CCDF Cluster. Compliance with such requirements is necessary, in our opinion, for the State of Mississippi to comply with the requirements applicable to those programs.

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance described in the preceding paragraph, 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, 2012. 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 also disclosed other 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 12-01, 12-02, 12-03, 12-06 and 12-07.

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 our 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 fourth 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

Independent Auditor's 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

identified certain deficiencies in internal control over compliance that we consider to be material weaknesses 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 12-04 and 12-05 to be material weaknesses.

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 12-01, 12-02, 12-03, 12-07 and 12-09 to be significant deficiencies.

We 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, 2012, and have issued our report thereon dated December 20, 2012 which contained an unqualified opinion on those financial statements. 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 Department of Employment Security, the Department of Environmental Quality, the Department of Finance and Administration – Office of Insurance, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 38%, respectively, of the assets and revenues of the Governmental Activities;

Independent Auditor's 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

- Business-type Activities
 - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board and the Unemployment Compensation Fund which, in the aggregate, represent 96% and 94%, 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 Department of Corrections, the Department of Environmental Quality, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 22% and 33%, respectively, of the assets and revenues of the General Fund;
 - Proprietary Funds
 - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program and the Unemployment Compensation Fund, which are considered major enterprise funds;
 - Aggregate Remaining Funds
 - selected nonmajor governmental funds at the Mississippi Emergency Management Agency and the Department of Employment Security;
 - the State Agencies Self-Insured Workers' Compensation Trust Fund and selected funds at the Department of Finance and Administration – Office of Insurance within the Internal Service Fund;
 - nonmajor enterprise funds for the Veterans' Home Purchase Board;
 - the Pension Trust Funds;
 - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;
- all of which represent 97% and 88%, 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.

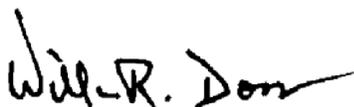
Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control over Compliance in Accordance with OMB Circular A-133

The 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.

Our audit and the audits of the other auditors were conducted for the purpose of forming our 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 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Although not required by OMB Circular A-133, the Schedule of Expenditures of Federal Awards by State Grantee Agency is presented for purposes of additional analysis. The information in the schedules of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 28, 2013 except for the Schedule of Expenditures of Federal Awards, as to which the date is
December 20, 2012.

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Schedule of Expenditures of Federal Awards by Federal Department



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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2012

<u>CFDA Number</u>	<u>State Agency/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	\$ 127,694
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			127,694
<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	754,736
10.069	Conservation Reserve Program	Agriculture and Commerce	12,501
10.086	Aquaculture Grants Program (AGP)	Agriculture and Commerce	74,770
10.156	Federal – State Marketing Improvement Program	Agriculture and Commerce	4,060
10.163	Market Protection and Promotion	Agriculture and Commerce	29,843
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	82,802
10.170	Specialty Crop Block Grant Program – Farm Bill	Agriculture and Commerce	146,003
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,691,281
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	84,108,469
10.558	Child and Adult Care Food Program	Education	39,224,161
10.560	State Administrative Expenses for Child Nutrition	Education	2,878,267
10.565	Commodity Supplemental Food Program	Health	615,534
10.574	Team Nutrition Grants	Education	14,223
10.582	Fresh Fruit and Vegetable Program	Education	1,740,322
10.664	Cooperative Forestry Assistance	Forestry Commission	3,522,756
10.678	Forest Stewardship Program	Forestry Commission	1,087,026
10.680	Forest Health Protection	Agriculture and Commerce	200,000
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	Forestry Commission	1,410,349
10.861	Public Television Station Digital Transition Grant Program	Educational Television	6,985
10.902	Soil and Water Conservation	Soil & Water Conservation Commission	2,357,313
10.902	ARRA – Soil and Water Conservation	Soil & Water Conservation Commission	908,977
10.950	Agricultural Statistics Reports	Agriculture and Commerce	129,408
SUBTOTAL			140,999,786

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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
SNAP Cluster			
10.551	Supplemental Nutrition Assistance Program (SNAP)	Human Services	955,684,713
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	26,236,703
Total SNAP Cluster			981,921,416
Child Nutrition Cluster			
10.553	School Breakfast Program (SBP)	Education	57,309,241
10.555 @	National School Lunch Program (NSLP)	Education	168,367,648
10.556	Special Milk Program for Children (SMP)	Education	2,584
10.559	Summer Food Service Program for Children (SFSPC)	Education	6,145,866
Total Child Nutrition Cluster			231,825,339
Emergency Food Assistance Cluster			
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	772,055
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	4,558,041
Total Emergency Food Assistance Cluster			5,330,096
Forest Service Schools and Roads Cluster			
10.665	Schools and Roads - Grants to States	Treasury	8,532,354
Total Forest Service Schools and Roads Cluster			8,532,354
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,368,608,991
U.S. DEPARTMENT OF COMMERCE			
11.407	Interjurisdictional Fisheries Act of 1986	Marine Resources	81,694
11.419	Coastal Zone Management Administration Awards	Marine Resources	1,484,121
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	186,179
11.434	Cooperative Fishery Statistics	Marine Resources	95,467
11.463	Habitat Conservation	Marine Resources	37,143
11.472	Unallied Science Program	Marine Resources / Wildlife, Fisheries and Parks	166,576
11.473	Coastal Services Center	Environmental Quality / Marine Resources	1,188,263
11.557	ARRA – Broadband Technology Opportunities Program (BTOP)	Governor's Office	24,665,518
11.558	ARRA – State Broadband Data and Development Grant Program	Governor's Office	1,480,139

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
11.805	MBDA Business Center	MS Development Authority	67,003
	SUBTOTAL		29,452,103
	Economic Development Cluster		
11.307	Economic Adjustment Assistance	MS Development Authority	284,037
	Total Economic Development Cluster		284,037
	TOTAL U.S. DEPARTMENT OF COMMERCE		29,736,140
	<u>U.S. DEPARTMENT OF DEFENSE</u>		
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	502,099
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers assigned by the pass through entity – DACW01-3-91-0543, DACW38-3-06-155, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, and DACW01-3-92-0410.	Wildlife, Fisheries and Parks	1,922,651
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	139,856
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department / Soil & Water Conservation Commission	90,183,861
12.402	National Guard Special Military Operations and Projects	Military Department	2,533,145
12.404	National Guard ChalleNGe Program	Military Department	4,589,869
12.405	National Guard Drug Interdiction and Counter Drug Activities	Military Department	232,363
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	165,756
	TOTAL U.S. DEPARTMENT OF DEFENSE		100,269,600
	<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
14.231	Emergency Shelter Grants Program	MS Development Authority	1,663,855
14.239	Home Investment Partnerships Program	MS Development Authority	12,336,943
14.241	Housing Opportunities for Persons with AIDS	Health	1,326,699
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	MS Development Authority	3,762,143
	SUBTOTAL		19,089,640

CDBG – State-Administered CDBG Cluster

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
14.228	Community Development Block Grants / State's Program	MS Development Authority 329,697,838
14.255	ARRA – Community Development Block Grants / State's Program	MS Development Authority 34,861
	Total CDBG – State-Administered CDBG Cluster	329,732,699
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		348,822,339
<u>U.S. DEPARTMENT OF THE INTERIOR</u>		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality 200,127
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Environmental Quality 17,890
15.426	Coastal Impact Assistance Program (CIAP)	Marine Resources 9,690,005
15.615	Cooperative Endangered Species Conservation Fund	Wildlife, Fisheries and Parks 148,300
15.616	Clean Vessel Act	Marine Resources 148,572
15.622	Sportfishing and Boating Safety Act	Marine Resources 187,782
15.630	Coastal Program	Marine Resources 10,075
15.633	Landowner Incentive Program	Wildlife, Fisheries and Parks 295,168
15.634	State Wildlife Grants	Wildlife, Fisheries and Parks 1,109,434
15.657	Endangered Species Conservation – Recovery Implementation Funds	Wildlife, Fisheries and Parks 78,998
15.808	U.S. Geological Survey – Research and Data Collection	Environmental Quality 7,848
15.810	National Cooperative Geologic Mapping Program	Environmental Quality 90,255
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	Environmental Quality 21,117
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History 2,708,343
15.916	Outdoor Recreation – Acquisition, Development and Planning	Wildlife, Fisheries and Parks 253,652
	SUBTOTAL	14,967,566
	Fish and Wildlife Cluster	
15.605	Sport Fish Restoration Program	Marine Resources / Wildlife, Fisheries and Parks 5,037,840
15.611	Wildlife Restoration and Basic Hunter Education	Wildlife, Fisheries and Parks 6,181,984
	Total Fish and Wildlife Cluster	11,219,824
TOTAL U.S. DEPARTMENT OF THE INTERIOR		26,187,390
<u>U.S. DEPARTMENT OF JUSTICE</u>		
16.017 (continued)	Sexual Assault Services Formula Program	Public Safety 181,585

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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
16.200	Community Relations Service	Agriculture and Commerce	2,228
16.523	Juvenile Accountability Block Grants	Public Safety	354,253
16.527	Supervised Visitation, Safe Havens for Children	Human Services	566
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	Public Safety	353,384
16.543	Missing Children's Assistance	Attorney General	203,425
16.548	Title V – Delinquency Prevention Program	Public Safety	(93)
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	296,056
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Public Safety	984,152
16.575	Crime Victim Assistance	Public Safety	3,662,364
16.576	Crime Victim Compensation	Attorney General	1,889,000
16.579	Edward Byrne Memorial Formula Grant Program	Public Safety	(467)
16.588	Violence Against Women Formula Grants	Public Safety	1,442,721
16.588	ARRA – Violence Against Women Formula Grants	Public Safety	308,672
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	281,616
16.606	State Criminal Alien Assistance Program	Corrections	19,067
16.607	Bulletproof Vest Partnership Program	Public Safety	52,302
16.609	Project Safe Neighborhoods	Public Safety	47,254
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	585,207
16.727	Enforcing Underage Drinking Laws Program	Public Safety	241,827
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	Corrections	168,455
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Public Safety	245,212
16.750	Support for Adam Walsh Act Implementation Grant Program	Public Safety	158,256
16.751	Edward Byrne Memorial Competitive Grant Program	Attorney General	31,625
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	Attorney General	145,152
16.801	ARRA – Recovery Act – State Victim Assistance Formula Grant Program	Public Safety	151,651
16.810	ARRA – Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	Attorney General	346,649
16.816	John R. Justice Prosecutors and Defenders Incentive Act	Attorney General	100,000
16.UN	Domestic Cannabis Eradication / Suppression Program	Narcotics	589,887
16.UN4	Federal Asset Forfeitures	Public Safety	68,010
16.UN5	U.S. Marshall Service	Public Safety	86,574
SUBTOTAL			12,996,590

JAG Program Cluster

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	2,049,915
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	Public Safety	4,339,733
Total JAG Program Cluster			6,389,648
TOTAL U.S. DEPARTMENT OF JUSTICE			19,386,238
 <u>U.S. DEPARTMENT OF LABOR</u>			
17.002	Labor Force Statistics	Employment Security	860,029
17.005	Compensation and Working Conditions	Health	24,026
17.225 #	Unemployment Insurance	Employment Security	439,073,347
17.225 #	ARRA – Unemployment Insurance	Employment Security	765,402
17.235	Senior Community Service Employment Program	Human Services	900,707
17.245	Trade Adjustment Assistance	Employment Security	1,408,063
17.261	WIA Pilots, Demonstrations, and Research Projects	Employment Security	(8,480)
17.271	Work Opportunity Tax Credit Program (WOTC)	Employment Security	65,296
17.273	Temporary Labor Certification for Foreign Workers	Employment Security	105,870
17.277	Workforce Investment Act (WIA) National Emergency Grants	Employment Security	3,064,643
17.505	OSHA Data Initiative	Health	21,571
17.600	Mine Health and Safety Grants	Environmental Quality	58,652
SUBTOTAL			446,339,126
 Employment Service Cluster			
17.207	Employment Service / Wagner-Peyser Funded Activities	Employment Security	5,562,552
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security	440,763
17.804	Local Veterans' Employment Representative (LVER) Program	Employment Security	846,542
Total Employment Service Cluster			6,849,857
 WIA Cluster			
17.258	WIA Adult Program	Employment Security	31,448,202
17.258	ARRA – WIA Adult Program	Employment Security	181,376
17.259	WIA Youth Activities	Employment Security	128,471
17.259	ARRA – WIA Youth Activities	Employment Security	109,530
17.278	WIA Dislocated Workers	Employment Security	3,804,225
17.278	ARRA – WIA Dislocated Workers	Employment Security	698,821

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total WIA Cluster	36,370,625
TOTAL U.S. DEPARTMENT OF LABOR		489,559,608
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
20.106	Airport Improvement Program	Transportation 28,254
20.217	Motor Carrier Safety	Public Safety 209,276
20.218	National Motor Carrier Safety	Public Safety 4,091,914
20.231	Performance and Registration Information Systems Management	Revenue 72,915
20.232	Commercial Driver's License Program Improvement Grant	Public Safety 74,361
20.237	Commercial Vehicle Information Systems and Networks	Transportation 80,389
20.2NA	Fatal Analysis Reporting System	Public Safety 60,578
20.313	Railroad Research and Development	Transportation 121,714
20.505	Metropolitan Transportation Planning	Transportation 340,355
20.509	Formula Grants for Other Than Urbanized Areas	Transportation 8,348,909
20.509	ARRA – Formula Grants for Other Than Urbanized Areas	Transportation 711,794
20.607	Alcohol Open Container Requirements	Public Safety 7,740,665
20.700	Pipeline Safety Program Base Grant	Public Service Commission 541,109
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management 340,817
SUBTOTAL		22,763,050
Highway Planning and Construction Cluster		
20.205	Highway Planning and Construction	Transportation 583,619,249
20.205	ARRA – Highway Planning and Construction	Transportation 11,900,432
20.219	Recreational Trails Program	Wildlife, Fisheries and Parks 970,738
Total Highway Planning and Construction Cluster		596,490,419
Federal Transit Cluster		
20.500	Federal Transit – Capital Investment Grants	Port Authority at Gulfport / Transportation 12,560,389
Total Federal Transit Cluster		12,560,389
Transit Services Programs Cluster		
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation 1,781,879
20.516	Job Access – Reverse Commute Program	Transportation 283,276
20.521	New Freedom Program	Transportation 31,279

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total Transit Services Programs Cluster	2,096,434
	Highway Safety Cluster	
20.600	State and Community Highway Safety	Public Safety 4,321,489
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	Public Safety 73,249
20.602	Occupant Protection Incentive Grants	Public Safety 539,363
20.610	State Traffic Safety Information System Improvement Grants	Public Safety 843,277
	Total Highway Safety Cluster	5,777,378
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION	639,687,670
	<u>APPALACHIAN REGIONAL COMMISSION</u>	
23.002	Appalachian Area Development	MS Development Authority 1,015,277
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	MS Development Authority 252,308
	TOTAL APPALACHIAN REGIONAL COMMISSION	1,267,585
	<u>GENERAL SERVICES ADMINISTRATION</u>	
39.003 @	Donation of Federal Surplus Personal Property	Finance and Administration 981,965
39.011	Election Reform Payments	Secretary of State 8,077
	TOTAL GENERAL SERVICES ADMINISTRATION	990,042
	<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>	
45.025	Promotion of the Arts - Partnership Agreements	Arts Commission 1,143,380
45.129	Promotion to the Humanities – Federal / State Partnership	Educational Television 1,250
45.310	Grants to States	Library Commission 2,251,607
	TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	3,396,237
	<u>SMALL BUSINESS ADMINISTRATION</u>	
59.061	State Trade and Export Promotion Pilot Grant Program	MS Development Authority 243,846
	TOTAL SMALL BUSINESS ADMINISTRATION	243,846
	<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>	
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs Board 3,015,927

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	120,373
64.203	State Cemetery Grants	Veterans Affairs Board	390,763
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			3,527,063
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.032	State Indoor Radon Grants	Health	40,803
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	803,098
66.040	State Clean Diesel Grant Program	Environmental Quality	368,607
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	155,031
66.432	State Public Water System Supervision	Health	1,279,977
66.433	State Underground Water Source Protection	Oil and Gas Board	107,250
66.454	Water Quality Management Planning	Environmental Quality	134,193
66.454	ARRA – Water Quality Management Planning	Environmental Quality	20,190
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	7,937,432
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	166,613
66.460	Nonpoint Source Implementation Grants	Environmental Quality	4,197,358
66.461	Regional Wetland Program Development Grants	Environmental Quality	22,988
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	6,336,446
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	Health	286,705
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Health	(176)
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	286,496
66.475	Gulf of Mexico Program	Environmental Quality / Marine Resources	316,758
66.605	Performance Partnership Grants	Agriculture and Commerce / Environmental Quality	7,645,907
66.606	Survey's, Studies, Investigations and Special Purpose Grants	Environmental Quality	52,215
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	221,455
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	68,934
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	380,541
66.708	Pollution Prevention Grants Program	Environmental Quality	61,297
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	152,736
66.802	Superfund State, Political Subdivision, and	Environmental Quality	193,165

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Indian Tribe Site-Specific Cooperative Agreements		
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality	938,368
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality	2,418,721
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	128,924
TOTAL ENVIRONMENTAL PROTECTION AGENCY			34,722,032
<u>U.S. DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	MS Development Authority	423,664
81.041	ARRA – State Energy Program	MS Development Authority	13,787,692
81.042	Weatherization Assistance for Low-Income Persons	Human Services	895,627
81.042	ARRA – Weatherization Assistance for Low-Income Persons	Human Services	10,267,836
81.117	ARRA – Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis / Assistance	MS Development Authority	56,632
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	MS Development Authority / Public Service Commission	420,371
81.127	ARRA – Energy Efficient Appliance Rebate Program (EEARP)	MS Development Authority	49,193
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	MS Development Authority	6,975,338
81.136	Long-Term Surveillance and Maintenance	Health	88,372
81.UN1	Petroleum Violation Escrow – Stripper Well	Treasury	552,302
TOTAL U.S. DEPARTMENT OF ENERGY			33,517,027
<u>U.S. DEPARTMENT OF EDUCATION</u>			
84.002	Adult Education – Basic Grants to States	Board for Community and Junior Colleges	6,348,139
84.011	Migrant Education – State Grant Program	Education	990,731
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Education	726,048
84.048	Career and Technical Education – Basic Grants to States	Education	13,130,755
84.144	Migrant Education – Coordination Program	Education	42,897
84.185	Byrd Honors Scholarships	Education	17,250
84.186	Safe and Drug-Free Schools and Communities State Grants	Education / Public Safety	451,814
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	Rehabilitation Services	436,236
84.213	Even Start State Educational Agencies	Education	707,275
84.224	Assistive Technology	Rehabilitation Services	311,408

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
84.243	Tech-Prep Education	Education	267,534
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	134,990
84.286	Ready to Teach	Educational Television	33,702
84.287	Twenty-First Century Community Learning Centers	Education	17,460,895
84.305	Education Research, Development and Dissemination	Education	52,617
84.323	Special Education – State Personnel Development	Education	838,901
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	204,846
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	Education	124,939
84.358	Rural Education	Education	5,205,257
84.365	English Language Acquisition State Grants	Education	1,480,629
84.366	Mathematics and Science Partnerships	Education	2,613,437
84.367	Improving Teacher Quality State Grants	Education	39,359,075
84.369	Grants for State Assessments and Related Activities	Education	5,409,064
84.371	Striving Readers	Education	55,795
84.410	ARRA – Education Jobs Fund	Finance and Administration	27,042,502
84.938	Hurricane Education Recovery	Education	2,071,988
SUBTOTAL			125,518,724
Title 1, Part A Cluster			
84.010	Title I Grants to Local Educational Agencies	Education	206,339,082
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	Education	22,327,307
Total Title 1, Part A Cluster			228,666,389
Special Education Cluster (IDEA)			
84.027	Special Education – Grants to States (IDEA, Part B)	Education	123,035,699
84.173	Special Education – Preschool Grants (IDEA, Preschool)	Education	4,132,289
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	Education	23,889,182
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	Education	1,569,065
Total Special Education Cluster (IDEA)			152,626,235
TRIO Cluster			
84.044	TRIO – Talent Search	Education	317,844
Total TRIO Cluster			317,844
Vocational Rehabilitation Cluster			

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	Rehabilitation Services	44,471,592
84.390	ARRA – Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act	Rehabilitation Services	239,571
	Total Vocational Rehabilitation Cluster		44,711,163
	Early Intervention Services (IDEA) Cluster		
84.181	Special Education – Grants for Infants and Families	Health	4,051,174
84.393	ARRA – Special Education – Grants for Infants and Families, Recovery Act	Health	225,285
	Total Early Intervention Services (IDEA) Cluster		4,276,459
	Independent Living State Grants Cluster		
84.169	Independent Living State Grants	Rehabilitation Services	355,952
	Total Independent Living State Grants Cluster		355,952
	Independent Living Services for Older Individuals Who Are Blind Cluster		
84.177	Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	306,464
	Total Independent Living Services for Older Individuals Who Are Blind Cluster		306,464
	Education of Homeless Children and Youth Cluster		
84.196	Education of Homeless Children and Youth	Education	861,407
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	Education	197,876
	Total Education of Homeless Children and Youth Cluster		1,059,283
	Educational Technology State Grants Cluster		
84.318	Educational Technology State Grants	Education	1,669,280
84.386	ARRA – Educational Technology State Grants, Recovery Act	Education	2,577,172
	Total Educational Technology State Grants Cluster		4,246,452
	Statewide Data Systems Cluster		
84.372	Statewide Data Systems	Education	703,141
84.384	ARRA – Statewide Data Systems, Recovery Act	Education	2,816,172
	Total Statewide Data Systems Cluster		3,519,313
	Teacher Incentive Fund Cluster		
84.374	Teacher Incentive Fund	Education	1,560,153

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health	443,867
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	3,111,446
93.110	Maternal and Child Health Federal Consolidated Programs	Health	130,623
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	849,101
93.127	Emergency Medical Services for Children	Health	120,011
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	Health	181,927
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	387,720
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	283,214
93.197	Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	47,985
93.217	Family Planning – Services	Health	4,428,087
93.235	Affordable Care Act (ACA) Abstinence Education Program	Human Services	590,869
93.236	Grants to States to Support Oral Health Workforce Activities	Health	1,025,845
93.241	State Rural Hospital Flexibility Program	Health	488,353
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	Mental Health	2,703,624
93.251	Universal Newborn Hearing Screening	Health	101,408
93.283	The Affordable Care Act: Centers for Disease Control and Prevention – Investigations and Technical Assistance	Emergency Management / Health	12,276,024
93.301	Small Rural Hospital Improvement Grant Program	Health	277,337
93.411	ARRA – Equipment to Enhance Training for Health Professionals	Health	228,228
93.414	ARRA – State Primary Care Offices	Health	75,641
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Human Services	240,366
93.507	PPHF 2012 National Public Health Improvement Initiative	Health	298,289
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	Insurance	754,893
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	Attorney General	142,737
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	Health	176,106
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	Insurance	2,605,290

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.539	PPHF 2012 – Prevention and Public Health Fund (Affordable Care Act) – Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds	Health	30,735
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	Health	86,551
93.556	Promoting Safe and Stable Families	Human Services	4,605,088
93.563	Child Support Enforcement	Human Services	17,827,266
93.566	Refugee and Entrant Assistance – State Administered Programs	Human Services	1,135,719
93.568	Low-Income Home Energy Assistance	Human Services	42,749,685
93.586	State Court Improvement Program	Supreme Court	391,000
93.597	Grants to States for Access and Visitation Programs	Human Services	166,346
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	310,503
93.603	Adoption Incentive Payments	Human Services	90,238
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	572,293
93.631	Developmental Disabilities Projects of National Significance	Mental Health	86,771
93.643	Children's Justice Grants to States	Human Services	155,548
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Human Services	3,290,237
93.652	Adoption Opportunities	Human Services	448,141
93.658	Foster Care – Title IV-E	Human Services	15,143,426
93.658	ARRA – Foster Care – Title IV-E	Human Services	1
93.659	Adoption Assistance	Human Services	6,891,316
93.667	Social Services Block Grant	Human Services	22,317,632
93.669	Child Abuse and Neglect State Grants	Human Services	316,242
93.671	Family Violence Prevention and Services / Grants for Battered Women's Shelters – Grants to States and Indian Tribes	Health	1,219,124
93.674	Chafee Foster Care Independence Program	Human Services	762,114
93.717	ARRA – Preventing Healthcare-Associated Infections	Health	86,086
93.719	ARRA – State Grants to Promote Health Information Technology	Governor's Office / Health	5,726,542
93.723	ARRA – Prevention and Wellness – State, Territories and Pacific Islands	Health	1,112,002
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self-Management Program	Human Services	50,945
93.729	ARRA – Health Information Technology and Public Health	Health	485,128
93.767	Children's Health Insurance Program	Medicaid	171,108,409
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid	823,437

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	14,571,324
93.791	Money Follows the Person Rebalancing Demonstration	Medicaid	459,454
93.793	Medicaid Transformation Grants	Medicaid	312,054
93.889	National Bioterrorism Hospital Preparedness Program	Health	3,462,244
93.913	Grants to States for Operation of Offices of Rural Health	Health	199,484
93.917	HIV Care Formula Grants	Health	12,111,602
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	613,067
93.940	HIV Prevention Activities – Health Department Based	Health	2,774,849
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	809,279
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	164,669
93.958	Block Grants for Community Mental Health Services	Mental Health	3,928,195
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	13,827,917
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	Health	1,328,221
93.991	Preventive Health and Health Services Block Grant	Health	683,305
93.994	Maternal and Child Health Services Block Grant to the States	Health	9,523,479
SUBTOTAL			405,739,516
Aging Cluster			
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	Human Services	4,283,011
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	Human Services	4,664,137
93.053	Nutrition Services Incentive Program	Human Services	1,597,431
93.705	ARRA – Aging Home-Delivered Nutrition Services for States (Recovery Act)	Human Services	22,489
93.707	ARRA – Aging Congregate Nutrition Services for States (Recovery Act)	Human Services	35,115
Total Aging Cluster			10,602,183
Immunization Cluster			
93.268 @	Immunization	Health	43,868,557
93.712	ARRA - Immunization	Health	428,011
Total Immunization Cluster			44,296,568
TANF Cluster			
93.558	Temporary Assistance for Needy Families (TANF)	Human Services	62,101,168

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	State Programs	
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	Human Services 468,097
	Total TANF Cluster	62,569,265
	CSBG Cluster	
93.569	Community Services Block Grants	Human Services 12,318,531
	Total CSBG Cluster	12,318,531
	CCDF Cluster	
93.575	Child Care and Development Block Grant	Human Services 41,764,042
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services 22,161,471
93.713	ARRA – Child Care and Development Block Grant	Human Services 1,999,858
	Total CCDF Cluster	65,925,371
	Head Start Cluster	
93.600	Head Start	Governor's Office 175,000
93.708	ARRA – Head Start	Human Services 531,208
	Total Head Start Cluster	706,208
	Medicaid Cluster	
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative	Health 31,918
93.778	Medical Assistance Program	Medicaid 3,375,908,134
93.778	ARRA – Medical Assistance Program	Medicaid 64,023,873
93.775	State Medicaid Fraud Control Units	Attorney General 1,959,361
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health/Medicaid 5,370,292
	Total Medicaid Cluster	3,447,293,578
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	4,049,451,220
	 <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>	
94.013	Volunteers in Service to America	Human Services 12,994

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	SUBTOTAL	12,994
94.016	Foster Grandparent / Senior Companion Cluster Senior Companion Program	162,566
	Human Services	
	Total Foster Grandparent / Senior Companion Cluster	162,566
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	175,560
	<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>	
95.001	High Intensity Drug Trafficking Areas Program	1,260,179
	Narcotics / Public Safety	
	TOTAL EXECUTIVE OFFICE OF THE PRESIDENT	1,260,179
	<u>SOCIAL SECURITY ADMINISTRATION</u>	
96.008	Social Security – Work Incentives Planning and Assistance Program	267,786
	Rehabilitation Services	
	SUBTOTAL	267,786
96.001	Disability Insurance / SSI Cluster Social Security – Disability Insurance (DI)	30,468,351
	Rehabilitation Services	
	Total Disability Insurance / SSI Cluster	30,468,351
	TOTAL SOCIAL SECURITY ADMINISTRATION	30,736,137
	<u>DEPARTMENT OF HOMELAND SECURITY</u>	
97.001	Mississippi Interoperable Communications Grant	50,001,140
97.012	Boating Safety Financial Assistance	1,162,338
97.013	State Access to the Oil Spill Liability Trust Fund	2,192,836
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	10,674
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	283,375
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	166,701,080
97.039	Hazard Mitigation Grant	37,118,264
97.041	National Dam Safety Program	284,815
97.042	Emergency Management Performance Grants	3,850,402
97.043	State Fire Training Systems Grants	16,412
97.044	Assistance to Firefighters Grant	747,475

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
97.045	Cooperating Technical Partners	Environmental Quality	2,049,339
97.055	Interoperable Emergency Communications	Public Safety	261,070
97.056	Port Security Grant Program	Port Authority at Gulfport / Public Safety	810,553
97.078	Buffer Zone Protection Program (BZPP)	Public Safety	563,630
97.082	Earthquake Consortium	Emergency Management	71,076
97.087	Alternative Housing Pilot Program	Emergency Management	4,498,059
97.089	Driver's License Security Grant Program	Public Safety	1,009,330
SUBTOTAL			271,631,868
Homeland Security Cluster			
97.067	Homeland Security Grant Program	Agriculture and Commerce / Public Safety	3,322,279
Total Homeland Security Cluster			3,322,279
TOTAL DEPARTMENT OF HOMELAND SECURITY			274,954,147
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,068,372,319

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 \$177,838,022 and federal expenditures of \$262,000,727.

@ 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



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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Agriculture and Commerce</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 221,602
10.069	Conservation Reserve Program	12,501
10.086	Aquaculture Grants Program (AGP)	74,770
10.156	Federal – State Marketing Improvement Program	4,060
10.163	Market Protection and Promotion	29,843
10.169	Specialty Crop Block Grant Program	82,802
10.170	Specialty Crop Block Grant Program – Farm Bill	146,003
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,691,281
10.680	Forest Health Protection	200,000
10.950	Agricultural Statistics Reports	129,408
	Total U.S. DEPARTMENT OF AGRICULTURE	2,592,270
U.S. DEPARTMENT OF JUSTICE		
16.200	Community Relations Service	2,228
ENVIRONMENTAL PROTECTION AGENCY		
66.605	Performance Partnership Grants	813,541
DEPARTMENT OF HOMELAND SECURITY		
97.067	Homeland Security Grant Program	10,000
	TOTAL Agriculture and Commerce	3,418,039
<u>Animal Health</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	508,373
	TOTAL Animal Health	508,373
<u>Archives and History</u>		
U.S. DEPARTMENT OF THE INTERIOR		
15.904	Historic Preservation Fund Grants-In-Aid	2,708,343
	TOTAL Archives and History	2,708,343

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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
<u>Arts Commission</u>		
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.025	Promotion of the Arts Partnership Agreements	1,143,380
TOTAL Arts Commission		1,143,380
<u>Attorney General</u>		
U.S. DEPARTMENT OF JUSTICE		
16.543	Missing Children's Assistance	203,425
16.576	Crime Victim Compensation	1,889,000
16.751	Edward Byrne Memorial Competitive Grant Program	31,625
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	145,152
16.810	ARRA – Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	346,649
16.816	John R. Justice Prosecutors and Defenders Incentive Act	100,000
Total U.S. DEPARTMENT OF JUSTICE		2,715,851
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	142,737
93.775	State Medicaid Fraud Control Units	1,959,361
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		2,102,098
TOTAL Attorney General		4,817,949
<u>Board for Community and Junior Colleges</u>		
U.S. DEPARTMENT OF EDUCATION		
84.002	Adult Education – Basic Grants to States	6,348,139
TOTAL Board for Community and Junior Colleges		6,348,139
<u>Corrections</u>		
U.S. DEPARTMENT OF JUSTICE		
16.606	State Criminal Alien Assistance Program	19,067
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	168,455
Total U.S. DEPARTMENT OF JUSTICE		187,522
TOTAL Corrections		187,522

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name Education</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
U.S. DEPARTMENT OF AGRICULTURE		
10.553	School Breakfast Program (SBP)	57,309,241
10.555 @	National School Lunch Program (NSLP)	168,367,648
10.556	Special Milk Program for Children (SMP)	2,584
10.558	Child and Adult Care Food Program	39,224,161
10.559	Summer Food Service Program for Children (SFSPC)	6,145,866
10.560	State Administrative Expenses for Child Nutrition	2,878,267
10.574	Team Nutrition Grants	14,223
10.582	Fresh Fruit and Vegetable Program	1,740,322
Total U.S. DEPARTMENT OF AGRICULTURE		275,682,312
U.S. DEPARTMENT OF DEFENSE		
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	165,756
U.S. DEPARTMENT OF EDUCATION		
84.010	Title I Grants to Local Educational Agencies	206,339,082
84.011	Migrant Education – State Grant Program	990,731
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	726,048
84.027	Special Education – Grants to States (IDEA, Part B)	123,035,699
84.044	TRIO – Talent Search	317,844
84.048	Career and Technical Education – Basic Grants to States	13,130,755
84.144	Migrant Education – Coordination Program	42,897
84.173	Special Education – Preschool Grants (IDEA, Preschool)	4,132,289
84.185	Byrd Honors Scholarships	17,250
84.186	Safe and Drug-Free Schools and Communities State Grants	468,219
84.196	Education of Homeless Children and Youth	861,407
84.213	Even Start State Educational Agencies	707,275
84.243	Tech-Prep Education	267,534
84.287	Twenty-First Century Community Learning Centers	17,460,895
84.305	Education Research, Development and Dissemination	52,617
84.318	Educational Technology State Grants	1,669,280
84.323	Special Education – State Personnel Development	838,901
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	204,846
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	124,939
84.358	Rural Education	5,205,257
84.365	English Language Acquisition State Grants	1,480,629
84.366	Mathematics and Science Partnerships	2,613,437
84.367	Improving Teacher Quality State Grants	39,359,075
84.369	Grants for State Assessments and Related Activities	5,409,064
84.371	Striving Readers	55,795
84.372	Statewide Data Systems	703,141
84.374	Teacher Incentive Fund	1,560,153

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
84.377	School Improvement Grants	7,678,529
84.384	ARRA – Statewide Data Systems, Recovery Act	2,816,172
84.386	ARRA – Educational Technology State Grants, Recovery Act	2,577,172
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	197,876
84.388	ARRA – School Improvement Grants, Recovery Act	12,781,805
84.389	ARRA – Title I Grants to Local Educational Agencies, Recovery Act	22,327,307
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	23,889,182
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	1,569,065
84.938	Hurricane Education Recovery	2,071,988
Total U.S. DEPARTMENT OF EDUCATION		503,684,155
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	613,067
TOTAL Education		780,145,290
<u>Educational Television</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.861	Public Television Station Digital Transition Grant Program	6,985
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.129	Promotion to the Humanities – Federal / State Partnership	1,250
U.S. DEPARTMENT OF EDUCATION		
84.286	Ready to Teach	33,702
TOTAL Educational Television		41,937
<u>Emergency Management</u>		
U.S. DEPARTMENT OF TRANSPORTATION		
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	340,817
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.283	The Affordable Care Act: Centers for Disease Control and Prevention – Investigations and Technical Assistance	3,691,920
DEPARTMENT OF HOMELAND SECURITY		
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	10,674
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	283,375
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	166,701,080
97.039	Hazard Mitigation Grant	37,118,264
97.082	Earthquake Consortium	71,076
97.087	Alternative Housing Pilot Program	4,498,059
Total DEPARTMENT OF HOMELAND SECURITY		208,682,528

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	TOTAL Emergency Management	212,715,265
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	<u>Employment Security</u>	
	U.S. DEPARTMENT OF LABOR	
17.002	Labor Force Statistics	860,029
17.207	Employment Service / Wagner-Peyser Funded Activities	5,562,552
17.225 #	Unemployment Insurance	439,073,347
17.225 #	ARRA – Unemployment Insurance	765,402
17.245	Trade Adjustment Assistance	1,408,063
17.258	WIA Adult Program	31,448,202
17.258	ARRA – WIA Adult Program	181,376
17.259	WIA Youth Activities	128,471
17.259	ARRA – WIA Youth Activities	109,530
17.261	WIA Pilots, Demonstrations, and Research Projects	(8,480)
17.271	Work Opportunity Tax Credit Program (WOTC)	65,296
17.273	Temporary Labor Certification for Foreign Workers	105,870
17.277	Workforce Investment Act (WIA) National Emergency Grants	3,064,643
17.278	WIA Dislocated Workers	3,804,225
17.278	ARRA – WIA Dislocated Workers	698,821
17.801	Disabled Veterans' Outreach Program (DVOP)	440,763
17.804	Local Veterans' Employment Representative (LVER) Program	846,542
	Total U.S. DEPARTMENT OF LABOR	488,554,652
	TOTAL Employment Security	488,554,652
<hr/>		
	<u>Environmental Quality</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.473	Coastal Services Center	571,411
	U.S. DEPARTMENT OF DEFENSE	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	139,856
	U.S. DEPARTMENT OF THE INTERIOR	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	200,127
15.252	Abandoned Mine Land Reclamation (AMLR) Program	17,890
15.808	U.S. Geological Survey – Research and Data Collection	7,848
15.810	National Cooperative Geologic Mapping Program	90,255
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	21,117
	Total U.S. DEPARTMENT OF THE INTERIOR	337,237
	U.S. DEPARTMENT OF LABOR	
17.600	Mine Health and Safety Grants	58,652

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
ENVIRONMENTAL PROTECTION AGENCY		
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	803,098
66.040	State Clean Diesel Grant Program	368,607
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	155,031
66.454	Water Quality Management Planning	134,193
66.454	ARRA – Water Quality Management Planning	20,190
66.458	Capitalization Grants for Clean Water State Revolving Funds	7,937,432
66.458	ARRA – Capitalization Grants for Clean Water State Revolving Funds	166,613
66.460	Nonpoint Source Implementation Grants	4,197,358
66.461	Regional Wetland Program Development Grants	22,988
66.472	Beach Monitoring and Notification Program Implementation Grants	286,496
66.475	Gulf of Mexico Program	187,666
66.605	Performance Partnership Grants	6,832,366
66.606	Survey's, Studies, Investigations and Special Purpose Grants	52,215
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	221,455
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	68,934
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	380,541
66.708	Pollution Prevention Grants Program	61,297
66.709	Multi-Media Capacity Building Grants for States and Tribes	152,736
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	193,165
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	938,368
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	2,418,721
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	128,924
Total ENVIRONMENTAL PROTECTION AGENCY		25,728,394
DEPARTMENT OF HOMELAND SECURITY		
97.013	State Access to the Oil Spill Liability Trust Fund	2,192,836
97.041	National Dam Safety Program	284,815
97.045	Cooperating Technical Partners	2,049,339
Total DEPARTMENT OF HOMELAND SECURITY		4,526,990
TOTAL Environmental Quality		31,362,540
<u>Finance and Administration</u>		
GENERAL SERVICES ADMINISTRATION		
39.003 @	Donation of Federal Surplus Personal Property	981,965
U.S. DEPARTMENT OF EDUCATION		
84.394	ARRA – State Fiscal Stabilization Fund (SFSF) Education State Grants, Recovery Act (Education Stabilization Fund)	584,483
84.397	ARRA – State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	21,173,246
84.410	ARRA – Education Jobs Fund	27,042,502

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF EDUCATION	48,800,231
	TOTAL Finance and Administration	49,782,196
	<u>Forestry Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.664	Cooperative Forestry Assistance	3,522,756
10.678	Forest Stewardship Program	1,087,026
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	1,410,349
	Total U.S. DEPARTMENT OF AGRICULTURE	6,020,131
	TOTAL Forestry Commission	6,020,131
	<u>Governor's Office</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.557	ARRA – Broadband Technology Opportunities Program (BTOP)	24,665,518
11.558	ARRA – State Broadband Data and Development Grant Program	1,480,139
	Total U.S. DEPARTMENT OF COMMERCE	26,145,657
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.600	Head Start	175,000
93.719	ARRA – State Grants to Promote Health Information Technology	4,744,835
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	4,919,835
	TOTAL Governor's Office.	31,065,492
	<u>Health</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	84,108,469
10.565	Commodity Supplemental Food Program	615,534
	Total U.S. DEPARTMENT OF AGRICULTURE	84,724,003
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.241	Housing Opportunities for Persons with AIDS	1,326,699
	U.S. DEPARTMENT OF LABOR	
17.005	Compensation and Working Conditions	24,026
17.505	OSHA Data Initiative	21,571
	Total U.S. DEPARTMENT OF LABOR	45,597

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
ENVIRONMENTAL PROTECTION AGENCY		
66.032	State Indoor Radon Grants	40,803
66.432	State Public Water System Supervision	1,279,977
66.468	Capitalization Grants for Drinking Water State Revolving Funds	6,336,446
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	286,705
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	(176)
Total ENVIRONMENTAL PROTECTION AGENCY		7,943,755
U.S. DEPARTMENT OF ENERGY		
81.136	Long-Term Surveillance and Maintenance	88,372
U.S. DEPARTMENT OF EDUCATION		
84.181	Special Education – Grants for Infants and Families	4,051,174
84.393	ARRA – Special Education – Grants for Infants and Families, Recovery Act	225,285
Total U.S. DEPARTMENT OF EDUCATION		4,276,459
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV / AIDS Demonstration Program	133,602
93.069	Public Health Emergency Preparedness	7,787,508
93.070	Environmental Public Health and Emergency Response	843,514
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	33,815
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	443,867
93.110	Maternal and Child Health Federal Consolidated Programs	130,623
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	849,101
93.127	Emergency Medical Services for Children	120,011
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	181,927
93.136	Injury Prevention and Control Research and State and Community Based Programs	387,720
93.197	Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	47,985
93.217	Family Planning – Services	4,428,087
93.236	Grants to States to Support Oral Health Workforce Activities	1,025,845
93.241	State Rural Hospital Flexibility Program	488,353
93.251	Universal Newborn Hearing Screening	101,408
93.268 @	Immunization	43,868,557
93.283	The Affordable Care Act: Centers for Disease Control and Prevention – Investigations and Technical Assistance	8,584,104
93.301	Small Rural Hospital Improvement Grant Program	277,337
93.411	ARRA – Equipment to Enhance Training for Health Professionals	228,228
93.414	ARRA – State Primary Care Offices	75,641
93.507	PPHF 2012 National Public Health Improvement Initiative	298,289
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information	176,106

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.539	Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF PPHF 2012 – Prevention and Public Health Fund (Affordable Care Act) – Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds	30,735
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	86,551
93.671	Family Violence Prevention and Services / Grants for Battered Women's Shelters – Grants to States and Indian Tribes	1,219,124
93.712	ARRA – Immunization	428,011
93.717	ARRA – Preventing Healthcare-Associated Infections	86,086
93.719	ARRA – State Grants to Promote Health Information Technology	981,707
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative	31,918
93.723	ARRA – Prevention and Wellness – State, Territories and Pacific Islands	1,112,002
93.729	ARRA – Health Information Technology and Public Health	485,128
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2,145,731
93.889	National Bioterrorism Hospital Preparedness Program	3,462,244
93.913	Grants to States for Operation of Offices of Rural Health	199,484
93.917	HIV Care Formula Grants	12,111,602
93.940	HIV Prevention Activities – Health Department Based	2,774,849
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	809,279
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	164,669
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	1,328,221
93.991	Preventive Health and Health Services Block Grant	683,305
93.994	Maternal and Child Health Services Block Grant to the States	9,523,479
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		108,175,753
TOTAL Health		206,580,638
 <u>Human Services</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.551	Supplemental Nutrition Assistance Program (SNAP)	955,684,713
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	26,236,703
10.568	Emergency Food Assistance Program (Administrative Costs)	772,055
10.569 @	Emergency Food Assistance Program (Food Commodities)	4,558,041
Total U.S. DEPARTMENT OF AGRICULTURE		987,251,512
 U.S. DEPARTMENT OF JUSTICE		
16.527	Supervised Visitation, Safe Havens for Children	566

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
17.235	U.S. DEPARTMENT OF LABOR Senior Community Service Employment Program	900,707
U.S. DEPARTMENT OF ENERGY		
81.042	Weatherization Assistance for Low-Income Persons	895,627
81.042	ARRA – Weatherization Assistance for Low-Income Persons	10,267,836
Total U.S. DEPARTMENT OF ENERGY		11,163,463
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.041	Special Programs for the Aging – Title VII, Chapter 3 – Programs for Prevention of Elder Abuse, Neglect, and Exploitation	41,669
93.042	Special Programs for the Aging – Title VII, Chapter 2 – Long Term Care Ombudsman Services for Older Individuals	263,109
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	158,433
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	4,283,011
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	4,664,137
93.048	Special Programs for the Aging – Title IV – and Title II – Discretionary Projects	203,544
93.052	National Family Caregiver Support, Title III, Part E	1,414,170
93.053	Nutrition Services Incentive Program	1,597,431
93.071	Medicare Enrollment Assistance Program	(226)
93.235	Affordable Care Act (ACA) Abstinence Education Program	590,869
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	240,366
93.556	Promoting Safe and Stable Families	4,605,088
93.558	Temporary Assistance for Needy Families (TANF) State Programs	62,101,168
93.563	Child Support Enforcement	17,827,266
93.566	Refugee and Entrant Assistance – State Administered Programs	1,135,719
93.568	Low-Income Home Energy Assistance	42,749,685
93.569	Community Services Block Grants	12,318,531
93.575	Child Care and Development Block Grant	41,764,042
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	22,161,471
93.597	Grants to States for Access and Visitation Programs	166,346
93.599	Chafee Education and Training Vouchers Program (ETV)	310,503
93.603	Adoption Incentive Payments	90,238
93.643	Children's Justice Grants to States	155,548
93.645	Stephanie Tubbs Jones Child Welfare Services Program	3,290,237
93.652	Adoption Opportunities	448,141
93.658	Foster Care – Title IV-E	15,143,426
93.658	ARRA – Foster Care – Title IV-E	1
93.659	Adoption Assistance	6,891,316
93.667	Social Services Block Grant	22,317,632
93.669	Child Abuse and Neglect State Grants	316,242
93.674	Chafee Foster Care Independence Program	762,114
93.705	ARRA – Aging Home-Delivered Nutrition Services for States (Recovery Act)	22,489

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
93.707	ARRA – Aging Congregate Nutrition Services for States (Recovery Act)	35,115
93.708	ARRA – Head Start	531,208
93.713	ARRA – Child Care and Development Block Grant	1,999,858
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	468,097
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self- Management Program	50,945
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	818,299
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	271,937,238
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.013	Volunteers in Service to America	12,994
94.016	Senior Companion Program	162,566
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	175,560
	TOTAL Human Services	1,271,429,046
	<u>Insurance</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	754,893
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	2,605,290
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	3,360,183
	DEPARTMENT OF HOMELAND SECURITY	
97.044	Assistance to Firefighters Grant	747,475
	TOTAL Insurance	4,107,658
	<u>Library Commission</u>	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.310	Grants to States	2,251,607
	TOTAL Library Commission	2,251,607
	<u>Marine Resources</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.407	Interjurisdictional Fisheries Act of 1986	81,694
11.419	Coastal Zone Management Administration Awards	1,484,121
11.420	Coastal Zone Management Estuarine Research Reserves	186,179
11.434	Cooperative Fishery Statistics	95,467
11.463	Habitat Conservation	37,143
11.472	Unallied Science Program	58,525

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
11.473	Coastal Services Center	616,852
Total U.S. DEPARTMENT OF COMMERCE		2,559,981
U.S. DEPARTMENT OF THE INTERIOR		
15.426	Coastal Impact Assistance Program (CIAP)	9,690,005
15.605	Sport Fish Restoration Program	601,609
15.616	Clean Vessel Act	148,572
15.622	Sportfishing and Boating Safety Act	187,782
15.630	Coastal Program	10,075
Total U.S. DEPARTMENT OF THE INTERIOR		10,638,043
ENVIRONMENTAL PROTECTION AGENCY		
66.475	Gulf of Mexico Program	129,092
TOTAL Marine Resources		13,327,116
Medicaid		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.767	Children's Health Insurance Program	171,108,409
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	3,224,561
93.778	Medical Assistance Program	3,375,908,134
93.778	ARRA – Medical Assistance Program	64,023,873
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	5,138
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	14,571,324
93.791	Money Follows the Person Rebalancing Demonstration	459,454
93.793	Medicaid Transformation Grants	312,054
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		3,629,612,947
TOTAL Medicaid		3,629,612,947
Mental Health		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.003	Public Health and Social Services Emergency Fund	133,719
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	3,111,446
93.150	Projects for Assistance in Transition from Homelessness (PATH)	283,214
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	2,703,624
93.630	Developmental Disabilities Basic Support and Advocacy Grants	572,293
93.631	Developmental Disabilities Projects of National Significance	86,771
93.958	Block Grants for Community Mental Health Services	3,928,195

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.959	Block Grants for Prevention and Treatment of Substance Abuse	13,827,917
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		24,647,179
TOTAL Mental Health		24,647,179
 <u>Military Department</u>		
U.S. DEPARTMENT OF DEFENSE		
12.401	National Guard Military Operations and Maintenance (O&M) Projects	90,150,738
12.402	National Guard Special Military Operations and Projects	2,533,145
12.404	National Guard ChalleNGe Program	4,589,869
12.405	National Guard Drug Interdiction and Counter Drug Activities	232,363
Total U.S. DEPARTMENT OF DEFENSE		97,506,115
TOTAL Military Department		97,506,115
 <u>MS Development Authority</u>		
U.S. DEPARTMENT OF COMMERCE		
11.307	Economic Adjustment Assistance	284,037
11.805	MBDA Business Center	67,003
Total U.S. DEPARTMENT OF COMMERCE		351,040
 U.S. DEPARTMENT OF DEFENSE		
12.002	Procurement Technical Assistance For Business Firms	502,099
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
14.228	Community Development Block Grants / State's Program	329,697,838
14.231	Emergency Shelter Grants Program	1,663,855
14.239	Home Investment Partnerships Program	12,336,943
14.255	ARRA – Community Development Block Grants / State's Program	34,861
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	3,762,143
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		347,495,640
 APPALACHIAN REGIONAL COMMISSION		
23.002	Appalachian Area Development	1,015,277
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	252,308
Total APPALACHIAN REGIONAL COMMISSION		1,267,585
 SMALL BUSINESS ADMINISTRATION		
59.061	State Trade and Export Promotion Pilot Grant Program	243,846

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
U.S. DEPARTMENT OF ENERGY		
81.041	State Energy Program	423,664
81.041	ARRA – State Energy Program	13,787,692
81.117	ARRA – Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis / Assistance	56,632
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	89,630
81.127	ARRA – Energy Efficient Appliance Rebate Program (EEARP)	49,193
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	6,975,338
Total U.S. DEPARTMENT OF ENERGY		21,382,149
TOTAL MS Development Authority		371,242,359
<u>Narcotics</u>		
OFFICE OF NATIONAL DRUG CONTROL POLICY		
07.UN	High Intensity Drug Trafficking Area	127,694
U.S. DEPARTMENT OF JUSTICE		
16.UN	Domestic Cannabis Eradication / Suppression Program	589,887
EXECUTIVE OFFICE OF THE PRESIDENT		
95.001	High Intensity Drug Trafficking Areas Program	1,207,161
TOTAL Narcotics		1,924,742
<u>Oil and Gas Board</u>		
ENVIRONMENTAL PROTECTION AGENCY		
66.433	State Underground Water Source Protection	107,250
TOTAL Oil and Gas Board		107,250
<u>Port Authority at Gulfport</u>		
U.S. DEPARTMENT OF TRANSPORTATION		
20.500	Federal Transit – Capital Investment Grants	12,339,568
DEPARTMENT OF HOMELAND SECURITY		
97.056	Port Security Grant Program	237,560
TOTAL Port Authority at Gulfport		12,577,128
<u>Public Safety</u>		
U.S. DEPARTMENT OF JUSTICE		
16.017	Sexual Assault Services Formula Program	181,585
16.523	Juvenile Accountability Block Grants	354,253

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	353,384
16.548	Title V – Delinquency Prevention Program	(93)
16.554	National Criminal History Improvement Program (NCHIP)	296,056
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	984,152
16.575	Crime Victim Assistance	3,662,364
16.579	Edward Byrne Memorial Formula Grant Program	(467)
16.588	Violence Against Women Formula Grants	1,442,721
16.588	ARRA – Violence Against Women Formula Grants	308,672
16.593	Residential Substance Abuse Treatment for State Prisoners	281,616
16.607	Bulletproof Vest Partnership Program	52,302
16.609	Project Safe Neighborhoods	47,254
16.710	Public Safety Partnership and Community Policing Grants	585,207
16.727	Enforcing Underage Drinking Laws Program	241,827
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2,049,915
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	245,212
16.750	Support for Adam Walsh Act Implementation Grant Program	158,256
16.801	ARRA – Recovery Act – State Victim Assistance Formula Grant Program	151,651
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	4,339,733
16.UN4	Federal Asset Forfeitures	68,010
16.UN5	U.S. Marshall Service	86,574
Total U.S. DEPARTMENT OF JUSTICE		15,890,184
U.S. DEPARTMENT OF TRANSPORTATION		
20.217	Motor Carrier Safety	209,276
20.218	National Motor Carrier Safety	4,091,914
20.232	Commercial Driver's License Program Improvement Grant	74,361
20.2NA	Fatal Analysis Reporting System	60,578
20.600	State and Community Highway Safety	4,321,489
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	73,249
20.602	Occupant Protection Incentive Grants	539,363
20.607	Alcohol Open Container Requirements	7,740,665
20.610	State Traffic Safety Information System Improvement Grants	843,277
Total U.S. DEPARTMENT OF TRANSPORTATION		17,954,172
U.S. DEPARTMENT OF EDUCATION		
84.186	Safe and Drug-Free Schools and Communities State Grants	(16,405)
EXECUTIVE OFFICE OF THE PRESIDENT		
95.001	High Intensity Drug Trafficking Areas Program	53,018
DEPARTMENT OF HOMELAND SECURITY		
97.001	Mississippi Interoperable Communications Grant	50,001,140
97.042	Emergency Management Performance Grants	3,850,402

(continued)

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

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
97.055	Interoperable Emergency Communications	261,070
97.056	Port Security Grant Program	572,993
97.067	Homeland Security Grant Program	3,312,279
97.078	Buffer Zone Protection Program (BZPP)	563,630
97.089	Driver's License Security Grant Program	1,009,330
Total DEPARTMENT OF HOMELAND SECURITY		59,570,844
TOTAL Public Safety		93,451,813
 <u>Public Service Commission</u>		
U.S. DEPARTMENT OF TRANSPORTATION		
20.700	Pipeline Safety Program Base Grant	541,109
 U.S. DEPARTMENT OF ENERGY		
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	330,741
TOTAL Public Service Commission		871,850
 <u>Rehabilitation Services</u>		
U.S. DEPARTMENT OF EDUCATION		
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	44,471,592
84.169	Independent Living State Grants	355,952
84.177	Independent Living Services for Older Individuals Who are Blind	306,464
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	436,236
84.224	Assistive Technology	311,408
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	134,990
84.390	ARRA – Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act	239,571
Total U.S. DEPARTMENT OF EDUCATION		46,256,213
 SOCIAL SECURITY ADMINISTRATION		
96.001	Social Security – Disability Insurance (DI)	30,468,351
96.008	Social Security – Work Incentives Planning and Assistance Program	267,786
Total SOCIAL SECURITY ADMINISTRATION		30,736,137
TOTAL Rehabilitation Services		76,992,350
 <u>Revenue</u>		
U.S. DEPARTMENT OF TRANSPORTATION		
20.231	Performance and Registration Information Systems Management	72,915
TOTAL Revenue		72,915

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	<u>Secretary of State</u>	
	GENERAL SERVICES ADMINISTRATION	
39.011	Election Reform Payments	8,077
	ELECTIONS ASSISTANCE COMMISSION	
90.401	Help America Vote Act Requirements Payments	2,363,080
	TOTAL Secretary of State	2,371,157
	<u>Soil & Water Conservation Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.902	Soil and Water Conservation	2,357,313
10.902	ARRA – Soil and Water Conservation	908,977
	Total U.S. DEPARTMENT OF AGRICULTURE	3,266,290
	U.S. DEPARTMENT OF DEFENSE	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	33,123
	TOTAL Soil & Water Conservation Commission	3,299,413
	<u>State Fire Academy</u>	
	DEPARTMENT OF HOMELAND SECURITY	
97.043	State Fire Training Systems Grants	16,412
	TOTAL State Fire Academy	16,412
	<u>Supreme Court</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.586	State Court Improvement Program	391,000
	TOTAL Supreme Court	391,000
	<u>Transportation</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.106	Airport Improvement Program	28,254
20.205	Highway Planning and Construction	583,619,249
20.205	ARRA – Highway Planning and Construction	11,900,432
20.237	Commercial Vehicle Information Systems and Networks	80,389
20.313	Railroad Research and Development	121,714
20.500	Federal Transit – Capital Investment Grants	220,821
20.505	Metropolitan Transportation Planning	340,355
20.509	Formula Grants for Other Than Urbanized Areas	8,348,909
20.509	ARRA – Formula Grants for Other Than Urbanized Areas	711,794

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	1,781,879
20.516	Job Access – Reverse Commute Program	283,276
20.521	New Freedom Program	31,279
	Total U.S. DEPARTMENT OF TRANSPORTATION	607,468,351
	TOTAL Transportation	607,468,351
	<u>Treasury</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.665	Schools and Roads – Grants to States	8,532,354
	U.S. DEPARTMENT OF ENERGY	
81.UN1	Petroleum Violation Escrow – Stripper Well	552,302
	TOTAL Treasury	9,084,656
	<u>Veterans Affairs Board</u>	
	U.S. DEPARTMENT OF VETERANS AFFAIRS	
64.005	Grants to States for Construction of State Home Facilities	3,015,927
64.124	All-Volunteer Force Educational Assistance	120,373
64.203	State Cemetery Grants	390,763
	Total U.S. DEPARTMENT OF VETERANS AFFAIRS	3,527,063
	TOTAL Veterans Affairs Board	3,527,063
	<u>Wildlife, Fisheries and Parks</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	24,761
	U.S. DEPARTMENT OF COMMERCE	
11.472	Unallied Science Program	108,051
	U.S. DEPARTMENT OF DEFENSE	
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers assigned by the pass-through entity- DACW01-3-91-0543, DACW38-3-06-155, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, and DACW01-3-92-0410.	1,922,651
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	4,436,231
15.611	Wildlife Restoration and Basic Hunter Education	6,181,984
15.615	Cooperative Endangered Species Conservation Fund	148,300
15.633	Landowner Incentive Program	295,168
15.634	State Wildlife Grants	1,109,434

(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, 2012

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
15.657	Endangered Species Conservation – Recovery Implementation Funds	78,998
15.916	Outdoor Recreation – Acquisition, Development and Planning	253,652
	Total U.S. DEPARTMENT OF THE INTERIOR	12,503,767
	U.S. DEPARTMENT OF TRANSPORTATION	
20.219	Recreational Trails Program	970,738
	DEPARTMENT OF HOMELAND SECURITY	
97.012	Boating Safety Financial Assistance	1,162,338
	TOTAL Wildlife, Fisheries and Parks	16,692,306
	TOTAL EXPENDITURES OF FEDERAL AWARDS:	\$ 8,068,372,319

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 \$177,838,022 and federal expenditures of \$262,000,727.

@ Denotes federal programs with noncash benefits.

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Notes to the Schedules of Expenditures of Federal Awards



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STATE OF MISSISSIPPI

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, federal expenditures, distributions or issuances totaled \$8,068,372,319. This established the threshold for Type A programs as those with federal expenditures, distributions or issuances which exceeded \$24,205,117. For the fiscal year 2012 audit, there were 25 programs with expenditures exceeding the Type A threshold. Of these 25 programs, two Type A programs were identified as low risk. Risk assessments of Type B programs were performed until two high risk Type B programs were identified. Therefore for fiscal year 2012, twenty five federal award programs, comprising 23 high risk Type A programs and two 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, 2012. 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, 2013.
- 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, 2012, 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 \$981,965. 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, 2012, as charges for sales and services of \$201,487. 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 \$2,658,063. 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, 2012, the outstanding loan balance for the program totaled \$5,587,295.
- 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	\$177,838,022
Federal Portion	<u>262,000,727</u>
Total	<u>\$439,838,749</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, 2012, was \$332,140,970. Total disbursements for new loans for the year ended June 30, 2012, totaled \$35,894,444. Administrative costs associated with the program for the year ended June 30, 2012, totaled \$1,325,323.
- 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, 2012, was \$147,487,568.

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

Total disbursements for new loans made during fiscal year 2012 totaled \$22,436,714. Administrative costs associated with the program for the year ended June 30, 2012, totaled \$3,706,526.

G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$62,311,038 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 \$168,367,648 including cash assistance and noncash assistance. Cash assistance totaled \$152,995,195 and noncash assistance totaled \$15,372,453.*
- *CFDA 93.268 — Immunization Grants received \$43,868,557 including cash assistance and noncash assistance. Cash assistance totaled \$2,457,895 and noncash assistance totaled \$41,410,662.*

I. The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 16.55 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2011.

J. 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

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

resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State.

- K. The State of Mississippi's major federal programs for the year ended June 30, 2012, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

CFDA Number	Program Name
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
11.557	ARRA – Broadband Technology Opportunities Program (BTOP)
12.401	National Guard Military Operations and Maintenance (O&M) Projects
	CDBG – State-Administered CDBG Cluster:
14.228	Community Development Block Grants/State’s Program
14.255	ARRA – Community Development Block Grants/State’s Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster:
17.258	WIA Adult Program
17.258	ARRA – WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA – WIA Youth Activities
17.278	WIA Dislocated Workers
17.278	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
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

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

CFDA Number	Program Name
	Title 1, Part A Cluster:
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act
	Special Education Cluster (IDEA):
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
84.367	Improving Teacher Quality State Grants
84.410	ARRA – Education Jobs Fund
	Immunization Cluster:
93.268	Immunization
93.712	ARRA – Immunization
	TANF Cluster:
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
	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 – Child Care and Development Block Grant
93.767	Children’s Health Insurance Program
	Medicaid Cluster:
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

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

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>
96.001	Disability Insurance/SSI Cluster Social Security – Disability Insurance (DI)
97.001	Mississippi Interoperable Communications Grant
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant

*Type B Program

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Schedule of Findings and Questioned Costs

Part 1 – Summary of Auditor’s Results



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STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ___yes Xno
- Significant deficiencies identified? Xyes ___none reported

Noncompliance material to financial statements noted?

Xyes ___no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Xyes ___no
- Significant deficiencies identified? Xyes ___none reported

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

Unqualified for all major programs except for the TANF Cluster and the CCDF Cluster which were qualified and 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?

Xyes ___no

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

Identification of major programs:

CFDA Number	Program Name
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
11.557	ARRA - Broadband Technology Opportunities Program (BTOP)
12.401	National Guard Military Operations and Maintenance (O&M) Projects
	CDBG – State-Administered CDBG Cluster:
14.228	Community Development Block Grants/State's Program
14.255	ARRA – Community Development Block Grants/State's Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster:
17.258	WIA Adult Program
17.258	ARRA – WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA – WIA Youth Activities
17.278	WIA Dislocated Workers
17.278	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
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

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

CFDA Number	Program Name
	Title 1, Part A Cluster:
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act
	Special Education Cluster (IDEA):
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
84.367	Improving Teacher Quality State Grants
84.410	ARRA – Education Jobs Fund
	Immunization Cluster:
93.268	Immunization
93.712	ARRA – Immunization
	TANF Cluster:
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
	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 – Child Care and Development Block Grant
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

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

<u>CFDA Number</u>	<u>Program Name</u>
96.001	Disability Insurance/SSI Cluster Social Security - Disability Insurance (DI)
97.001	Mississippi Interoperable Communications Grant
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:

\$24,205,117

Auditee qualified as low-risk auditee?

 yes X no

Schedule of Findings and Questioned Costs

Part 2 – Financial Statement Findings



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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART 2 – FINANCIAL STATEMENT FINDINGS

Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings classified as significant deficiencies 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:

- **Significant Deficiency** – A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- **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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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART 2 – FINANCIAL STATEMENT FINDINGS

Finding Number

Finding and Recommendation

REVENUE

Significant Deficiency

2012-13

Controls over Deposit Reconciliations Should Be Strengthened

Finding:

The Mississippi Department of Revenue performs various deposit reconciliation procedures to ensure funds received are properly deposited and accurately recorded. The weekly DRDC (Deposits, Remittance and Data Capture) deposit reconciliation reconciles between the amount of funds received by type of tax uploaded to the LEGACY (sales, use and corporate taxes), STARS (withholding tax) and PHOENIX (individual income tax) systems from the DRDC system to the amount of the same tax types deposited. The DRDC system deposits are the paper checks received and scanned by the agency's processing division. These payments are then uploaded to the above tax systems for the noted tax types. This DRDC reconciliation consists of four reports and serves as a primary review of DRDC deposits versus tax system upload.

The DRDC deposit reconciliation is the only reconciliation tool used to identify reconciling items for the LEGACY system in comparison to DRDC deposits uploaded to the system. However, this weekly reconciliation only captures paper check deposits. There are no reconciliation procedures to reconcile electronic payments recorded to the LEGACY system to other deposit reports. Electronic deposits accounted for approximately 89% of sales tax collections, 71% of use tax collections, and 12% of corporate tax collections during fiscal year 2012. In addition, there are no reconciliation procedures to ensure amounts deposited and uploaded to the LEGACY system are posted to taxpayers' accounts.

The monthly STARS and PHOENIX reconciliations are designed to identify discrepancies between the various deposit reports run by data processing and the information systems divisions (not just DRDC deposits), the amount of tax actually deposited by accounting personnel and the amount of tax posted into the taxpayer's accounts in the noted systems. This reconciliation includes both paper checks and electronic transactions and is prepared several months after month-end.

During our review of the agency's deposit reconciliations, the following weaknesses were noted.

**STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 2 – Financial Statement Findings (continued)**

Finding Number

Finding and Recommendation

- During the fiscal year ending June 30, 2012, there were 21 weeks in which none of the four DRDC reports were printed. Seven of these weeks were consecutive weeks from November 21, 2011, through January 3, 2012. In addition, for 7 weeks in March and April 2012, the out of balance and zero batch reports were not printed.
- In reviewing all 12 monthly STARS withholding reconciliations, we noted no indication of when the reconciliation was prepared and no documentation of a supervisory review.

It should be noted that effective October 1, 2012, the STARS and PHOENIX system tax types were converted over to the Mississippi Automated Reporting System (MARS) and revisions to reconciliations are under development.

Good internal controls require timely reconciliations to be performed between amounts deposited, uploaded, and posted to taxpayer accounts. Reconciliation procedures should include electronic deposits as well as paper checks, and should be prepared in a timely manner. Good internal controls also require reconciliations to be initialed and dated when prepared, reviewed by supervisory personnel and maintained on file for audit purposes. All reviews should be documented with the review date and initials of supervisory personnel. Failure to do so could result in errors or fraud occurring without being detected in a timely manner and could adversely affect the integrity of taxpayers' accounts. Also, because overpayments and tax due notices are processed using the individual taxpayer account information, misleading or erroneous results could be generated.

Recommendation:

We recommend the Mississippi Department of Revenue ensure reconciliations of all deposit transactions posted in the MARS system are prepared timely to ensure revenue is properly deposited and posted to taxpayers' accounts. The preparation date of the reconciliation, the date of reviews and the initials of the reviewer should be documented and maintained on file.

NOTE: See Management's Response and Corrective Action Plan on page 119.

STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Part 2 – Financial Statement Findings (concluded)

Finding Number Finding and Recommendation

TREASURY

Material Noncompliance

2012-02

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 Office of the State Treasurer revealed the total of United States Government agency, instrumentality, and government sponsored enterprise obligations exceeded 50 percent of total investments for 12 of the 12 dates selected for testwork (one per month). The actual investment percentages for dates tested ranged from approximately 89 to 96 percent, resulting in investments in U.S. Government agency, instrumentality, and government sponsored enterprise obligations of approximately \$910 million to approximately \$1.2 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 Office of the State Treasurer 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.

NOTE: See Management’s Response and Corrective Action Plan on page 121.

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



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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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.
- **Material Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor’s judgment have a direct and material effect on a major federal program.
- **Immaterial Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF COMMERCE

CFDA/Finding
Number

Finding and Recommendation

GOVERNOR’S OFFICE

REPORTING

Significant Deficiency

11.557

Broadband Technology Opportunities Program (BTOP)

Federal Award Number and Year: NT10BIX5570094 2012

12-09

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

Finding:

Section 27.30.60 of the *Mississippi Agency Accounting Policies and Procedures (MAAPP) Manual* states that the Schedule of Federal Grant Activity (SEFA) is prepared to report federal grants. The schedule is used in the GAAP financial reporting packet to support the portions of grant revenue that are recognized as revenues, receivables, deferred revenues and expenditures. The schedule is also used as a supplemental schedule for the federal single audit report required by the Single Audit Act of 1984, P.L. 98-502. The SEFA is required to be completed by each agency as a part of the annual GAAP reporting process.

During testwork performed on the SEFA at the Office of the Governor, we noted the following problems.

- The grant award was recorded as \$83,987,788; the correct amount based on supporting documentation was \$70,055,000.
- The cumulative receipts as of June 30, 2012, were recorded as \$35,839,146; the correct amount based on supporting documentation was \$24,052,326.

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

U. S. DEPARTMENT OF COMMERCE (concluded)

CFDA/Finding
Number

Finding and Recommendation

- The cumulative expenditures as of June 30, 2012, were recorded as \$36,452,338; the correct amount based on supporting documentation was \$24,665,518.
- There was no evidence of supervisory review of the SEFA.

As a result of the errors noted, changes were proposed to management for correction and were approved by agency personnel to correctly state the SEFA.

Good internal controls require a review of the SEFA prior to submission to the Department of Finance and Administration to ensure the schedule is properly prepared and accurate based on supporting documentation. Failure to perform a supervisory review could result in information which misrepresents the transactions of the grant and also cause errors in subsequent accounting entries which are supported by the SEFA as well as information reported to federal oversight agencies.

Recommendation:

We recommend the Office of the Governor strengthen controls over the preparation of the Schedule of Expenditures of Federal Awards by requiring a supervisory review be performed prior to submission to the Department of Finance and Administration to ensure the schedule is properly prepared and accurate based on supporting documentation. The supervisory review should be documented.

NOTE: See Management's Response and Corrective Action Plan on page 107.

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

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CFDA/Finding
Number

Finding and Recommendation

MISSISSIPPI DEVELOPMENT AUTHORITY

REPORTING

Significant Deficiency

Immaterial Noncompliance

14.228

Community Development Block Grants/State's Program

Federal Award Number and Year: B-11-DC-28-0001; 2011
B-08-DN-28-0001; 2009
B-11-DN-28-0001; 2011
B-10-DC-28-0001; 2010

Questioned Costs: none

12-07

Controls Should Be Strengthened over Section 3 Reporting

Finding:

The *Code of Federal Regulations* (24 CFR sections 135.3(a) and 135.90) requires recipients of federal awards from the Department of Housing and Urban Development to submit an annual performance report to determine the effectiveness of Section 3 objectives of economic opportunities for low and very low income persons. Each subrecipient who receives over \$200,000 in CDBG funds that involves housing rehabilitation, housing construction, or other public construction must submit annually a Department of Housing and Urban Development (HUD) Form 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low- Income Persons* to the Mississippi Development Authority (MDA). MDA compiles and totals all HUD 60002 Forms and submits a total Section 3 Summary Report for each active grant to HUD along with its Consolidated Annual Performance and Evaluation Report (CAPER). During testwork performed on Section 3 Performance Reporting, we noted the following problems.

- MDA did not submit a Section 3 Summary Report for the Neighborhood Stabilization Program 3 grant along with its annual CAPER.
- Nine subrecipients did not submit an annual HUD Form 60002 to MDA and MDA did not follow-up with subrecipients to obtain the form.

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

- A key line item on the Section 3 Summary Report submitted for CDBG Program Year 2011 (line item 1A – ‘Total dollar amount of all construction contracts awarded on the project’) is understated by \$117,038 due to exclusion of this amount reported by one subrecipient.

Failure to submit a Section 3 Summary Report, failure to obtain HUD Form 60002 from all required subrecipients, and failure to adequately report key line items on the Section 3 Summary Report could result in HUD not receiving accurate information to determine the effectiveness of Section 3 objectives of economic opportunities for low and very low income persons.

Recommendation:

We recommend the Mississippi Development Authority strengthen controls over Section 3 reporting to ensure all programs are reported, all subrecipients submit a HUD Form 60002 annually, and all Section 3 Summary Reports are accurate.

NOTE: See Management’s Response and Corrective Action Plan at page 115.

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

WILDLIFE, FISHERIES AND PARKS

SUBRECIPIENT MONITORING

Significant Deficiency

Immaterial Noncompliance

20.219

Recreational Trails Program

Federal Award Number and Year: MS05/MS08/MS/10(001)

Questioned Costs: none

12-01

Controls Should Be Implemented to Ensure Compliance With Subrecipient
Monitoring Requirements

Finding:

The Mississippi Department of Wildlife, Fisheries, and Parks administers the Recreational Trails Program funds which are provided to the State of Mississippi for development and maintenance of recreational trails and trail-related facilities. During an audit of the fiscal year ended June 30, 2012, it was noted that project sponsor (subrecipient) agreement files included signed "Audit Assurance" forms which required the submittal of audits at the completion of the respective projects; however, it was also noted that follow-up procedures had not been implemented by the Department of Wildlife, Fisheries and Parks to ascertain compliance with the subrecipient monitoring requirements applicable to OMB Circular A-133 audits. Additionally, the Audit Assurance forms do not specify the applicable subrecipient monitoring provisions of OMB Circular A-133.

2 CFR parts 25 and 170, and 48 CFR parts 4, 42 and 52 of Federal awarding agency regulations, and the terms and conditions of award documents pertaining to subrecipient monitoring requirements applicable to federal grant programs, require the inclusion in subrecipient grant agreements the applicable audit requirements of OMB Circular A-133 and to establish procedures to monitor subrecipient audit compliance with those requirements. Failure to implement reliable subrecipient monitoring procedures could result in findings and

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

questioned costs identified for the Recreational Trails Program subrecipients not being reported to the federal granting agency on a timely basis.

Recommendation:

The Mississippi Department of Wildlife, Fisheries, and Parks should implement procedures that require nonfederal subrecipients that expend financial assistance of \$500,000 or more in Federal awards to have a single audit or a program-specific audit for that year. Recreational Trails Program grant agreements should include these provisions that are in accordance with the OMB Circular A-133, and the Mississippi Department of Wildlife, Fisheries, and Parks should establish procedures to monitor subrecipient audit compliance.

Note: See Management’s Response and Corrective Action Plan on page 125.

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

HUMAN SERVICES

ELIGIBILITY

Immaterial Noncompliance

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

Federal Award Number and Year: G1002MSTANF 2010
 G1102MSTANF 2011
 G1202MSTANF 2012
 G1001MSTAN2 2010

Questioned Costs: \$180

12-06 Agency Should Ensure Compliance with Transitional Work Transportation Benefit Requirements

Finding:

The Mississippi Department of Human Services has published *Volume III, TANF Policy Manual*, which establishes criteria for eligibility under the Temporary Assistance for Needy Families (TANF) program. Specifically, Chapter 10 of the *Volume III, TANF Policy Manual* requires participants of the TANF work component to meet specific participation hours to receive a TANF Transitional Work Transportation (TT) stipend. TT stipends can be paid to TANF participants at the following levels: \$180 for working 20 to 25 hours a week, \$240 for working 26 to 31 hours a week, and \$300 for working 32 to 40 hours a week.

In performing testwork on 30 TT stipends paid to participants during fiscal year 2012, we noted two instances in which payments made did not correspond with the required weekly hours to be worked per *Volume III, TANF Policy Manual*, resulting in a total known overpayment of \$180 in fiscal year 2012. The results of our testwork compared to the total of all TT benefits paid in fiscal year 2012, indicates projected questioned costs of \$154,659. Failure to monitor and reduce

**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

benefits to coincide with hours participated in TANF work component could result in questioned costs and recoupment of costs by the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services ensure compliance with Transitional Work Transportation benefit requirements by strengthening control procedures to ensure benefits are paid in accordance with hourly requirements as set forth in the *Volume III, TANF Policy Manual*.

NOTE: See Management’s Response and Corrective Action Plan on page 113.

HUMAN SERVICES

EARMARKING

Significant Deficiency

Immaterial Noncompliance

93.575
 93.713

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

Federal Award Number and Year: G0901MSCCDF 2009
 G0901MSCCD7 2009

Questioned Costs: \$1,334,559

12-03

Controls over Minimum Targeted Funds Should Be Strengthened

Finding:

The terms and conditions of the 2009 federal grant agreement between the Mississippi Department of Human Services (MDHS) and the U.S. Department of Health and Human Services - Administration for Children and Families Division (ACF) include provisions of the 2009 Omnibus Appropriations Bill (Public Law. 111-8) which targeted specific amounts for the following activities related to the Child Care and Development Block Grant (CCDF):

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

- Child Care Quality Improvements
- Infant and Toddler Quality Improvement
- Child Care Resource and Referral and School Aged Child Care Activities

ACF posts on its website the CCDF allocation tables with the minimum amount of funds each state must expend in targeted areas. The minimum expenditures are determined by ACF based on various statistics and population data received by ACF from each state.

During our testing of MDHS’s final ACF-696 financial report for federal grant year 2009, we noted the minimum expenditure requirements for Mississippi, as established by ACF, were not met as follows for CCDF Discretionary awards and CCDF funds awarded under the American Recovery and Reinvestment Act (ARRA).

- Expenditures were \$13,557 below the minimum requirement of \$2,724,111 for the Child Care Quality Improvements earmark on 2009 CCDF Discretionary funds.
- Expenditures were \$1,023,010 below the minimum requirement of \$2,561,362 for the Child Care Quality Improvements earmark on 2009 CCDF ARRA funds.
- Expenditures were \$20,024 below the minimum requirement of \$1,577,625 for the Infant and Toddler Quality Improvements earmark on 2009 CCDF Discretionary funds.
- Expenditures were \$237,461 below the minimum requirement of \$1,483,365 for the Infant and Toddler Quality Improvements earmark on 2009 CCDF ARRA funds.
- Expenditures were \$40,507 below the minimum requirement of \$278,548 for the Child Care Resource and Referral and School Aged Child Care Activities earmark on 2009 CCDF Discretionary funds.

Discussions with agency personnel in the MDHS Division of Budgets and Accounting revealed an internal reporting discrepancy accounted for \$1,235,665 of the aggregate shortages in ARRA expenditures.

**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

Adequate internal controls should include a process for ensuring the minimum level of expenditures for targeted activities are properly awarded, obligated and expended within the proper reporting categories to comply with federal earmarking requirements. Failure to monitor earmarks for minimum compliance throughout the financial reporting period could result in questioned costs and recoupment of costs by the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen controls to ensure minimum targeted funds are obligated and expended to meet the Child Care and Development Block Grant (CCDF) earmarking requirements. Earmarks should be monitored periodically to ensure no shortages will occur. We further recommend the ending dates of CCDF subawards earmarked to meet targeted levels be set at an earlier date, to allow sufficient time for correction in the event a subaward is not fully expended.

NOTE: See Management’s Response and Corrective Action Plan on page 109.

HUMAN SERVICES

REPORTING

Material Weakness

Material Noncompliance

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

Federal Award Number and Year:	G1102MSTANF	2011
	G1202MSTANF	2012
	G1101MSCCDF	2011
	G1201MSCCDF	2012

Questioned Costs: none

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

12-04

Controls over the Timely Identification of New Federal Reporting Requirements
Should Be Strengthened

Finding:

The *Code of Federal Regulations* (2 CFR part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (Transparency Act). Direct recipients of grants who make first-tier subawards are required to report each subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds. Direct recipients are required to use the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) to report qualifying subawards or amendments by the end of the month following the month in which the obligation was made.

The Mississippi Department of Human Services (MDHS) did not perform the required Transparency Act reporting for the Temporary Assistance for Needy Families program (TANF) and Child Care and Development Block Grant Fund program (CCDF) during fiscal year 2012. Failure to perform the required Transparency Act reporting for the TANF and CCDF programs resulted in MDHS being noncompliant with federal reporting requirements related to funding passed-through to subawardees during fiscal year 2012 as follows.

- For the TANF program, the total amount of unreported obligations equal to or greater than \$25,000 was \$4,986,176, representing 53 subawards.
- For the CCDF program discretionary and mandatory grants, as well as TANF transfers to the CCDF program, the total amount of unreported obligations equal to or greater than \$25,000 was \$28,263,974, representing 54 subawards.

Noncompliance with Transparency Act requirements could result in reduced funding for applicable programs.

Recommendation:

We recommend the Mississippi Department of Human Services (MDHS) strengthen controls to identify on a timely basis any new federal reporting requirements applicable to its federal programs. We further recommend MDHS

**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

timely review and submit the applicable information in compliance with reporting requirements under the Transparency Act.

NOTE: See Management’s Response and Corrective Action Plan on page 111.

HUMAN SERVICES

SUBRECIPIENT MONITORING

Material Weakness

- 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
- 93.713 ARRA – Child Care and Development Block Grant

Federal Award Number and Year:	G1002MSTANF	2010
	G1102MSTANF	2011
	G1001MSCCDF	2010
	G1101MSCCDF	2011
	G0901MSCCD7	2009

12-05 **Controls over On-Site Monitoring Should Be Strengthened**

Finding:

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the U.S. Department of Health and Human Services require MDHS to administer grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45 CFR Part 92.40) designates MDHS for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities during the award to assure compliance with applicable Federal requirements and to ensure performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

**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

We evaluated MDHS’s compliance with subrecipient monitoring requirements based on written policies and procedures designed by MDHS’s Division of Program Integrity – Office of Monitoring (OM) to satisfy during-the-award monitoring requirements. OM procedures require an on-site monitoring review of each subgrantee contract at least once during the subgrant period. A tracking mechanism is used to ensure all subgrantee contracts are properly identified and monitored. Monitoring tools/checklists are used during each on-site monitoring review to provide guidance and to document a review was performed. The on-site monitoring workpapers are reviewed and approved by OM supervisory personnel prior to issuance of a written report, the Initial Report of Findings & Recommendations, used for communicating finding(s) and/or questioned costs to subgrantees. The written report should be issued within 30 working days from the date of the exit conference, which is normally held on the last day of the on-site review.

During testwork performed on subrecipient on-site monitoring for 37 subgrantees during fiscal year 2012, we noted the following weaknesses.

- Two subgrantee contracts, or 5 percent, were not monitored within the contract period and had yet to be monitored as of the date of our testing, which was 215 working days after both contracts expired.
- Six subgrantee contracts, or 16 percent, were monitored untimely an average of 141 working days after the expiration of the respective contracts.
- The Initial Report of Findings & Recommendations for five monitoring visits, or 14 percent, was not issued and had yet to be issued as of the date of our testing, which was an average of 195 working days after the respective exit conferences.
- The Initial Report of Findings & Recommendations for 14 monitoring visits, or 38 percent, was issued untimely with an average of 100 working days passing between exit conference and report issuance.

MDHS programmatic funding divisions rely upon OM monitoring procedures to verify compliance with program regulations and to identify potential problem areas needing corrective action. Failure to properly monitor subrecipients in a timely manner could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

**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 (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen its existing internal controls over on-site monitoring to ensure all active subgrantee contracts are timely monitored during-the-award in accordance with OM policies and procedures. We further recommend the agency ensure the Report of Findings and Recommendations prepared as a result of the on-site monitoring be completed in a timely manner to enable immediate corrective action procedures to be initiated.

NOTE: See Management's Response and Corrective Action Plan on page 112.

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

U. S. DEPARTMENT OF HOMELAND SECURITY

CFDA/Finding
Number

Finding and Recommendation

PUBLIC SAFETY

ALLOWABLE COSTS /COST PRINCIPLES

Significant Deficiency

Immaterial Noncompliance

97.001

Mississippi Interoperable Communications Grant

Federal Award Number and Year: 2008-MSMX-0001 2012

Questioned Costs: \$982,651

12-02

Payroll Distribution Procedures Should Be Implemented to Allow Allocation of
Employee Time to Applicable Grants

Finding:

Audit procedures performed for fiscal year 2012 at the Mississippi Department of Public Safety, Office of Homeland Security, revealed that expenditures for salaries and wages made under the Mississippi Interoperable Communications Grant were not supported by the appropriate documentation for employees working on multiple activities as required by OMB Circular A-87, Attachment B, paragraph 8h. The entity's time reports only allow reporting of one project at a time, which resulted in 100% of employees' salaries and wages to be reported as a cost of this grant when the employees work on multiple federal awards and some indirect activities. A total of \$155,959 out of \$986,697 of general and administrative salaries and wages were tested for compliance with this compliance requirement, and we noted a total of \$155,314 was not documented in compliance with OMB Circular A-87. However, the same procedures for tracking employee time were followed for the entire year.

Because the agency does not have a time distribution system in place that will allow for the proper tracking of time in situations where the employees work on multiple federal awards and/or indirect cost activities, expenditures applicable to other grants and/or cost objectives that were not allowed by the grant, according to OMB Circular A-87, were submitted for reimbursement under the Mississippi Interoperable Communications Grant resulting in questioned costs.

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

U. S. DEPARTMENT OF HOMELAND SECURITY (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Public Safety, Office of Homeland Security, put a time tracking and payroll distribution process in place that will allow employees to appropriately track their time by federal award and indirect or direct activities so salary and wage distributions can be made to the appropriate grants and cost objectives, thereby reflecting an “after the fact distribution of the actual activity of each employee.”

Note: See Management’s Response and Corrective Action Plan on page 117.

II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS



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STATE OF MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012

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*a The agency indicates that the finding is partially corrected; however, based on current year audit procedures performed, it did not appear necessary to write a finding for fiscal year 2012.

*b The agency indicates that the finding was fully corrected; however current year audit procedures revealed continuing problems prior to the date the corrective action was implemented by the agency, therefore a finding was written for fiscal year 2012.

STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

INDEX LISTED BY STATE GRANTEE AGENCY

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**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Lynn J. House, Ph.D.
Interim State Superintendent of Education

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012**

11-06 Controls over the data collection of required federal reporting elements should be strengthened

CFDA 10.558 Child and Adult Care Food Program

FULLY CORRECTED

11-07 Controls over subrecipient monitoring should be strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

Signed: *Lynn J. House*
Dr. Lynn J. House, Interim State Superintendent of Education

Date: January 8, 2013

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STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

DEPARTMENT OF FINANCE AND ADMINISTRATION
KEVIN J. UPCHURCH
EXECUTIVE DIRECTOR

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2012**

11-01 Controls over Activities Allowed Should Be Strengthened to Ensure Compliance

CFDA # 84.397 AARA- State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act

Fully Corrected

A handwritten signature in cursive script that reads "Kevin J. Upchurch".

Kevin J. Upchurch
Executive Director
December 18, 2012

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2012

10-01 Controls Should Be Implemented to ensure the Schedule of Expenditures of Federal Awards is Properly Prepared

CFDA # 66.468 Capitalization Grants for Drinking Water State Revolving Fund
CFDA # 66.468 ARRA-Capitalization Grants for Drinking Water State Revolving Funds

FULLY CORRECTED

A CPA firm with experience in GAAP package preparation will be engaged to complete this task. Also when CPA firm prepares the package it will be thoroughly reviewed and approved by the Chief Financial Officer.

10-02 Controls over the Time Study System Should Be Strengthened

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

PARTIALLY CORRECTED

MSDH has acquired a time and attendance program through Kronos for agency wide implementation. To accurately track resource time in each of these programs, the vendor is working with each program area, Accounting and Finance, Human Resources, and MSDH Internal Audit to develop the code and ability to capture this unique information that meets the necessary requirements in an automated manner significantly reducing errors. Full implementation of this application is pending.

10-03 Controls over Participant Eligibility Determination Should Be Strengthened

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

FULLY CORRECTED

Participant eligibility workers have been reviewed on the requirements for eligibility.

10-04 Controls Should be Strengthened to Ensure Compliance with Period of Availability Requirements for the WIC Program

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

All employees that are involved with accounting for WIC including all Finance and Accounting employees have been reviewed by the Director of Accounting on Period of Availability Requirements.

FULLY CORRECTED

10-05 Controls Should be Strengthened to Ensure Compliance with Period of Availability Requirements for the Immunization Program

CFDA # 93.268 Immunization

All employees that are involved with accounting for Immunization including all Finance and Accounting employees have been reviewed by the Director of Accounting on Period of Availability Requirements.

FULLY CORRECTED

10-06 Controls over the Identification and Reporting of Program Income Should Be Implemented

CFDA # 93.268 Immunization

The Third Party Office now runs a report from the PIMS system to collect data on the administration fees. The administration fees that we receive for Immunizations are what make up the program income amount.

FULLY CORRECTED

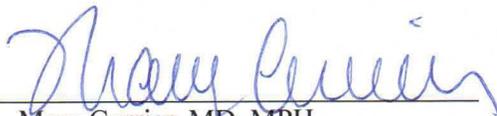
10-07 Controls over the Preparation of the Schedule of Expenditures of Federal Awards Should be Strengthened

CFDA # 93.268 Immunization
CFDA #93.712 ARRA- Immunization

A CPA firm with experience in preparing GAAP financial statements now prepares the year end statements. Statements are reviewed and approved by the Chief Fiscal Officer before they are submitted.

FULLY CORRECTED

Signed:



Mary Carrier, MD, MPH
State Health Officer

Date: 1/7/2013

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2012

11-02 Controls over the identification and Reporting of Program Income Should Be Implemented

CFDA # 93.268 Immunizations

FULLY CORRECTED

The Third Party Office now runs a report from the PIMS system to collect data on the administration fees. The administration fees that we receive for Immunizations are what makes up the program income amount.

11-03 Controls over the Timely Identification of New Federal Reporting Requirements Should be Strengthened

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

PARTIALLY CORRECTED

Efforts began in April 2012 to identify agency personnel who would be responsible for reporting under the Federal Funding Accountability and Transparency Act (FFATA). In August 2012 the designated program individuals were contacted to begin the efforts in gathering information necessary for FFATA reporting. The Director of Internal Audit is working with the various individuals to train them on how to report in the Federal Funding Accountability and Transparency Sub award Reporting System (FSRS) and to assist them in reporting for federal grants currently open. As of October 16, 2012, FFATA reporting has been completed for the federal fiscal year ending 2012 WIC program and Commodity Supplemental Food program, as well as, the current Public Health Emergency Preparedness grant.

11-04 Controls over the Review and Approval of Federal Identifying Information in Sub award Agreements Should be strengthened

CFDA # 93.069 Public Health Emergency Preparedness

FULLY CORRECTED

The OEPR F&A section has included the applicable federal CFDA number on our individual contract/sub grant checklists for State FY2013 contracts and sub awards issued by the MSDH funded grant program areas. The federal identifying numbers are then verified by our staff as stated correctly on each sub award contract or efforts are made for correction of any numbers needing correction. We have also included the applicable CFDA number on our overall contract status list which has been sent to all MSDH grant funded program areas.

11-05 Controls over Time Study Should Be Strengthened

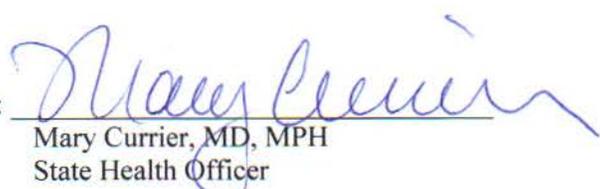
CFDA # 93.069 Public Health Emergency Preparedness

CFDA # 93.889 National Bioterrorism Hospital Preparedness Program

PARTIALLY CORRECTED

MSDH has acquired a time and attendance program through Kronos for agency wide implementation. To accurately track resource time in each of these programs the vendor is working with each program area, Accounting and Finance, Human Resources, and MSDH Internal Audit to develop the code and ability to capture this unique information that meets the necessary requirements in an automated manner significantly reducing errors. Full implementation of this application is expected in January 2013.

Signed: _____



Mary Currier, MD, MPH
State Health Officer

Date: 11/5/2012



STATE OF MISSISSIPPI
Phil Bryant, Governor
DEPARTMENT OF HUMAN SERVICES
Richard A. Berry
Executive Director

December 12, 2012

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

Dear Mr. Pickering:

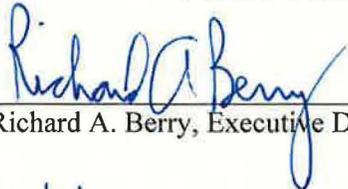
The following is our response and corrective action plan to the prior year audit for the year ended June 30, 2012.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2012

- 11-08 Controls over the Cost Allocation Process Should Be Strengthened
- 10.551 Supplemental Nutrition Assistance Program
 - 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
 - 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 and Development Fund
 - 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

FULLY CORRECTED

Signed: _____


Richard A. Berry, Executive Director

Date: _____

12/12/12

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STATE OF MISSISSIPPI
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF HOMELAND SECURITY

PHIL BRYANT
GOVERNOR

ALBERT SANTA CRUZ
COMMISSIONER

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2012

11-09 Payroll Distribution Procedures Should Be Implemented to Allow Allocation of Employee Time to Applicable Grants

97.001 Mississippi Interoperable Communications Grant

Fully Corrected

The Department of Public Safety, Mississippi Office of Homeland Security has fully corrected this finding by developing and implementing on July 1, 2012 the following Grants Time and Effort Tracking procedure.

Each employee in the Mississippi Office of Homeland Security (MOHS) will personally track the amount of time spent working on all Department of Homeland Security Grants issued to MOHS. At the end of each month all MOHS Employees will calculate the percentage of time they spent per grant and enter this information on the Grants Time/Effort Tracking document as well as complete the required Department of Public Safety (DPS) Employee Attendance Sheets. Individual MOHS employee time documentation will be maintained at the MOHS and will be available to the Department of Public Safety (DPS) Accounting Office upon request for verification of the information entered on the MOHS employees Grants Time/Effort Tracking Document.

In addition, MOHS grants staff member will generate a Federal Aid Budget Line Inquiry Table Report from the State Automated Accounting System each month to continually monitor the amount in each grant to insure that all funds are not expended prior to the completion of the grants that MOHS employee time is being charged against.

The DPS Employee Attendance Sheets are sent to Personnel to verify hours work and leave time taken. Once this has been done the Grants Time/Effort Tracking document for each MOHS employee is used to perform the account distribution of payroll for all MOHS grants. The MOHS employees Grants Time/Effort Tracking document is stored with each month's payroll.

The Grants Time/Effort Tracking document will be sent to the attention of Carla Hutson (Director of Accounting & Finance) at the DPS Accounting Office and the DPS Employee Attendance Sheets will be sent to Personnel as required.

Signature:  _____
Title: Executive Director, MOHS
Date: 12/18/12

III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



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STATE OF MISSISSIPPI

**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED JUNE 30, 2012
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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PHIL BRYANT
GOVERNOR

SINGLE AUDIT FINDINGS

March 26, 2013

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

Dear Mr. Pickering:

The Office of the Governor is providing the following response and corrective action plan to the Audit Management Report dated March 21, 2013.

AUDIT FINDING:

12-09 Controls Should Be Strengthened over Preparation of the Schedule of Expenditures of Federal Awards

Response:

The grant award was originally recorded as \$83,987,788, which reflects the exact amount of the award plus the state match requirement. The record was corrected to denote only the federal grant award of \$70,055,000 immediately upon realizing this input error.

Staff became aware of the discrepancy for receipts and expenditures on the June 2012 Grant Schedule during the semi-annual completion of the Generally Accepted Accounting Principles (GAAP) package for December 2012. The Grant Schedule was corrected for the mid-year reporting in January 2013. DFA staff was notified that the information was incorrect on the June 2012 report. The Comptroller was asked to ensure the correct amount was indicated on the December 2012 report. The Department of Finance and Administration (DFA) staff took note of the error of on the June 2012 report, but indicated it could not be changed since the reporting period was closed.

To prevent reporting errors such as this, the audit report recommends the Governor's Office require in-house supervisory review of the GAAP schedules prior to submission to DFA. Due to

Stacey E. Pickering, State Auditor
Office of the State Auditor
March 26, 2013
Page Two

the limited staff of the Office of the Governor, the agency coordinates with DFA to perform supervisory reviews of financial reporting. Although DFA is not physically located in the Office of the Governor, DFA is an executive agency that works hand-in-hand with the Governor's Office on accounting and financial management and has historically assisted the Office with fiscal activities. This Office appreciates the added benefit of having multiple staff members trained in GAAP. However, in an effort to maintain a small agency size and thus smaller government, the Office of the Governor continues to rely on the expertise of DFA in these regards. The Governor's Office believes this to be a proven and effective strategy.

Corrective Action Plan:

The Governor's Office will continue to coordinate the review of financial reporting with its Analyst in the DFA Office of Financial Reporting. In addition, mid-year and end-year GAAP schedules will be forwarded to the Chief of Staff for his review and signature before submission to DFA.

If you have any questions or require additional information, please contact Joseph Songy at 601.576.9830.

Sincerely,



Kirk Sims
Chief of Staff

JKS/tma



STATE OF MISSISSIPPI
Phil Bryant, Governor
DEPARTMENT OF HUMAN SERVICES
Richard A. Berry
Executive Director

SINGLE AUDIT FINDINGS

March 26, 2013

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, Mississippi 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 2012:

SINGLE AUDIT FINDINGS:

EARMARKING – TARGETED FUNDS

Significant Deficiency
Immaterial Noncompliance

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

Federal Award Number and Year: G0901MSCCDF 2009
G0901MSCCD7 2009

Questioned Costs: \$1,334,559

12-03 Controls over Minimum Targeted Funds Should Be Strengthened

Response:

The Mississippi Department of Human Services agrees that controls over minimum targeted funds should be strengthened to insure that the Child Care Development Block Grant's earmarking requirements are met.

Relative to the current audit finding, we respectfully submit that: All earmark funding was expended, but was not coded to the right reporting category for the correct funding source in the subgrant contract. While some earmark funds were returned from the subgrantee unspent, these funds were used by the State Office of the Division of Early Childhood Care and Development (DECCD) to expend the entire earmark allotment.

Corrective Action Plan:

DECCD is going to:

- A. code earmarks appropriately as soon as permission is granted by the Administration for Children and Families for the 2009 instance cited in the current audit finding,
- B. ensure that all earmarks are coded correctly on subgrants in the future,
- C. as of March 1, 2013, allocate an additional 1 percentage point to the required earmark percentage to help ensure that the minimum required earmark funds are expended, and
- D. set an earlier ending date of August 15th for subgrants instead of September 30th of each year to allow for sufficient time to correct subgrant earmarks that may not be fully expended.

REPORTING

Material Weakness

Material Noncompliance

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

Federal Award Number and Year:	G1102MSTANF 2011
	G1202MSTANF 2012
	G1101MSCCDF 2011
	G1201MSCCDF 2012

12-05 Controls over On-Site Monitoring Should Be Strengthened

Response:

The Agency concurs with the findings and controls have been strengthened over subrecipient monitoring.

As of the date of the Office of State Auditor's (OSA) review of the monitoring files for FY 2012, the Office of Monitoring had experienced the loss of several key staff members who were well trained and experienced monitors. This loss resulted in the number of staff performing sub-recipient monitoring of the Planning and Development District's (PDD) subgrants being reduced from 3 positions to 1 position with no supervisor. In addition to hiring and training a new team supervisor, training for the PDD team is more extensive and more detailed than the training for the other Office of Monitoring teams due to the number of subgrants associated with each PDD as well as the numerous varieties of programs administered by the PDD's. Due to the combination of the loss of staff along with "catching up" from delays in the previous year, 6 PDD subgrants were monitored subsequent to the contract period and the monitoring of 2 PDD subgrants had yet to begin.

The Division of Program Integrity's Director, Laura Griffin, and the Director of Office of Monitoring, J. Win Girod, met with each PDD Director and their accounting staff before issuing any Initial Monitoring Reports to the PDD's. These meetings were very beneficial to the PDD Directors in understanding why and what costs were being questioned, however taking time to hold these meetings caused the aforementioned PDD monitoring reports to be delayed.

Corrective Action Plan:

Since the date of OSA's review of the monitoring files for FY 2012, the PDD team is now fully staffed with 2 monitors and an experienced team supervisor. Also, the PDD's are no longer administering Child Care subgrants (which accounted for a total of 30-40 subgrants). This will improve the timeliness of the PDD monitoring reviews.

Additionally, the Director of Office of Monitoring is revising the Standard Operating Procedures to ensure adequate time frames for issuing initial reports, allowing for responses and issuing status and/or clearance reports. The inclusion of 5 new monitors, a new training manual and an emphasis placed on timeliness for reports and responses, should allow the Office of Monitoring to issue all reports and responses timely.

The anticipated completion date for the corrective actions is March 31, 2013.

ELIGIBILITY

Immaterial Noncompliance

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

Federal Award Number and Year: G1002MSTANF 2010
 G1102MSTANF 2011
 G1202MSTANF 2012
 G1001MSTAN2 2010

Questioned Costs: \$180

12-06 Agency Should Ensure Compliance with Transitional Work Transportation Benefit Requirements

Response:

To maintain compliance with Transitional Work Transportation benefit requirements, the Mississippi Department of Human Services agrees that there is a need to strengthen control procedures to ensure benefits are paid in accordance with hourly requirements as set forth in the Volume III, TANF Policy Manual.

Corrective Action Plan:

Three transitional work stipend amounts are available: \$180, \$240, or \$300 per month. The monthly amount is determined on a case-by-case basis based on the total average weekly work hours the individual is scheduled to work. The following chart shows the weekly work hours, the payment ranges, and the maximum monthly stipend allowances:

Weekly Scheduled Participation Hours	Total Scheduled Hours Range	Monthly Transitional Work Stipend Allowance
32 to 40 hours	1	\$300
26 to 31 hours	2	\$240
20 to 25 hours	3	\$180

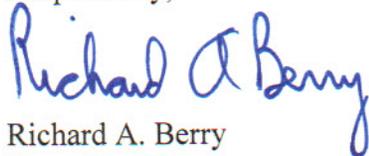
Provided the weekly scheduled work hours are entered correctly, there are JAWS system edits in place to prevent the incorrect work stipend payment range from being selected when the transportation record is added. A second edit prevents authorization of monthly stipend payment(s) in excess of the maximum monthly allowance.

In situations where an overpayment is identified, a claim will be established.

To ensure accurate processing of all cases, we will review policy with all staff prior to June 1, 2013.

We appreciate the courtesy and professionalism demonstrated by Yolanda Campbell 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 601-359-4665.

Respectfully,



Richard A. Berry
Executive Director
RAB: EDW: pt

Pc: Mark Smith
John Davis
William Simpson
Earl D. Walker



STATE OF MISSISSIPPI
PHIL BRYANT, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
BRENT CHRISTENSEN
EXECUTIVE DIRECTOR

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 18, 2013

Dear Mr. Pickering:

This letter is in response to the Single Audit Management Report, dated March 4, 2013, to the Mississippi Development Authority for the Fiscal Year 2012 from the Office of the State Auditor. The Mississippi Development Authority has provided responses and corrective action plans to the Single Audit Findings in accordance with OMB Circular A-133.

AUDIT FINDINGS:

CFDA Number: # 14.228
Program Name: Community Development Block Grants/State's Program

REPORTING: Significant Deficiency Immaterial Noncompliance

Finding Number: #12-07 Controls Should Be Strengthened Over Section 3 Reporting

Response:

- The Mississippi Development Authority (MDA) did not receive a Section 3 Report from the one (1) sub-recipient (JPL – Greenwood, Inc.) of the Neighborhood Stabilization Program 3 (NSP3) Grant. MDA did not have any information to report on the NSP3 Grant.
- To ensure compliance with 24 CFR Sections 135.3(s) and 135.90, all sub-recipients with existing or new grants during the reporting period must submit a HUD Form 60002 Section 3 Report. The Section 3 Reporting requirements were discussed at the Annual Public Hearings on the State of Mississippi's Action Plan for Housing and Community Development Programs; Application Workshops; and Implementation Workshops. The Community Services Division issued two (2) CSD Instructions (*See Enclosed*) to sub-recipients with Section 3 * Reporting due dates:

- 1) CSD Instruction #12-001, dated January 9, 2012: Due Dates for Applications, Matching Funds, Close-out Packages, Audits, Water Viability, and Other Required Reports; and
 - 2) CSD Instruction #12-010, dated June 13, 2012: Section 3 Reporting.
- The previous year's second notices did not provide a satisfactory response for Section 3 Reporting. The oral presentations during the aforementioned Public Hearings and Workshops, coupled with CSD Instructions #12-001 and #12-010, regarding Section 3 Reporting signified to MDA that the issuance of a second Section 3 Reporting notice would be ineffective. To further ensure compliance, MDA developed and disseminated a Section 3 Policy and Procedures Manual (*Adopted September 4, 2012; See Enclosed*) to all sub-recipients. As an additional * corrective action measure, MDA will publish the sub-recipients listing and delinquent reports listing on MDA's website.
 - On the Section 3 Summary Report for CDBG Program Year 2011 (B-11-DC-28-0001), the City of Grenada was inadvertently excluded from the report.
 - MDA does concur with Finding #12-07: Controls Should be Strengthened Over Section 3 Reporting. MDA has noted the concerns and recommendations of the Office of the State Auditor regarding strengthening controls as it relates to the HUD Form 60002 Section 3 Report. MDA has developed and implemented corrective action measures to ensure compliance with OMB Circular A-133.

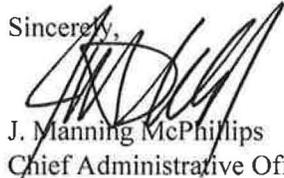
Corrective Action Plan:

- A. MDA has implemented the following corrective action measures and will continue to: disseminate the Section 3 Policy and Procedures Manual (*Adopted September 4, 2012; See Enclosed*); provide Section 3 guidance and requirements at all Public * Hearings, Workshops, and Pre-Construction Conferences; and issue CSD Instructions regarding all sub-recipients requirements to complete HUD Form 60001 Section 3 Report timely and accurately for compliance with 24 CFR Sections 135.3(s) and 135.90.
- B. Ray Robinson, Compliance Bureau Manager, and Dean Patterson, IDIS and Financial Reporting Bureau Manager will be the responsible persons for this corrective action.
- C. The aforementioned corrective action plans have been implemented and are ongoing.

The Mississippi Development Authority will continue to administer the Housing and Community Development Programs in accordance with Federal and State applicable laws, regulations, and provisions.

Should the Office of the State Auditor need any additional clarification or information, please let me know.

Sincerely,



J. Manning McPhillips
Chief Administrative Officer

Enclosures
JM:SH



**STATE OF MISSISSIPPI
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF HOMELAND SECURITY**

PHIL BRYANT
GOVERNOR

ALBERT SANTA CRUZ
COMMISSIONER

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

12-02

Payroll Distribution Procedures Should Be Implemented to Allow Allocation of Employee Time to Applicable Grants

97.001 Mississippi Interoperable Communications Grant

Fully Corrected

The Department of Public Safety, Mississippi Office of Homeland Security has fully corrected this finding by developing and implementing on July 1, 2012 the following Grants Time and Effort Tracking procedure.

Each employee in the Mississippi Office of Homeland Security (MOHS) will personally track the amount of time spent working on all Department of Homeland Security Grants issued to MOHS. At the end of each month all MOHS Employees will calculate the percentage of time they spent per grant and enter this information on the Grants Time/Effort Tracking document as well as complete the required Department of Public Safety (DPS) Employee Attendance Sheets. Individual MOHS employee time documentation will be maintained at the MOHS and will be available to the Department of Public Safety (DPS) Accounting Office upon request for verification of the information entered on the MOHS employees Grants Time/Effort Tracking Document.

In addition, MOHS grants staff member will generate a Federal Aid Budget Line Inquiry Table Report from the State Automated Accounting System each month to continually monitor the amount in each grant to insure that all funds are not expended prior to the completion of the grants that MOHS employee time is being charged against.

The DPS Employee Attendance Sheets are sent to Personnel to verify hours work and leave time taken. Once this has been done the Grants Time/Effort Tracking document for each MOHS employee is used to perform the account distribution of payroll for all MOHS grants. The MOHS employees Grants Time/Effort Tracking document is stored with each month's payroll.

The Grants Time/Effort Tracking document will be sent to the attention of Carla Hutson (Director of Accounting & Finance) at the DPS Accounting Office and the DPS Employee Attendance Sheets will be sent to Personnel as required.

Signature: 
Title: Executive Director, MOHS
Date: 12/18/12



— DEPARTMENT OF —
REVENUE
STATE OF MISSISSIPPI

OFFICE OF THE COMMISSIONER

February 14, 2013

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

RE: Financial Audit Findings

Dear Mr. Pickering:

With respect to your Financial Audit Management Report of Mississippi Department of Revenue for the Fiscal Year 2012, we offer the following comments:

2012 - 13 Strengthen controls over deposit reconciliations;

Response

We agree with the above.

Corrective Action

The 2010 session of the Mississippi Legislature granted funding authority for a new tax management system. It is our belief this new system provides ample solutions to the above stated deficiency. The new technology contains sufficient controls and event monitoring tools that provide full audit trails for deposit reconciliations. We will be looking at different ways of documenting reviews because of the various methods of deposits we utilize. We feel confident in being able to work with the State Auditor's Office to develop good, strong controls regardless of type of deposit is reconciled. Members of your staff were provided a demonstration of MARS (Mississippi Automated Revenue System.) During this demonstration they were able to ask questions of project manager, Kevin Stump, and DOR staff.

On October 24, 2011, the first group of taxes went live. Those tax types include Corporate, Gaming, Insurance Premium, Finance Privilege, Beer and Tobacco Excise, and Beer and Tobacco Permits. The Taxpayer Access Point (TAP) also went live on this date for taxes in this roll-out. On October 1, 2012, we implemented Individual Income and Withholding taxes. Sales, Use and related taxes will be implemented on October 1, 2013.

P. O. Box 22828 Jackson, MS 39225 www.dor.ms.gov Phone: 601.923.7400 FAX: 601.923.7423

Stacey Pickering, State Auditor
February 14, 2013
Financial Audit Findings
Page 2

MARS is improving service to the taxpayers of this state, reducing our costs of operation through improvements to our technology, and encouraging voluntary compliance. This will result in a more equitable and fair administration of tax laws.

Respectfully,



J. Ed Morgan
Commissioner of Revenue



OFFICE OF THE STATE TREASURER
LYNN FITCH
TREASURER

February 8, 2013

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

Dear Mr. Pickering:

We have reviewed the audit finding below in reference to our fiscal year 2012 audit. Listed below is our individual response and plan for corrective action:

AUDIT FINDING: 2012 - 02 Investment Ratios Should be Maintained in Accordance with State Law

Response: We do not concur with the audit finding. We fundamentally disagree with the application of the 50 percent limitation to certain Agency securities.

Corrective Action: Under the conservatorship put in place on September 7, 2008, FNMA and FHLMC are being run by the Federal Housing Finance Agency. The US Treasury's actions on September 7th included the institution of Preferred Stock Purchase Agreements, which are the foundation of the direct financial support of the US government to the agencies. The Treasury secretary's speech highlighted the additional security and clarity that these agreements provide to debt holders of FNMA and FHLMC. There were other steps that provided additional security to the debt holders through the provision of greater market stability, but the Purchase Agreements are, in our view, the most important and direct source of financial support. Because FNMA and FHLMC are congressionally chartered, only Congress can effect a permanent change in the status of the companies – either making them entirely public or entirely private. That is a matter that has yet to be determined. Reform will likely occur in some form over the next couple of years, and we will see what ultimately becomes of FNMA and FHLMC. The point put forth 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. The net result of the conservatorship is financial support of the companies, which includes support to pay its debt obligations and amounts to a guarantee from the federal government on the debt.

Treasury does not believe it is in the best interests of the taxpayers to liquidate FNMA and FHLMC holdings in favor of Treasuries to lower the allocation to Agencies due to the large losses in income to the portfolio that would result from such a rebalancing. The allocation to FNMA and FHLMC securities does not represent additional risk vis-à-vis Treasuries to the State or the taxpayers but does offer meaningfully higher yields. As FNMA and FHLMC holdings mature and/or are called, US Treasury holdings will be added to the portfolio as market rates and pricing are compelling compared to prevailing market rates of securities of similar maturities.

Sincerely,


Lynn Fitch
State Treasurer





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

Auditor's note to the Response from Management

TREASURY

MATERIAL NONCOMPLIANCE

Finding Number

Finding Heading

2012-02

Investment Ratios Should Be Maintained in Accordance with State Law

Rebuttal to Agency Response:

We have reviewed the comments made by the agency in response to the above noted finding. We wish to place additional emphasis on the fact the agency remains in violation of Section 27-105-33, Miss. Code Ann. (1972). This statute makes no provision for the Treasurer's judgment to be substituted in lieu of strict compliance with its requirements.

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**MISSISSIPPI
DEPARTMENT OF WILDLIFE, FISHERIES, AND PARKS**

Sam Polles, Ph.D.
Executive Director

Finding 12-01

Program: Recreational Trails Program
CFDA No.: 20.219
Federal Agency: U.S. Department of Transportation/FHWA
Passed-Through: Mississippi Department of Transportation
Award Year: Fiscal Year 2011-2012
Compliance Requirement: Subrecipient Monitoring
Questioned Costs: None

Department's Response:

The Department of Administration concurs with the finding.

Corrective Action Plan:

Response from the Mississippi Department of Wildlife, Fisheries, and Parks

Administration will emphasize the importance of the coordination of all aspects of grant administration, including applicable subrecipient monitoring requirements, by implementing procedures that require nonfederal subrecipients that expend financial assistance of \$500,000 or more in Federal awards to have a single audit or a program-specific audit for that year. Recreational Trails Program grant agreements will include these provisions that are in accordance with the OMB Circular A-133 and Mississippi Department of Wildlife, Fisheries, and Parks will establish procedures to monitor subrecipient audit compliance.

Name of Responsible Person: Michael Bolden, Director of Administrative Services
Name of Department Contact: Jean Caraway, Project Officer Special IV
Expected date of Completion: September 19, 2012

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IV. INDICES



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STATE OF MISSISSIPPI

INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012

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2012-13	65	Revenue

MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS (by State agency)

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Treasury: Page 121

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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, 2012**

1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: None
3. U.S. Department of Commerce: Page 71
4. U.S. Department of Defense: None
5. U.S. Department of Housing and Urban Development: Page 73
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: Page 75
10. Appalachian Regional Commission: None
11. General Services Administration: None
12. National Foundation on the Arts and the Humanities: None
13. Small Business Administration: None
14. U.S. Department of Veterans Affairs: None
15. Environmental Protection Agency: None
16. U.S. Department of Energy: None
17. U.S. Department of Education: None
18. Elections Assistance Commission: None
19. U.S. Department of Health and Human Services: Page 77
20. Corporation for National and Community Service: None
21. Executive Office of the President: None
22. Social Security Administration: None
23. Department of Homeland Security: Page 85

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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, 2012**

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: None
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: Page 71
16. Health: None
17. Human Services: Page 77
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: Page 73
25. Narcotics: None
26. Oil and Gas Board: None
27. Port of Gulfport: None
28. Public Safety: Page 85
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Revenue: None
32. Secretary of State: None
33. Soil and Water Conservation Commission: None
34. State Fire Academy: None
35. Supreme Court: None
36. Transportation: None
37. Treasury: None
38. Veterans Affairs Board: None
39. Wildlife, Fisheries and Parks: Page 75

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, 2012**

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12-02	85	Public Safety
12-03	78	Human Services
12-04	81	Human Services
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12-08 (not used)		
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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, 2012**

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: None
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: Page 107
16. Health: None
17. Human Services: Page 109
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: Page 115
25. Narcotics: None
26. Oil and Gas Board: None
27. Port of Gulfport: None
28. Public Safety: Page 117
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Revenue: None
32. Secretary of State: None
33. Soil and Water Conservation Commission: None
34. State Fire Academy: None
35. Supreme Court: None
36. Transportation: None
37. Treasury: None
38. Veterans Affairs Board: None
39. Wildlife, Fisheries and Parks: Page 125

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V. ACKNOWLEDGMENTS



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ACKNOWLEDGMENTS

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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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