

# State of Mississippi

# **Single Audit Report**

for the Fiscal Year Ended June 30, 2007



**Stacey E. Pickering**

State Auditor

**Office of the State Auditor**



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

March 27, 2008

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, 2007. 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 twentieth 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 2006 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2007.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2007 has been issued and is available electronically at <http://www.dfa.state.ms.us/> or by writing to the address below:

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

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

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

Respectfully submitted

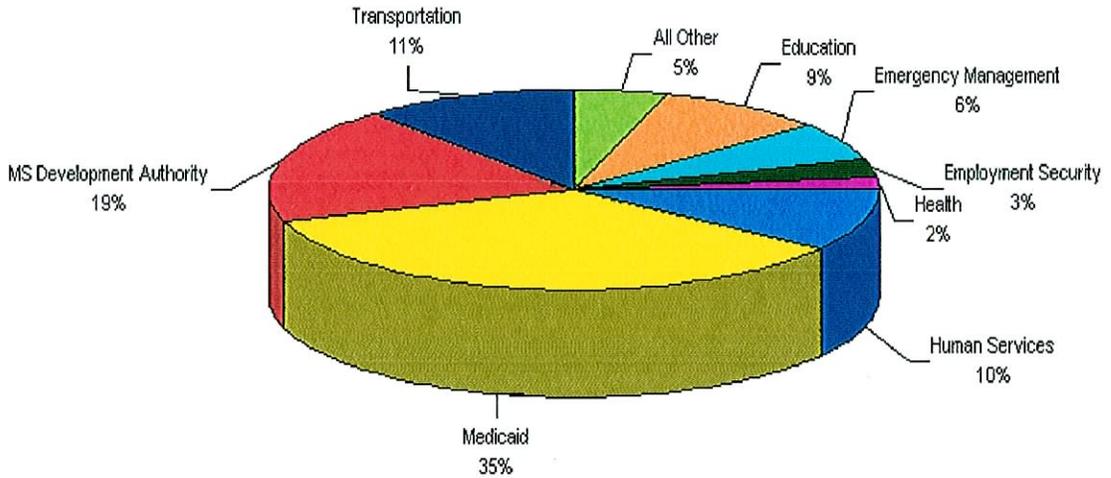


**STACEY E. PICKERING**  
State Auditor

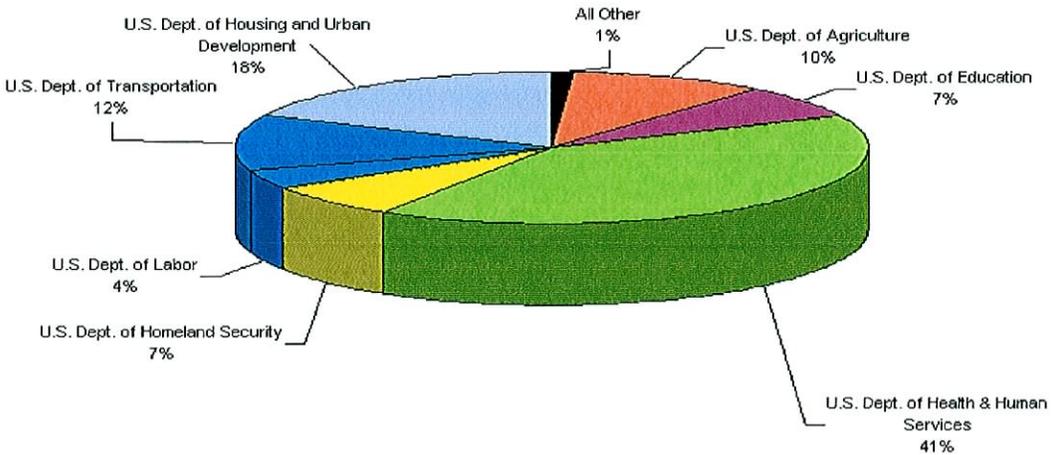
# STATE OF MISSISSIPPI

## Fiscal Year 2007

### Expenditures of Federal Awards by State Grantee Agency

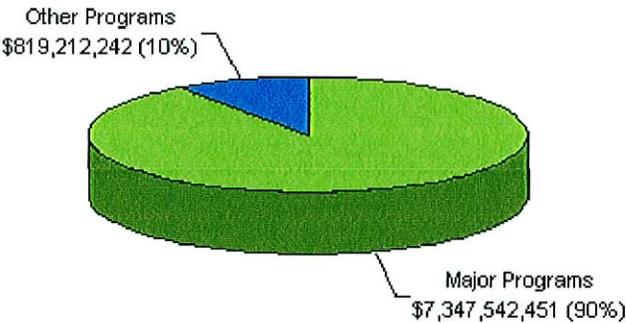


### Expenditures of Federal Awards by Federal Department

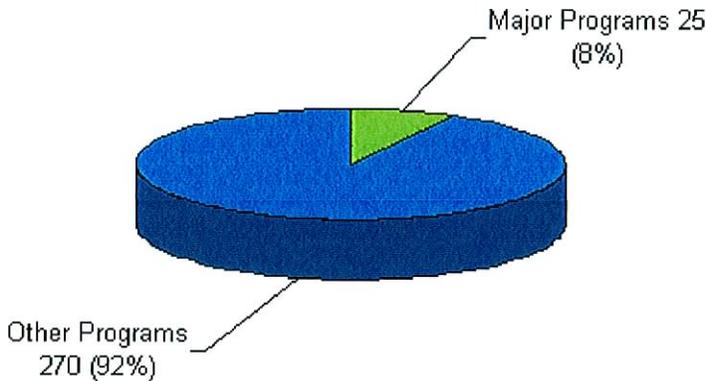


**STATE OF MISSISSIPPI  
Fiscal Year 2007**

Percentage of Major Program Assistance  
Total Expenditures of Federal Awards \$8,166,754,693

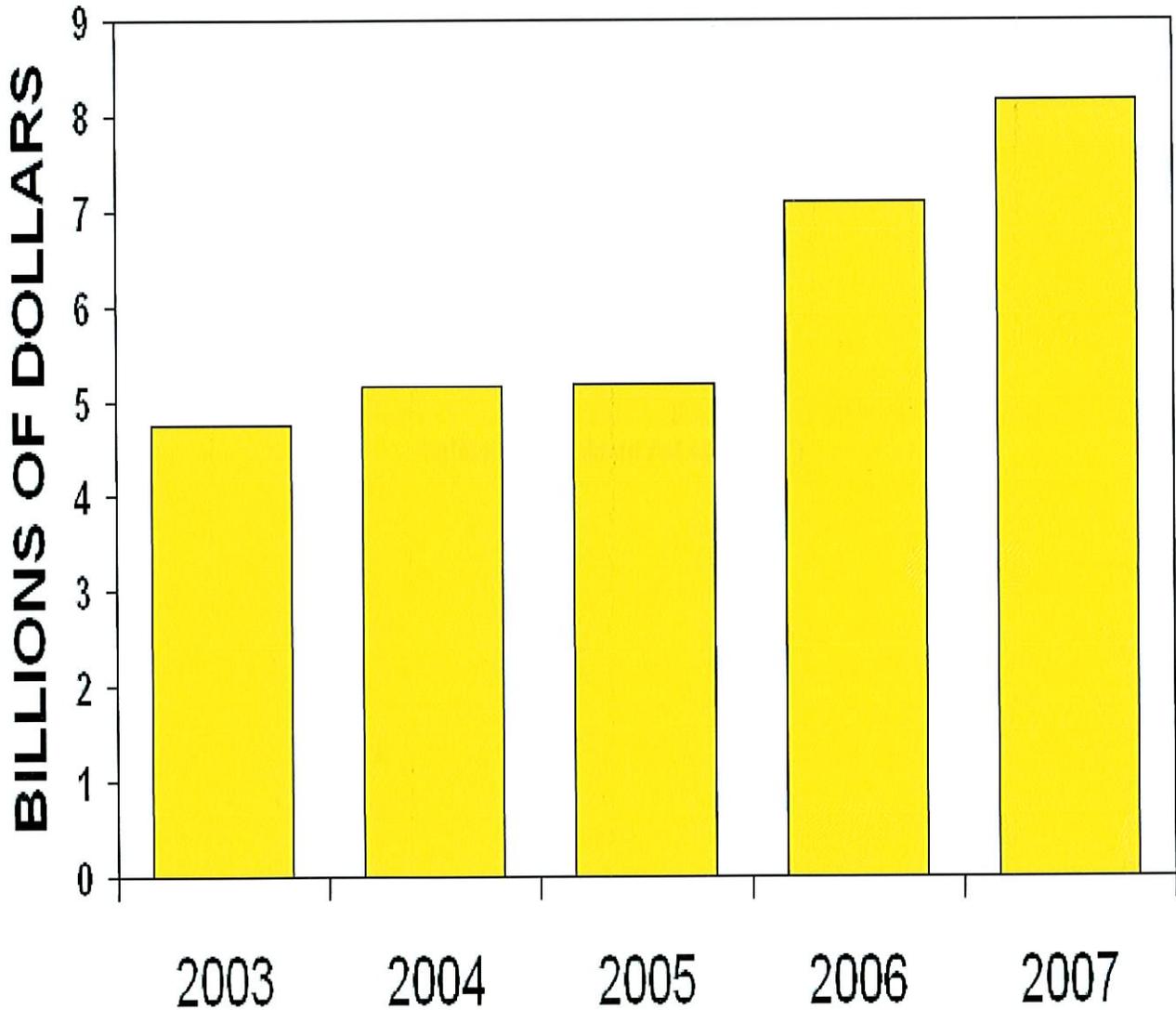


Percentage of Major Program Assistance  
295 Programs



**STATE OF MISSISSIPPI**  
**Total Federal Financial Assistance**

**Last Five Fiscal Years**



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**STATE OF MISSISSIPPI**

**SINGLE AUDIT REPORT**

**For the Year Ended June 30, 2007**

**TABLE OF CONTENTS**

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	<u>Page</u>
<b>I. AUDIT REPORTING:</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	5
Schedule of Expenditures of Federal Awards by Federal Department.....	11
Schedule of Expenditures of Federal Awards by State Grantee Agency.....	31
Notes to the Schedules of Expenditures of Federal Awards.....	51
Schedule of Findings and Questioned Costs:	
Part 1 - Summary of Auditor's Results.....	57
Part 2 - Financial Statement Findings.....	61
Part 3 - Federal Award Findings and Questioned Costs .....	67
<b>II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS:</b>	
Instructions to Management .....	101
Index Listed by Finding Number.....	103

**STATE OF MISSISSIPPI**  
**Table of Contents (concluded)**

	<u>Page</u>
Index Listed by State Grantee Agency .....	105
Summary Schedules of Prior Federal Audit Findings (Categorized by State Grantee Agency) .....	107
<b>III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS:</b>	
Instructions to Management .....	127
Management Responses and Corrective Action Plans (Categorized by State Grantee Agency) .....	129
<b>IV. INDICES:</b>	
Index of Federal Award Findings and Questioned Costs Listed by Federal Department.....	153
Index of Findings and Recommendations Listed by State Grantee Agency .....	155
Index of Findings and Recommendations Listed by Finding Number.....	157
Index of Management Responses and Corrective Action Plans Listed by State Grantee Agency .....	159
<b>V. ACKNOWLEDGMENTS.....</b>	<b>161</b>

# I. AUDIT REPORTING





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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Mississippi, as of and for the year ended June 30, 2007, which collectively comprise the state's basic financial statements, and have issued our report thereon dated February 29, 2008. We did not audit the financial statements of:

■ Government-wide Financial Statements

● Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 9% and 27%, 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, AbilityWorks, Inc. within the Department of Rehabilitation Services, and the Unemployment Compensation Fund which, in the aggregate, represent 97% and 91%, respectively, of the assets and revenues of the Business-type Activities;

● Component Units

- the Universities and the nonmajor component units.

■ Fund Financial Statements

● Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Office of the Governor - Division of Medicaid and the Department of Corrections which represent 19% and 25%, respectively, of the assets and revenues of the General Fund;
- the Health Care Trust Fund which represents 98% and 100%, respectively, of the assets and revenues of the Health Care major governmental fund;

● Proprietary Funds

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

● Aggregate Remaining Funds

- selected nonmajor governmental funds at the Department of Corrections, the Department of Employment Security, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
- nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
- the Pension Trust Funds;
- the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 97% and 70%, 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. This report, insofar as it relates to the amounts included for the above mentioned entities, is based on the reports of the other 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of misstatement. The financial statements of the University of Mississippi Foundation, the Mississippi State University Foundation, Inc., the University of Southern Mississippi Foundation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Tort Liability Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, the University of Mississippi Medical Center Educational Building Corporation, the University of Mississippi Educational Building Corporation and the

Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*  
Page 3

University Hospitals and Clinics, a division of the University of Mississippi Medical Center, which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we and other auditors considered the State of Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting. The reports of the other auditors on internal controls in accordance with *Government Auditing Standards* were furnished to us, and our consideration of internal controls, insofar as it relates to the above mentioned entities, was based solely on the reports of the other auditors. However, this report does not include significant deficiencies, if any, for the major component unit, Universities, which will be presented in a separate report.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. Significant deficiencies are described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 - Financial Statement Findings" as items 07-15, 07-16 and 07-17.

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

Our and the other auditor's consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we and other auditors consider items 07-15, 07-16 and 07-17 to be material weaknesses.

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

Compliance and Other Matters

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

We did not perform tests of compliance with laws, regulations, contracts and grant agreements for the entities identified in the first paragraph of this report. Those tests were performed by other auditors, whose reports on compliance with laws and regulations in accordance with *Government Auditing Standards* were furnished to us, and this report, insofar as it relates to the above mentioned entities was based solely on the reports of the other auditors.

The results of our tests and the reports of other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we and the other auditors 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, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



**STACEY E. PICKERING**  
State Auditor



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



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

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

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

Compliance

We and other auditors have audited the compliance of the State of Mississippi with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. We did not audit the National Guard Military Operations and Maintenance Projects program, the National Guard Special Military Operations and Projects program, the Edward Byrne Memorial Formula Grant program, the Edward Byrne Memorial Justice Assistance Grant Program, the Unemployment Insurance program, the State and Community Highway Safety program, the Capitalization Grants for Clean Water State Revolving Funds program, the Capitalization Grants for Drinking Water State Revolving Funds program, the Rehabilitation Services - Vocational Rehabilitation Grants to State program, the State Children's Insurance Program, the Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations program, the Medicaid Cluster program, the Homeland Security Cluster program, and the Disaster Grants - Public Assistance program. Those programs were audited by other auditors whose reports have been furnished to us. The State of Mississippi's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Mississippi's management. Our responsibility is to express an opinion on the State of Mississippi's compliance based on our audit and the audits of other auditors.

Except as discussed in the following paragraph, we and other auditors conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we and other auditors plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit, and the audits of other auditors, provide a reasonable basis for our opinion. Our audit, and the audits of other auditors, does not provide a legal determination of the State of Mississippi's compliance with those requirements.

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi or the Mississippi Authority for Educational Television. The audits of these federal programs were conducted in accordance with the provisions of OMB Circular A-133, and separate reports were issued. We did not audit the allowable costs/cost principles and eligibility compliance requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program. Auditors from the Office of the Inspector General of the U.S. Department of Housing and Urban Development conducted the audit of these compliance requirements for the program for fiscal year 2007 and will issue a separate report.

As described in items 07-06, 07-07, 07-08 and 07-09 in the accompanying schedule of findings and questioned costs, the State of Mississippi did not comply with requirements regarding allowable costs/cost principles that are applicable to the Juvenile Accountability Incentive Block Grants and the Edward Byrne Memorial Justice Assistance Grant Program, requirements regarding reporting and subrecipient monitoring that are applicable to the State and Community Highway Safety Program, and requirements regarding subrecipient monitoring that are applicable to the State Domestic Preparedness Equipment Support Program. Compliance with such requirements is necessary, in our opinion, for the State of Mississippi to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, and the scope limitation related to the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program described in the second preceding paragraph, the State of Mississippi complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. We did not test the transactions and records of the major federal programs administered by the state's public universities or the Mississippi Authority for Educational Television for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

The results of our auditing procedures disclosed additional 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 07-01 and 07-19.

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

#### Internal Control over Compliance

The management of the State of Mississippi is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing the audit, we and other auditors considered the State of Mississippi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance. We excluded the federal programs of the state's public universities, the Mississippi Authority for Educational Television and the allowable costs/cost principles and eligibility requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program as discussed in the third paragraph of this report.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 07-01, 07-02, 07-03, 07-04, 07-05, 07-06, 07-08, 07-09, 07-10, 07-11, 07-12, 07-13, 07-14, 07-19, 07-20, 07-21, and 07-22 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs," we and the other auditors consider items 07-06, 07-19 and 07-22 to be material weaknesses.

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

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Mississippi as of and for the year ended June 30, 2007, and have issued our report thereon dated February 29, 2008. We did not audit the financial statements of:

- Government-wide Financial Statements
- Governmental Activities
  - the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 9% and 27%, 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, AbilityWorks, Inc. within the Department of Rehabilitation Services, and the Unemployment Compensation Fund which, in the aggregate, represent 97% and 91%, 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 and the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Department of Corrections and the Office of the Governor - Division of Medicaid the which represent 19% and 25%, respectively, of the assets and revenues of the General Fund;
      - the Health Care Trust Fund which represents 98% and 100%, respectively, of the assets and revenues of the Health Care major governmental fund;
  
    - Proprietary Funds
      - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, and the Unemployment Compensation Fund, all of which are considered major enterprise funds;
  
    - Aggregate Remaining Funds
      - selected nonmajor governmental funds at the Department of Corrections, the Department of Employment Security, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
      - nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
      - the Pension Trust Funds;
      - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;
- all of which represent 97% and 70%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

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

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

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

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

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



**STACEY E. PICKERING**  
State Auditor



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

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



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>			
07.UN	High Intensity Drug Trafficking Area	Narcotics / Public Safety	669,884
<b>TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY</b>			669,884
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture and Commerce / Animal Health	1,379,421
10.163	Market Protection and Promotion	Agriculture and Commerce	20,865
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	28,667
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,407,669
10.550 @	Food Donation	Education	14,192,574
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	66,100,007
10.558	Child and Adult Care Food Program	Education	29,338,694
10.560	State Administrative Expenses for Child Nutrition	Education	2,557,519
10.565	Commodity Supplemental Food Program	Health	466,389
10.574	Team Nutrition Grants	Education	129,743
10.582	Fresh Fruit and Vegetable Program	Education	1,191,364
10.664	Cooperative Forestry Assistance	Agriculture and Commerce / Forestry Commission	13,070,642
10.677	Forest Land Enhancement Program	Forestry Commission	478,000
10.902	Soil and Water Conservation	Soil & Water Conservation Commission	1,530,192
10.950	Agricultural Statistics Reports	Agriculture and Commerce	128,642
10.UN	Assistance to Eligible Catfish Producers	Agriculture and Commerce	23,668-
10.UN1	Marketing Analysis and Training Program	Agriculture and Commerce	759,916
<b>SUBTOTAL</b>			132,756,636
<b>Food Stamp Cluster</b>			

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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
10.551	Food Stamps	Human Services	438,595,803
10.561	State Administrative Matching Grants for Food Stamp Program	Human Services	26,038,996
	<b>Total Food Stamp Cluster</b>		<b>464,634,799</b>
	<b>Child Nutrition Cluster</b>		
10.553	School Breakfast Program	Education	44,260,900
10.555	National School Lunch Program	Education	125,525,797
10.556	Special Milk Program for Children	Education	3,156
10.559	Summer Food Service Program for Children	Education	3,944,105
	<b>Total Child Nutrition Cluster</b>		<b>173,733,958</b>
	<b>Emergency Food Assistance Cluster</b>		
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	957,432
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	3,764,093
	<b>Total Emergency Food Assistance Cluster</b>		<b>4,721,525</b>
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<b>775,846,918</b>
	<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.025	Measures and Analyses of the U.S. Economy	Agriculture and Commerce	50,000
11.302	Economic Development-Support for Planning Organizations	MS Development Authority	1,550,374
11.407	Interjurisdictional Fisheries Act of 1986	Marine Resources	82,348
11.419	Coastal Zone Management Administration Awards	Environmental Quality / Marine Resources / Secretary of State / Wildlife, Fisheries and Parks	6,260,577
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	649,720
11.433	Marine Fisheries Initiative	Marine Resources	440,000
11.434	Cooperative Fishery Statistics	Marine Resources	63,261
11.463	Habitat Conservation	Marine Resources	36,039

(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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
11.472	Unallied Science Program	Marine Resources	28,197
11.545	Shellfish Restoration	Marine Resources	4,706
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			<b>9,165,222</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	461,382
12.025	USDA - Noxious Weed (NW)	Agriculture and Commerce	15,074
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	161,422
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	94,753,380
12.402	National Guard Special Military Operations and Projects	Military Department	8,161,453
12.404	National Guard Civilian Youth Opportunities	Military Department	3,442,290
12.405	National Guard Drug Interdiction and Counter Drug Activities	Military Department	282,359
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S.Army Corps of Engineers. Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-92-411, DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007.	Wildlife, Fisheries and Parks	1,319,116
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>108,596,476</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
14.228	Community Development Block Grants/State's Program	MS Development Authority	1,494,721,251
14.231	Emergency Shelter Grants Program	MS Development Authority	1,494,739
14.239	HOME Investment Partnerships Program	MS Development Authority	13,799,418
14.241	Housing Opportunities for Persons with AIDS	Health	201,131
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>1,510,216,539</b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	143,970

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
15.612	Rare and Endangered Species Conservation	Wildlife, Fisheries and Parks	115,255
15.616	Clean Vessel Act	Marine Resources	72,143
15.622	Sportfishing and Boating Safety Act	Marine Resources	145,296
15.808	U.S. Geological Survey- Research and Data Collection	Environmental Quality / Marine Resources	324,157
15.810	National Cooperative Geologic Mapping Program	Environmental Quality	135,072
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History	1,374,555
15.916	Outdoor Recreation-Acquisition, Development and Planning	Wildlife, Fisheries and Parks	659,057
<b>SUBTOTAL</b>			<b>2,969,505</b>
<b>Fish and Wildlife Cluster</b>			
15.605	Sport Fish Restoration	Marine Resources / Wildlife, Fisheries and Parks	7,343,896
15.611	Wildlife Restoration	Wildlife, Fisheries and Parks	1,050,285
<b>Total Fish and Wildlife Cluster</b>			<b>8,394,181</b>
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>			<b>11,363,686</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	Corrections	307,346
16.523	Juvenile Accountability Incentive Block Grants	Public Safety	877,715
16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	Public Safety	809,089
16.548	Title V-Delinquency Prevention Program	Public Safety	64,882
16.549	Part E-State Challenge Activities	Public Safety	110,114
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	133,984
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Public Safety	786,305
16.575	Crime Victim Assistance	Public Safety	3,414,867
16.576	Crime Victim Compensation	Attorney General	909,000

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
16.579	Edward Byrne Memorial Formula Grant Program	Public Safety	19,388,420
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	Public Safety	520,906
16.588	Violence Against Women Formula Grants	Public Safety	1,554,452
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	Public Safety	305,580
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	Attorney General	184,870
16.592	Local Law Enforcement Block Grants Program	Public Safety	5,332
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	915,908
16.606	State Criminal Alien Assistance Program	Corrections	51,187
16.609	Community Prosecution and Project Safe Neighborhoods	Public Safety	187,120
16.727	Enforcing Underage Drinking Laws Program	Public Safety	288,936
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	2,053,525
16.UN	Domestic Cannabis Eradication/Suppression Program	Narcotics	74,638
16.UN1	COPS Methamphetamine Grant	Narcotics	766,532
16.UN2	Justice Federal	Gaming Commission	2,100
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>33,712,808</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
17.002	Labor Force Statistics	Employment Security	668,559
17.005	Compensation and Working Conditions	Health	23,518
17.203	Labor Certification for Alien Workers	Employment Security	58,382
17.225 #	Unemployment Insurance	Employment Security	167,791,415
17.235	Senior Community Service Employment Program	Human Services	808,045
17.245	Trade Adjustment Assistance	Employment Security	3,409,982
17.261	WIA Pilots, Demonstrations, and Research Projects	Bd for Community and Junior Colleges / Employment Security	4,058,818

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>	<b>Federal Expenditures Distributions/ Issuances</b>
17.266	Work Incentive Grants	Employment Security 723,698
17.272	Permanent Labor Certification for Foreign Workers	Employment Security 25,764
17.504	Consultation Agreements	Health 24,814
17.600	Mine Health and Safety Grants	Environmental Quality 32,946
17.UN	Job Corps	Employment Security 203,532
<b>SUBTOTAL</b>		<b>177,829,473</b>
<b>Employment Service Cluster</b>		
17.207	Employment Service/Wagner-Peyser Funded Activities	Employment Security 7,907,963
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security 612,848
17.804	Local Veterans' Employment Representative Program	Employment Security 973,843
<b>Total Employment Service Cluster</b>		<b>9,494,654</b>
<b>WIA Cluster</b>		
17.258	WIA Adult Program	Employment Security 15,102,500
17.259	WIA Youth Activities	Employment Security 10,402,161
17.260	WIA Dislocated Workers	Arts Commission / Employment Security / Governor's Office 38,223,018
<b>Total WIA Cluster</b>		<b>63,727,679</b>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>251,051,806</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
20.217	Motor Carrier Safety	Public Safety 2,770,852
20.219	Recreational Trails Program	Wildlife, Fisheries and Parks 937,698
20.232	Commercial Driver License State Programs	Public Safety 356,517
20.2NA	Fatal Analysis Reporting System	Public Safety 49,841
20.313	Railroad Research and Development	Transportation 236,475
20.505	Federal Transit-Metropolitan Planning Grants	Transportation 162,941
20.509	Formula Grants for Other Than Urbanized Areas	Transportation 7,686,630

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	1,143,509
20.700	Pipeline Safety	Public Service Commission	163,708
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	150,735
<b>SUBTOTAL</b>			<b>13,658,906</b>
<b>Highway Planning and Construction Cluster</b>			
20.205	Highway Planning and Construction	Transportation	925,902,431
<b>Total Highway Planning and Construction Cluster</b>			<b>925,902,431</b>
<b>Highway Safety Cluster</b>			
20.600	State and Community Highway Safety	Public Safety	14,104,720
<b>Total Highway Safety Cluster</b>			<b>14,104,720</b>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>953,666,057</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
21.UN	Treasury Federal Equitable Sharing	Gaming Commission	5,000
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<b>5,000</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>			
23.001	Appalachian Regional Development (See individual Appalachian Programs)	Transportation	144,000
23.002	Appalachian Area Development	MS Development Authority	1,167,236
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	MS Development Authority	211,162
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>			<b>1,522,398</b>
<b>GENERAL SERVICES ADMINISTRATION</b>			
39.003	@ Donation of Federal Surplus Personal Property	Finance and Administration	1,586,268
39.011	Election Reform Payments	Secretary of State	2,879,360
<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>			<b>4,465,628</b>

(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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>			
45.024	Promotion of the Arts-Grants to Organizations and Individuals	Archives and History / Arts Commission	60,086
45.025	Promotion of the Arts-Partnership Agreements	Arts Commission	552,849
45.130	Promotion of the Humanities-Challenge Grants	Archives and History	38,633
45.303	Conservation Project Support	Archives and History	43,489
45.310	Grants to States	Library Commission	1,743,223
<b>TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>			2,438,280
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>			
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs Board	88,746
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	142,538
<b>TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS</b>			231,284
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
66.032	State Indoor Radon Grants	Health	31,608
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	421,984
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	1,221
66.432	State Public Water System Supervision	Health	1,417,796
66.433	State Underground Water Source Protection	Oil and Gas Board	177,882
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	Environmental Quality	91,572
66.454	Water Quality Management Planning	Environmental Quality	64,164
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	15,619,592
66.460	Nonpoint Source Implementation Grants	Agriculture and Commerce / Environmental Quality	3,971,630
66.461	Regional Wetland Program Development Grants	Marine Resources	22,195

(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, 2007

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.463	Water Quality Cooperative Agreements	Environmental Quality	105,602
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	Environmental Quality	36,983
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	7,756,307
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Health	242,750
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	258,475
66.474	Water Protection Grants to the States	Health	69,678
66.475	Gulf of Mexico Program	Environmental Quality	33,979
66.500	Environmental Protection-Consolidated Research	Environmental Quality	26,115
66.511	Office of Research and Development Consolidated Research/Training	Environmental Quality	29,454
66.605	Performance Partnership Grants	Agricultural Aviation Board / Environmental Quality	7,094,386
66.606	Surveys, Studies, Investigations and Special Purpose Grants	Environmental Quality	223,805
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	266,037
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture and Commerce	501,342
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	118,045
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	342,908
66.708	Pollution Prevention Grants Program	Environmental Quality	56,199
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	151,447
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Environmental Quality	184,872
66.804	State and Tribal Underground Storage Tanks Program	Environmental Quality	172,853
66.805	Leaking Underground Storage Tank Trust Fund Program	Environmental Quality	1,649,120

(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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	179,244
66.815	Brownfield Job Training Cooperative Agreements	Environmental Quality	52,509
66.817	State and Tribal Response Program Grants	Environmental Quality	74,194
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Quality	19,767
66.951	Environmental Education Grants	Forestry Commission	3,800
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<b>41,469,515</b>
<b>U.S. DEPARTMENT OF ENERGY</b>			
81.041	State Energy Program	MS Development Authority	313,459
81.042	Weatherization Assistance for Low-Income Persons	Human Services	2,045,614
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant : States and Tribal Concerns, Proposed Solutions	Emergency Management	147,052
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	MS Development Authority	1,245
81.119	State Energy Program Special Projects	MS Development Authority	63,907
81.UN1	Petroleum Violation Escrow - Stripper Well	Treasury	1,212,949
81.UN2	Petroleum Violation Escrow - Citronelle/Exxon	Treasury	4,288
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>			<b>3,788,514</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
83.557	OPDM	Emergency Management	87,998
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<b>87,998</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
84.002	Adult Education-State Grant Program	Bd for Community and Junior Colleges	6,523,927
84.010	Title I Grants to Local Educational Agencies	Education	163,227,176

(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, 2007

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.011	Migrant Education-State Grant Program	Education	834,231
84.013	Title I Program for Neglected and Delinquent Children	Education	838,495
84.048	Vocational Education-Basic Grants to States	Education	13,493,362
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Rehabilitation Services	41,176,712
84.169	Independent Living-State Grants	Rehabilitation Services	187,287
84.177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	203,789
84.181	Special Education-Grants for Infants and Families with Disabilities	Health	4,351,363
84.184	Safe and Drug-Free Schools and Communities-National Programs	Education	1,294,293
84.185	Byrd Honors Scholarships	Education	383,250
84.186	Safe and Drug-Free Schools and Communities-State Grants	Education / Public Safety	4,129,143
84.187	Supported Employment Services for Individuals with Severe Disabilities	Rehabilitation Services	226,727
84.196	Education for Homeless Children and Youth	Education	493,358
84.213	Even Start -State Educational Agencies	Education	1,238,219
84.215	Fund for the Improvement of Education	Education	97,386
84.224	Assistive Technology	Rehabilitation Services	559,463
84.243	Tech-Prep Education	Education	1,826,612
84.265	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	177,001
84.287	Twenty-First Century Community Learning Centers	Education	10,222,488
84.293	Foreign Language Assistance	Education	314,337
84.298	State Grants for Innovative Programs	Education	1,366,538
84.305	Education Research, Development and Dissemination	Education	81,297
84.318	Education Technology State Grants	Education	4,340,545

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
84.323	Special Education - State Personnel Development	Education	444,835
84.326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Education	17,700
84.330	Advanced Placement Program	Education	88,140
84.331	Grants to States for Incarcerated Youth Offenders	Education	466,571
84.332	Comprehensive School Reform Demonstration	Education	1,979,007
84.336	Teacher Quality Enhancement Grants	Education	1,279,644
84.346	Vocational Education-Occupational and Employment Information State Grants	Employment Security	12,603
84.350	Transition to Teaching	Education	66,233
84.357	Reading First State Grants	Education	17,346,443
84.358	Rural Education	Education	6,351,500
84.365	English Language Acquisition Grants	Education	993,629
84.366	Mathematics and Science Partnerships	Education	2,685,669
84.367	Improving Teacher Quality State Grants	Education	40,867,991
84.369	Grants for State Assessments and Related Activities	Education	8,825,998
84.938	Hurricane Education Recovery	Education	104,768,024
	<b>SUBTOTAL</b>		<b>443,780,986</b>
	<b>Special Education Cluster (IDEA)</b>		
84.027	Special Education-Grants to States	Education	112,420,531
84.173	Special Education-Preschool Grants	Education	4,338,436
	<b>Total Special Education Cluster (IDEA)</b>		<b>116,758,967</b>
	<b>TRIO Cluster</b>		
84.044	TRIO-Talent Search	Education	404,904
	<b>Total TRIO Cluster</b>		<b>404,904</b>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<b>560,944,857</b>

(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, 2007

CFDA Number	<u>Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>		
89.003	National Historical Publications and Records Grants Archives and History	801
<b>TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>		801
<b>ELECTIONS ASSISTANCE COMMISSION</b>		
90.401	Help America Vote Act Requirements Payments Secretary of State	9,962,757
<b>TOTAL ELECTIONS ASSISTANCE COMMISSION</b>		9,962,757
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
93.003	Public Health and Social Services Emergency Fund Health	3,731,217
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program Health	79,573
93.041	Special Programs for the Aging-Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation Human Services	37,774
93.042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals Human Services	111,970
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services Human Services	158,675
93.048	Special Programs for the Aging-Title IV-and Title II- Discretionary Projects Human Services	542,279
93.052	National Family Caregiver Support Human Services	952,915
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) Mental Health	475,238
93.110	Maternal and Child Health Federal Consolidated Programs Health	167,428
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs Health	874,038
93.127	Emergency Medical Services for Children Health	104,275
93.130	Primary Care Services Resource Coordination and Development Health	174,598
93.136	Injury Prevention and Control Research and State and Community Based Programs Health	572,783

(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, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	286,548
93.197	Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	99,483
93.217	Family Planning-Services	Health	5,211,837
93.230	Consolidated Knowledge Development and Application (KD&A) Program	Mental Health	785,558
93.235	Abstinence Education Program	Health	832,675
93.236	Grants for Dental Public Health Residency Training	Health	1,805
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	Mental Health	95,648
93.241	State Rural Hospital Flexibility Program	Health	169,784
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	Mental Health	457,228
93.251	Universal Newborn Hearing Screening	Health	144,395
93.256	State Planning Grants Health Care Access for the Uninsured	Medicaid	129,743
93.259	Rural Access to Emergency Devices Grant	Health	105,777
93.268	@ Immunization Grants	Health	26,370,745
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	Health	11,644,015
93.301	Small Rural Hospital Improvement Grant Program	Health	381,465
93.556	Promoting Safe and Stable Families	Human Services	8,098,868
93.558	Temporary Assistance for Needy Families	Human Services	90,882,594
93.563	Child Support Enforcement	Human Services	15,354,635
93.566	Refugee and Entrant Assistance-State Administered Programs	Human Services	599,626
93.568	Low-Income Home Energy Assistance	Human Services	28,289,784
93.569	Community Services Block Grant	Human Services	9,767,968

(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, 2007

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.576	Refugee and Entrant Assistance-Discretionary Grants	Health / Human Services	49,849
93.585	Empowerment Zones Program	MS Development Authority	543,720
93.586	State Court Improvement Program	Supreme Court	307,310
93.597	Grants to States for Access and Visitation Programs	Human Services	158,730
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	313,668
93.600	Head Start	Governor's Office	209,069
93.603	Adoption Incentive Payments	Human Services	568,989
93.617	Voting Access for Individuals with Disabilities-Grants to States	Secretary of State	100,000
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	912,661
93.643	Children's Justice Grants to States	Human Services	161,185
93.645	Child Welfare Services-State Grants	Human Services	3,243,600
93.658	Foster Care-Title IV-E	Human Services	10,846,210
93.659	Adoption Assistance	Human Services	4,949,461
93.667	Social Services Block Grant	Human Services	68,946,802
93.669	Child Abuse and Neglect State Grants	Human Services	456,781
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	Health	1,060,331
93.674	Chafee Foster Care Independence Program	Human Services	1,065,139
93.767	State Children's Insurance Program	Medicaid	103,558,833
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid / Mental Health	61,225,568
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	16,871
93.913	Grants to States for Operation of Offices of Rural Health	Health	110,109
93.917	HIV Care Formula Grants	Health	12,089,388

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2007

<b>CFDA Number</b>	<b>Federal Department/Program Name</b>		<b>Federal Expenditures Distributions/ Issuances</b>
93.926	Healthy Start Initiative	Health	611,226
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	188,308
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	Health	1,930,053
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	341,442
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	410,776
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	33,877
93.952	Trauma Care Systems Planning and Development	Health	20,312
93.958	Block Grants for Community Mental Health Services	Mental Health	3,855,570
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	14,402,791
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	Health	1,504,504
93.982	Mental Health Disaster Assistance and Emergency Mental Health	Mental Health	10,477,958
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	Health	270,038
93.991	Preventive Health and Health Services Block Grant	Health	1,449,709
93.994	Maternal and Child Health Services Block Grant to the States	Health	9,331,978
<b>SUBTOTAL</b>			<b>523,415,760</b>
<b>Aging Cluster</b>			
93.044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	Human Services	3,336,533
93.045	Special Programs for the Aging-Title III, Part C-Nutrition Services	Human Services	4,986,121
93.053	Nutrition Services Incentive Program	Human Services	1,549,149
<b>Total Aging Cluster</b>			<b>9,871,803</b>

(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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
<b>CCDF Cluster</b>			
93.575	Child Care and Development Block Grant	Human Services	31,297,654
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	26,312,561
<b>Total CCDF Cluster</b>			57,610,215
<b>Medicaid Cluster</b>			
93.775	State Medicaid Fraud Control Units	Attorney General	1,447,205
93.776	Hurricane Katrina Relief	Medicaid	134,752,379
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health / Medicaid	3,182,091
93.778	Medical Assistance Program	Medicaid	2,585,737,854
<b>Total Medicaid Cluster</b>			2,725,119,529
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			3,316,017,307
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
94.004	Learn and Serve America-School and Community Based Programs	Education	321,491
94.007	Planning and Program Development Grants	Education	114,545
94.013	Volunteers in Service to America	Human Services	23,386
<b>SUBTOTAL</b>			459,422
<b>Foster Grandparent/Senior Companion Cluster</b>			
94.016	Senior Companion Program	Human Services	143,444
<b>Total Foster Grandparent/Senior Companion Cluster</b>			143,444
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			602,866
<b>SOCIAL SECURITY ADMINISTRATION</b>			
96.008	Social Security-Work Incentives Planning and Assistance Program	Rehabilitation Services	830,270
<b>SUBTOTAL</b>			830,270
<b>Disability Insurance/SSI Cluster</b>			
96.001	Social Security-Disability Insurance	Rehabilitation Services	24,861,993

(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, 2007

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
	<b>Total Disability Insurance/SSI Cluster</b>		24,861,993
	<b>TOTAL SOCIAL SECURITY ADMINISTRATION</b>		25,692,263
	<b>DEPARTMENT OF HOMELAND SECURITY</b>		
97.001	Pilot Demonstration or Earmarked Projects	Emergency Management	22,867-
97.012	Boating Safety Financial Assistance	Wildlife, Fisheries and Parks	1,183,686
97.021	Hazardous Materials Assistance Program	Emergency Management	2,125
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Emergency Management	246,653
97.029	Flood Mitigation Assistance	Emergency Management	258,137
97.032	Crisis Counseling	Emergency Management	83,620-
97.034	Disaster Unemployment Assistance	Employment Security	154,478
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Emergency Management	512,727,124
97.039	Hazard Mitigation Grant	Emergency Management	4,668,520
97.041	National Dam Safety Program	Environmental Quality	141,587
97.043	State Fire Training Systems Grants	State Fire Academy	21,476
97.045	Cooperating Technical Partners	Environmental Quality	2,906,195
97.063	Pre-Disaster Mitigation Disaster Resistant Universities	Emergency Management	74,382
97.070	Map Modernization Management Support	Environmental Quality	124,495
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	Public Safety	197,576
	<b>SUBTOTAL</b>		522,599,947
	<b>Homeland Security Cluster</b>		
97.004	State Domestic Preparedness Equipment Support Program	Emergency Management / Public Safety	15,253,989
97.067	Homeland Security Grant Program	Public Safety	7,381,893
	<b>Total Homeland Security Cluster</b>		22,635,882
	<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>		545,235,829

(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, 2007**

<b>CFDA Number</b>	<b><u>Federal Department/Program Name</u></b>	<b>Federal Expenditures Distributions/ <u>Issuances</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 8,166,754,693</b>

**EXPLANATION OF FOOTNOTE REFERENCE:**

Program Number with UN denotes unknown CFDA numbers.

# The total expenditures for CFDA No. 17.225 include state expenditures of \$139,692,743 and federal expenditures of \$28,098,672.

@ Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

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



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>Agricultural Aviation Board</u></b>		
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.605	Performance Partnership Grants	31,710
<b>TOTAL Agricultural Aviation Board</b>		<b>31,710</b>
<b><u>Agriculture and Commerce</u></b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	441,500
10.163	Market Protection and Promotion	20,865
10.169	Specialty Crop Block Grant Program	28,667
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,407,669
10.664	Cooperative Forestry Assistance	50,000
10.950	Agricultural Statistics Reports	128,642
10.UN	Assistance to Eligible Catfish Producers	23,668-
10.UN1	Marketing Analysis and Training Program	759,916
<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>		<b>2,813,591</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.025	Measures and Analyses of the U.S. Economy	50,000
<b>U.S. DEPARTMENT OF DEFENSE</b>		
12.025	USDA - Noxious Weed (NW)	15,074
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.460	Nonpoint Source Implementation Grants	13,613
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	501,342
<b>Total ENVIRONMENTAL PROTECTION AGENCY</b>		<b>514,955</b>
<b>TOTAL Agriculture and Commerce</b>		<b>3,393,620</b>
<b><u>Animal Health</u></b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	937,921

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, 2007

<b>CFDA Number</b>	<b><u>State Agency/Federal Department/Program Name</u></b>	<b>Federal Expenditures Distributions/ Issuances</b>
	<b>TOTAL Animal Health</b>	<b>937,921</b>
	<b><u>Archives and History</u></b>	
	<b>U.S. DEPARTMENT OF THE INTERIOR</b>	
15.904	Historic Preservation Fund Grants-In-Aid	1,374,555
	<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>	
45.024	Promotion of the Arts-Grants to Organizations and Individuals	56,310
45.130	Promotion of the Humanities-Challenge Grants	38,633
45.303	Conservation Project Support	43,489
	<b>Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>	<b>138,432</b>
	<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>	
89.003	National Historical Publications and Records Grants	801
	<b>TOTAL Archives and History</b>	<b>1,513,788</b>
	<b><u>Arts Commission</u></b>	
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.260	WIA Dislocated Workers	471,799
	<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>	
45.024	Promotion of the Arts-Grants to Organizations and Individuals	3,776
45.025	Promotion of the Arts-Partnership Agreements	552,849
	<b>Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>	<b>556,625</b>
	<b>TOTAL Arts Commission</b>	<b>1,028,424</b>
	<b><u>Attorney General</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.576	Crime Victim Compensation	909,000
16.590	Grants To Encourage Arrest Policies and Enforcement of Protection Orders	184,870
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	<b>1,093,870</b>

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.775	State Medicaid Fraud Control Units	1,447,205
	<b>TOTAL Attorney General</b>	<b>2,541,075</b>
	<b><u>Bd for Community and Junior Colleges</u></b>	
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.261	WIA Pilots, Demonstrations, and Research Projects	649,290
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.002	Adult Education-State Grant Program	6,523,927
	<b>TOTAL Bd for Community and Junior Colleges</b>	<b>7,173,217</b>
	<b><u>Corrections</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	307,346
16.606	State Criminal Alien Assistance Program	51,187
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	<b>358,533</b>
	<b>TOTAL Corrections</b>	<b>358,533</b>
	<b><u>Education</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.550 @	Food Donation	14,192,574
10.553	School Breakfast Program	44,260,900
10.555	National School Lunch Program	125,525,797
10.556	Special Milk Program for Children	3,156
10.558	Child and Adult Care Food Program	29,338,694
10.559	Summer Food Service Program for Children	3,944,105
10.560	State Administrative Expenses for Child Nutrition	2,557,519
10.574	Team Nutrition Grants	129,743
10.582	Fresh Fruit and Vegetable Program	1,191,364
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	<b>221,143,852</b>

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
84.010	Title I Grants to Local Educational Agencies	163,227,176
84.011	Migrant Education-State Grant Program	834,231
84.013	Title I Program for Neglected and Delinquent Children	838,495
84.027	Special Education-Grants to States	112,420,531
84.044	TRIO-Talent Search	404,904
84.048	Vocational Education-Basic Grants to States	13,493,362
84.173	Special Education-Preschool Grants	4,338,436
84.184	Safe and Drug-Free Schools and Communities-National Programs	1,294,293
84.185	Byrd Honors Scholarships	383,250
84.186	Safe and Drug-Free Schools and Communities-State Grants	3,503,147
84.196	Education for Homeless Children and Youth	493,358
84.213	Even Start -State Educational Agencies	1,238,219
84.215	Fund for the Improvement of Education	97,386
84.243	Tech-Prep Education	1,826,612
84.287	Twenty-First Century Community Learning Centers	10,222,488
84.293	Foreign Language Assistance	314,337
84.298	State Grants for Innovative Programs	1,366,538
84.305	Education Research, Development and Dissemination	81,297
84.318	Education Technology State Grants	4,340,545
84.323	Special Education - State Personnel Development	444,835
84.326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	17,700
84.330	Advanced Placement Program	88,140
84.331	Grants to States for Incarcerated Youth Offenders	466,571
84.332	Comprehensive School Reform Demonstration	1,979,007
84.336	Teacher Quality Enhancement Grants	1,279,644
84.350	Transition to Teaching	66,233
84.357	Reading First State Grants	17,346,443
84.358	Rural Education	6,351,500
84.365	English Language Acquisition Grants	993,629
84.366	Mathematics and Science Partnerships	2,685,669
84.367	Improving Teacher Quality State Grants	40,867,991
84.369	Grants for State Assessments and Related Activities	8,825,998
84.938	Hurricane Education Recovery	104,768,024

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>Total U.S. DEPARTMENT OF EDUCATION</b>	506,899,989
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.938	Cooperative Agreements To Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	188,308
	<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>	
94.004	Learn and Serve America-School and Community Based Programs	321,491
94.007	Planning and Program Development Grants	114,545
	<b>Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>	436,036
	<b>TOTAL Education</b>	728,668,185
	<b><u>Emergency Management</u></b>	
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	150,735
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant : States and Tribal Concerns, Proposed Solutions	147,052
	<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>	
83.557	OPDM	87,998
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.001	Pilot Demonstration or Earmarked Projects	22,867
97.004	State Domestic Preparedness Equipment Support Program	1,634,334
97.021	Hazardous Materials Assistance Program	2,125
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	246,653
97.029	Flood Mitigation Assistance	258,137
97.032	Crisis Counseling	83,620
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	512,727,124
97.039	Hazard Mitigation Grant	4,668,520
97.063	Pre-Disaster Mitigation Disaster Resistant Universities	74,382

(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, 2007

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures Distributions/ Issuances
	<b>Total DEPARTMENT OF HOMELAND SECURITY</b>	519,504,788
	<b>TOTAL Emergency Management</b>	<b>519,890,573</b>
	<b><u>Employment Security</u></b>	
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.002	Labor Force Statistics	668,559
17.203	Labor Certification for Alien Workers	58,382
17.207	Employment Service/Wagner-Peyser Funded Activities	7,907,963
17.225 #	Unemployment Insurance	167,791,415
17.245	Trade Adjustment Assistance	3,409,982
17.258	WIA Adult Program	15,102,500
17.259	WIA Youth Activities	10,402,161
17.260	WIA Dislocated Workers	37,637,512
17.261	WIA Pilots, Demonstrations, and Research Projects	3,409,528
17.266	Work Incentive Grants	723,698
17.272	Permanent Labor Certification for Foreign Workers	25,764
17.801	Disabled Veterans' Outreach Program (DVOP)	612,848
17.804	Local Veterans' Employment Representative Program	973,843
17.UN	Job Corps	203,532
	<b>Total U.S. DEPARTMENT OF LABOR</b>	<b>248,927,687</b>
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.346	Vocational Education-Occupational and Employment Information State Grants	12,603
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.034	Disaster Unemployment Assistance	154,478
	<b>TOTAL Employment Security</b>	<b>249,094,768</b>
	<b><u>Environmental Quality</u></b>	
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.419	Coastal Zone Management Administration Awards	1,399,577
	<b>U.S. DEPARTMENT OF DEFENSE</b>	

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	161,422
 <b>U.S. DEPARTMENT OF THE INTERIOR</b>		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	143,970
15.808	U.S. Geological Survey- Research and Data Collection	296,469
15.810	National Cooperative Geologic Mapping Program	135,072
	<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>	<b>575,511</b>
 <b>U.S. DEPARTMENT OF LABOR</b>		
17.600	Mine Health and Safety Grants	32,946
 <b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	421,984
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	1,221
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	91,572
66.454	Water Quality Management Planning	64,164
66.458	Capitalization Grants for Clean Water State Revolving Funds	15,619,592
66.460	Nonpoint Source Implementation Grants	3,958,017
66.463	Water Quality Cooperative Agreements	105,602
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	36,983
66.472	Beach Monitoring and Notification Program Implementation Grants	258,475
66.475	Gulf of Mexico Program	33,979
66.500	Environmental Protection-Consolidated Research	26,115
66.511	Office of Research and Development Consolidated Research/Training	29,454
66.605	Performance Partnership Grants	7,062,676
66.606	Surveys, Studies, Investigations and Special Purpose Grants	223,805
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	266,037
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	118,045
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	342,908
66.708	Pollution Prevention Grants Program	56,199
66.709	Multi-Media Capacity Building Grants for States and Tribes	151,447
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	184,872

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
66.804	State and Tribal Underground Storage Tanks Program	172,853
66.805	Leaking Underground Storage Tank Trust Fund Program	1,649,120
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	179,244
66.815	Brownfield Job Training Cooperative Agreements	52,509
66.817	State and Tribal Response Program Grants	74,194
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	19,767
	<b>Total ENVIRONMENTAL PROTECTION AGENCY</b>	<b>31,200,834</b>
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.041	National Dam Safety Program	141,587
97.045	Cooperating Technical Partners	2,906,195
97.070	Map Modernization Management Support	124,495
	<b>Total DEPARTMENT OF HOMELAND SECURITY</b>	<b>3,172,277</b>
	<b>TOTAL Environmental Quality</b>	<b>36,542,567</b>
	<b><u>Finance and Administration</u></b>	
	<b>GENERAL SERVICES ADMINISTRATION</b>	
39.003 @	Donation of Federal Surplus Personal Property	1,586,268
	<b>TOTAL Finance and Administration</b>	<b>1,586,268</b>
	<b><u>Forestry Commission</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.664	Cooperative Forestry Assistance	13,020,642
10.677	Forest Land Enhancement Program	478,000
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	<b>13,498,642</b>
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.951	Environmental Education Grants	3,800
	<b>TOTAL Forestry Commission</b>	<b>13,502,442</b>
	<b><u>Gaming Commission</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.UN2	Justice Federal	2,100

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>U.S. DEPARTMENT OF THE TREASURY</b>	
21.UN	Treasury Federal Equitable Sharing	5,000
	<b>TOTAL Gaming Commission</b>	<b>7,100</b>
	<b><u>Governor's Office</u></b>	
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.260	WIA Dislocated Workers	113,707
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.600	Head Start	209,069
	<b>TOTAL Governor's Office</b>	<b>322,776</b>
	<b><u>Health</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	66,100,007
10.565	Commodity Supplemental Food Program	466,389
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	<b>66,566,396</b>
	<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	
14.241	Housing Opportunities for Persons with AIDS	201,131
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.005	Compensation and Working Conditions	23,518
17.504	Consultation Agreements	24,814
	<b>Total U.S. DEPARTMENT OF LABOR</b>	<b>48,332</b>
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.032	State Indoor Radon Grants	31,608
66.432	State Public Water System Supervision	1,417,796
66.468	Capitalization Grants for Drinking Water State Revolving Funds	7,756,307

(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, 2007

<b>CFDA Number</b>	<b>State Agency/Federal Department/Program Name</b>	<b>Federal Expenditures Distributions/ Issuances</b>
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	242,750
66.474	Water Protection Grants to the States	69,678
	<b>Total ENVIRONMENTAL PROTECTION AGENCY</b>	<b>9,518,139</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
84.181	Special Education-Grants for Infants and Families with Disabilities	4,351,363
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
93.003	Public Health and Social Services Emergency Fund	3,731,217
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	79,573
93.110	Maternal and Child Health Federal Consolidated Programs	167,428
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	874,038
93.127	Emergency Medical Services for Children	104,275
93.130	Primary Care Services Resource Coordination and Development	174,598
93.136	Injury Prevention and Control Research and State and Community Based Programs	572,783
93.197	Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	99,483
93.217	Family Planning-Services	5,211,837
93.235	Abstinence Education Program	832,675
93.236	Grants for Dental Public Health Residency Training	1,805
93.241	State Rural Hospital Flexibility Program	169,784
93.251	Universal Newborn Hearing Screening	144,395
93.259	Rural Access to Emergency Devices Grant	105,777
93.268 @	Immunization Grants	26,370,745
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	11,644,015
93.301	Small Rural Hospital Improvement Grant Program	381,465
93.576	Refugee and Entrant Assistance-Discretionary Grants	270-
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	1,060,331
93.777	State Survey and Certification of Health Care Providers and Suppliers	1,924,146
93.913	Grants to States for Operation of Offices of Rural Health	110,109
93.917	HIV Care Formula Grants	12,089,388
93.926	Healthy Start Initiative	611,226

(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, 2007

<b>CFDA Number</b>	<b>State Agency/Federal Department/Program Name</b>	<b>Federal Expenditures Distributions/ Issuances</b>
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	1,930,053
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	341,442
93.945	Assistance Programs for Chronic Disease Prevention and Control	410,776
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	33,877
93.952	Trauma Care Systems Planning and Development	20,312
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	1,504,504
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	270,038
93.991	Preventive Health and Health Services Block Grant	1,449,709
93.994	Maternal and Child Health Services Block Grant to the States	9,331,978
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>81,753,512</b>
	<b>TOTAL Health</b>	<b>162,438,873</b>
	<b><u>Human Services</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.551	Food Stamps	438,595,803
10.561	State Administrative Matching Grants for Food Stamp Program	26,038,996
10.568	Emergency Food Assistance Program (Administrative Costs)	957,432
10.569 @	Emergency Food Assistance Program (Food Commodities)	3,764,093
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	<b>469,356,324</b>
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.235	Senior Community Service Employment Program	808,045
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.042	Weatherization Assistance for Low-Income Persons	2,045,614
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.041	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	37,774
93.042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	111,970
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	158,675

(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, 2007

<b>CFDA Number</b>	<b>State Agency/Federal Department/Program Name</b>	<b>Federal Expenditures Distributions/ Issuances</b>
93.044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	3,336,533
93.045	Special Programs for the Aging-Title III, Part C-Nutrition Services	4,986,121
93.048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	542,279
93.052	National Family Caregiver Support	952,915
93.053	Nutrition Services Incentive Program	1,549,149
93.556	Promoting Safe and Stable Families	8,098,868
93.558	Temporary Assistance for Needy Families	90,882,594
93.563	Child Support Enforcement	15,354,635
93.566	Refugee and Entrant Assistance-State Administered Programs	599,626
93.568	Low-Income Home Energy Assistance	28,289,784
93.569	Community Services Block Grant	9,767,968
93.575	Child Care and Development Block Grant	31,297,654
93.576	Refugee and Entrant Assistance-Discretionary Grants	50,119
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	26,312,561
93.597	Grants to States for Access and Visitation Programs	158,730
93.599	Chafee Education and Training Vouchers Program (ETV)	313,668
93.603	Adoption Incentive Payments	568,989
93.643	Children's Justice Grants to States	161,185
93.645	Child Welfare Services-State Grants	3,243,600
93.658	Foster Care-Title IV-E	10,846,210
93.659	Adoption Assistance	4,949,461
93.667	Social Services Block Grant	68,946,802
93.669	Child Abuse and Neglect State Grants	456,781
93.674	Chafee Foster Care Independence Program	1,065,139
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	491,927
<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>313,531,717</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		
94.013	Volunteers in Service to America	23,386
94.016	Senior Companion Program	143,444
<b>Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		<b>166,830</b>
<b>TOTAL Human Services</b>		<b>785,908,530</b>

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>Library Commission</u></b>		
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>		
45.310	Grants to States	1,743,223
<b>TOTAL Library Commission</b>		<b>1,743,223</b>
<b><u>Marine Resources</u></b>		
<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.407	Interjurisdictional Fisheries Act of 1986	82,348
11.419	Coastal Zone Management Administration Awards	1,273,642
11.420	Coastal Zone Management Estuarine Research Reserves	649,720
11.433	Marine Fisheries Initiative	440,000
11.434	Cooperative Fishery Statistics	63,261
11.463	Habitat Conservation	36,039
11.472	Unallied Science Program	28,197
11.545	Shellfish Restoration	4,706
<b>Total U.S. DEPARTMENT OF COMMERCE</b>		<b>2,577,913</b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
15.605	Sport Fish Restoration	731,199
15.616	Clean Vessel Act	72,143
15.622	Sportfishing and Boating Safety Act	145,296
15.808	U.S. Geological Survey- Research and Data Collection	27,688
<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>		<b>976,326</b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.461	Regional Wetland Program Development Grants	22,195
<b>TOTAL Marine Resources</b>		<b>3,576,434</b>
<b><u>Medicaid</u></b>		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
93.256	State Planning Grants Health Care Access for the Uninsured	129,743
93.767	State Children's Insurance Program	103,558,833
93.776	Hurricane Katrina Relief	134,752,379
93.777	State Survey and Certification of Health Care Providers and Suppliers	1,257,945

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.778	Medical Assistance Program	2,585,737,854
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	60,595,349
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	16,871
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>2,886,048,974</b>
	<b>TOTAL Medicaid</b>	<b>2,886,048,974</b>
	<b><u>Mental Health</u></b>	
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	475,238
93.150	Projects for Assistance in Transition from Homelessness (PATH)	286,548
93.230	Consolidated Knowledge Development and Application (KD&A) Program	785,558
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	95,648
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	457,228
93.630	Developmental Disabilities Basic Support and Advocacy Grants	912,661
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	138,292
93.958	Block Grants for Community Mental Health Services	3,855,570
93.959	Block Grants for Prevention and Treatment of Substance Abuse	14,402,791
93.982	Mental Health Disaster Assistance and Emergency Mental Health	10,477,958
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>31,887,492</b>
	<b>TOTAL Mental Health</b>	<b>31,887,492</b>
	<b><u>Military Department</u></b>	
	<b>U.S. DEPARTMENT OF DEFENSE</b>	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	94,753,380
12.402	National Guard Special Military Operations and Projects	8,161,453
12.404	National Guard Civilian Youth Opportunities	3,442,290
12.405	National Guard Drug Interdiction and Counter Drug Activities	282,359
	<b>Total U.S. DEPARTMENT OF DEFENSE</b>	<b>106,639,482</b>
	<b>TOTAL Military Department</b>	<b>106,639,482</b>
	<b><u>MS Development Authority</u></b>	

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.302	Economic Development-Support for Planning Organizations	1,550,374
	<b>U.S. DEPARTMENT OF DEFENSE</b>	
12.002	Procurement Technical Assistance For Business Firms	461,382
	<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	
14.228	Community Development Block Grants/State's Program	1,494,721,251
14.231	Emergency Shelter Grants Program	1,494,739
14.239	HOME Investment Partnerships Program	13,799,418
	<b>Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	<b>1,510,015,408</b>
	<b>APPALACHIAN REGIONAL COMMISSION</b>	
23.002	Appalachian Area Development	1,167,236
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	211,162
	<b>Total APPALACHIAN REGIONAL COMMISSION</b>	<b>1,378,398</b>
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.041	State Energy Program	313,459
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	1,245
81.119	State Energy Program Special Projects	63,907
	<b>Total U.S. DEPARTMENT OF ENERGY</b>	<b>378,611</b>
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.585	Empowerment Zones Program	543,720
	<b>TOTAL MS Development Authority</b>	<b>1,514,327,893</b>
	<b><u>Narcotics</u></b>	
	<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>	
07.UN	High Intensity Drug Trafficking Area	530,148
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.UN	Domestic Cannabis Eradication/Suppression Program	74,638

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
16.UN1	COPS Methamphetamine Grant	766,532
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	<b>841,170</b>
	<b>TOTAL Narcotics</b>	<b>1,371,318</b>
	<b><u>Oil and Gas Board</u></b>	
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.433	State Underground Water Source Protection	177,882
	<b>TOTAL Oil and Gas Board</b>	<b>177,882</b>
	<b><u>Public Safety</u></b>	
	<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>	
07.UN	High Intensity Drug Trafficking Area	139,736
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.523	Juvenile Accountability Incentive Block Grants	877,715
16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	809,089
16.548	Title V-Delinquency Prevention Program	64,882
16.549	Part E-State Challenge Activities	110,114
16.554	National Criminal History Improvement Program (NCHIP)	133,984
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	786,305
16.575	Crime Victim Assistance	3,414,867
16.579	Edward Byrne Memorial Formula Grant Program	19,388,420
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	520,906
16.588	Violence Against Women Formula Grants	1,554,452
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	305,580
16.592	Local Law Enforcement Block Grants Program	5,332
16.593	Residential Substance Abuse Treatment for State Prisoners	915,908
16.609	Community Prosecution and Project Safe Neighborhoods	187,120
16.727	Enforcing Underage Drinking Laws Program	288,936
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2,053,525
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	<b>31,417,135</b>
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	

(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, 2007

<b>CFDA Number</b>	<b><u>State Agency/Federal Department/Program Name</u></b>	<b>Federal Expenditures Distributions/ Issuances</b>
20.217	Motor Carrier Safety	2,770,852
20.232	Commercial Driver License State Programs	356,517
20.2NA	Fatal Analysis Reporting System	49,841
20.600	State and Community Highway Safety	14,104,720
	<b>Total U.S. DEPARTMENT OF TRANSPORTATION</b>	<b>17,281,930</b>
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.186	Safe and Drug-Free Schools and Communities-State Grants	625,996
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.004	State Domestic Preparedness Equipment Support Program	13,619,655
97.067	Homeland Security Grant Program	7,381,893
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	197,576
	<b>Total DEPARTMENT OF HOMELAND SECURITY</b>	<b>21,199,124</b>
	<b>TOTAL Public Safety</b>	<b>70,663,921</b>
	<b><u>Public Service Commission</u></b>	
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	
20.700	Pipeline Safety	163,708
	<b>TOTAL Public Service Commission</b>	<b>163,708</b>
	<b><u>Rehabilitation Services</u></b>	
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	41,176,712
84.169	Independent Living-State Grants	187,287
84.177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	203,789
84.187	Supported Employment Services for Individuals with Severe Disabilities	226,727
84.224	Assistive Technology	559,463
84.265	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	177,001
	<b>Total U.S. DEPARTMENT OF EDUCATION</b>	<b>42,530,979</b>
	<b>SOCIAL SECURITY ADMINISTRATION</b>	
96.001	Social Security-Disability Insurance	24,861,993
96.008	Social Security-Work Incentives Planning and Assistance Program	830,270

(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, 2007

<b>CFDA Number</b>	<b><u>State Agency/Federal Department/Program Name</u></b>	<b>Federal Expenditures Distributions/ Issuances</b>
	<b>Total SOCIAL SECURITY ADMINISTRATION</b>	25,692,263
	<b>TOTAL Rehabilitation Services</b>	<b>68,223,242</b>
	<b><u>Secretary of State</u></b>	
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.419	Coastal Zone Management Administration Awards	1,837,358
	<b>GENERAL SERVICES ADMINISTRATION</b>	
39.011	Election Reform Payments	2,879,360
	<b>ELECTIONS ASSISTANCE COMMISSION</b>	
90.401	Help America Vote Act Requirements Payments	9,962,757
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.617	Voting Access for Individuals with Disabilities-Grants to States	100,000
	<b>TOTAL Secretary of State</b>	<b>14,779,475</b>
	<b><u>Soil &amp; Water Conservation Commission</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.902	Soil and Water Conservation	1,530,192
	<b>TOTAL Soil &amp; Water Conservation Commission</b>	<b>1,530,192</b>
	<b><u>State Fire Academy</u></b>	
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.043	State Fire Training Systems Grants	21,476
	<b>TOTAL State Fire Academy</b>	<b>21,476</b>
	<b><u>Supreme Court</u></b>	
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.586	State Court Improvement Program	307,310

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>TOTAL Supreme Court</b>	307,310
	<b><u>Transportation</u></b>	
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	
20.205	Highway Planning and Construction	925,902,431
20.313	Railroad Research and Development	236,475
20.505	Federal Transit-Metropolitan Planning Grants	162,941
20.509	Formula Grants for Other Than Urbanized Areas	7,686,630
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	1,143,509
	<b>Total U.S. DEPARTMENT OF TRANSPORTATION</b>	935,131,986
	<b>APPALACHIAN REGIONAL COMMISSION</b>	
23.001	Appalachian Regional Development (See individual Appalachian Programs)	144,000
	<b>TOTAL Transportation</b>	935,275,986
	<b><u>Treasury</u></b>	
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.UN1	Petroleum Violation Escrow - Stripper Well	1,212,949
81.UN2	Petroleum Violation Escrow - Citronelle/Exxon	4,288
	<b>Total U.S. DEPARTMENT OF ENERGY</b>	1,217,237
	<b>TOTAL Treasury</b>	1,217,237
	<b><u>Veterans Affairs Board</u></b>	
	<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>	
64.005	Grants to States for Construction of State Home Facilities	88,746
64.124	All-Volunteer Force Educational Assistance	142,538
	<b>Total U.S. DEPARTMENT OF VETERANS AFFAIRS</b>	231,284
	<b>TOTAL Veterans Affairs Board</b>	231,284
	<b><u>Wildlife, Fisheries and Parks</u></b>	
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.419	Coastal Zone Management Administration Awards	1,750,000

(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, 2007

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>		
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S.Army Corps of Engineers. Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-92-411, DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007.	1,319,116
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
15.605	Sport Fish Restoration	6,612,697
15.611	Wildlife Restoration	1,050,285
15.612	Rare and Endangered Species Conservation	115,255
15.916	Outdoor Recreation-Acquisition, Development and Planning	659,057
	<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>	8,437,294
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
20.219	Recreational Trails Program	937,698
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
97.012	Boating Safety Financial Assistance	1,183,686
	<b>TOTAL Wildlife, Fisheries and Parks</b>	13,627,794
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS:</b>	\$ 8,166,754,693

**EXPLANATION OF FOOTNOTE REFERENCE:**

Program Number with UN denotes unknown CFDA numbers.

# The total expenditures for CFDA No. 17.225 include state expenditures of \$139,692,743 and federal expenditures of \$28,098,672.

@ Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

**Notes to the  
Schedules of Expenditures of Federal Awards**



**STATE OF MISSISSIPPI**

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**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

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**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 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, 2007, federal expenditures, distributions or issuances totaled \$8,166,754,693. This established the threshold for Type A programs as those whose federal expenditures, distributions or issuances exceed \$24,500,264. For the fiscal year 2007 audit, seven Type A programs were identified as low risk. Risk assessments of Type B programs were performed until seven high risk Type B programs were identified. Because of the need to plan the audit of the Single Audit Report based initially on prior year expenditures, a program originally identified and audited as a Type A program subsequently was noted to be below the threshold established by the finalized grant schedule. Therefore, an additional Type B program was audited. Twenty-five federal award programs, comprising 17 high risk Type A programs and eight 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)**

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- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.
- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs of the Mississippi Authority for Educational Television and for those programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2007. The Mississippi Authority for Educational Television engaged other auditors to perform an audit in accordance with OMB Circular A-133, and a separate report was issued November 2, 2007. 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, 2008.
- 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, 2007, 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 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.

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

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- 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.

**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 \$1,586,268. 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, 2007, as charges for sales and services of \$836,000. The amount was based upon handling and shipping costs at the date of transfer to the state.
- C. Expenditures reflected in the CFDA 14.228 - Community Development Block Grants/State's Program include disbursements made for grants and new loans totaling \$1,666,189. 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, 2007, the outstanding loan balance for the program totaled \$9,625,169.
- 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	\$ 139,692,743
Federal Portion	<u>28,098,672</u>
Total	\$ <u>167,791,415</u>

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

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- 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, 2007, was \$331,409,550. Total disbursements for new loans for the year ended June 30, 2007, totaled \$73,122,340. Administrative costs associated with the program for the year ended June 30, 2007, totaled \$1,237,982.
- 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, 2007, was \$82,175,342. Total disbursements for new loans made during fiscal year 2007 totaled \$11,673,196. Administrative costs associated with the program for the year ended June 30, 2007, totaled \$712,405.
- G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$43,309,265 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:

<b>CFDA Number</b>	<b>Program Name</b>
10.550	Food Donation
10.569	Emergency Food Assistance Program (Food Commodities)
39.003	Donation of Federal Surplus Personal Property
93.268	Immunization Grants

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

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- *CFDA 93.268 — Immunization Grants received \$26,370,745 including cash assistance and noncash assistance. Cash assistance totaled \$2,475,701 and noncash assistance totaled \$23,895,044.*

I. The State of Mississippi's major federal programs for the year ended June 30, 2007, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

<b>CFDA Number</b>	<b>Program Name</b>
	Food Stamp Cluster:
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service for Children
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's Program
16.579	Edward Byrne Memorial Formula Grant Program
16.738	Edward Byrne Memorial Justice Assistance Grant Program
17.225	Unemployment Insurance
	Highway Planning Cluster:
20.205	Highway Planning and Construction
	Highway Safety Cluster:
20.600	State and Community Highway Safety
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.938	Hurricane Education Recovery

**STATE OF MISSISSIPPI**

**Notes to Schedules of Expenditures of Federal Awards (concluded)**

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CCDF Cluster:

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

93.667 Social Services Block Grant  
93.767 State Children's Insurance Program  
93.779 Centers for Medicare and Medicaid Services (CMS) Research,  
Demonstrations and Evaluations

Medicaid Cluster:

93.775 State Medicaid Fraud Control Units  
93.776 Hurricane Katrina Relief  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program

Homeland Security Cluster:

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

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**Schedule of Findings and Questioned Costs  
Part 1 - Summary of Auditor's Results**



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

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PART 1 - SUMMARY OF AUDITOR'S RESULTS

*Financial Statements*

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? X yes    \_\_\_no
  
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_yes    Xno

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? X yes    \_\_\_no
  
- Significant deficiencies identified that are not considered to be material weaknesses? X yes    \_\_\_none reported

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

**Unqualified for all major programs except for: the state's public universities and the Mississippi Authority for Educational Television, for which separate reports were issued; and, the following programs, for which a qualified opinion was issued - the allowable costs/cost principles and eligibility compliance requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program, which were audited by the Office of the Inspector General of the U. S. Department of Housing and Urban Development, for which a separate report will be issued; and, the Edward Byrne Memorial Justice Assistance Grant Program, the State and Community Highway Safety program, and the State Domestic Preparedness Equipment Support Program.**

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

X yes    \_\_\_no

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

Identification of major programs:

<b>CFDA Number</b>	<b>Program Name</b>
	Food Stamp Cluster:
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's Program
16.579	Edward Bryne Memorial Formula Grant Program
16.738	Edward Bryne Memorial Justice Assistance Grant
17.225	Unemployment Insurance
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
	Highway Safety Cluster:
20.600	State and Community Highway Safety
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.938	Hurricane Education Recovery
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.667	Social Services Block Grant
93.767	State Children's Insurance Program

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

	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.776	Hurricane Katrina Relief
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
	Homeland Security Cluster:
97.004	State Domestic Preparedness Equipment Support Program
97.067	Homeland Security Grant Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

          **\$24,500,264**          

Auditee qualified as low-risk auditee?

    yes       x   no

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**Schedule of Findings and Questioned Costs**  
**Part 2 - Financial Statement Findings**



STATE OF MISSISSIPPI

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

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PART 2 - FINANCIAL STATEMENT FINDINGS

Introduction

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

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

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

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STATE OF MISSISSIPPI

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED June 30, 2007

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PART 2 - FINANCIAL STATEMENT FINDINGS

**Finding  
Number**

**Finding and Recommendation**

---

**EMPLOYMENT SECURITY**

***Material Weakness***

07-15

**Method of Estimating of Tax Liens Receivable Should Be Improved**

*Finding:*

Section 71-5-365, Miss. Code Ann. (1972), authorizes the Mississippi Department of Employment Security to make an estimate of amounts owed to the agency which "shall be prima facie correct" in the event an employer does not report required contributions to the unemployment fund in a timely manner.

Testwork performed at the Mississippi Department of Employment Security on the Unemployment Compensation Fund for fiscal year 2007 revealed tax liens receivable and the corresponding revenues were recorded on the financial statements using an estimate which, for some employer accounts, did not represent a true receivable or revenue for the period. Tax liens receivable and the corresponding revenue were recorded using estimated assessments. The formula used to calculate the assessments is an estimate since the employer has not properly reported at the appropriate time. Estimates are calculated using categories of business types and average characteristics of those types and are computer generated. A review by personnel to compare the computer generated receivable estimate with the actual was either not performed or was not effective. Only revenues that are valid transactions in the fiscal period should be recorded, and only amounts uncollected at the end of the period should be presented as receivables. The effect on the financial statements was to overstate assets and revenues. As a result, an audit adjustment of \$6,726,775 was proposed to management. This approved adjustment was necessary to fairly state the accounts at June 30, 2007. Also, the effect on the ETA581 report (which is sent to the U.S. Department of Labor each quarter) is that it projects the Mississippi Department of Employment Security to be collecting dollars in delinquent taxes, when in fact the agency is adjusting these amounts down when the employer provides the actual data needed to determine the exact amount of the receivable.

*Recommendation:*

We recommend the Mississippi Department of Employment Security develop a new formula that yields a more accurate estimate of tax liens receivable for financial statement purposes and reporting of operations to the U.S. Department of Labor.

**Finding  
Number**

**Finding and Recommendation**

---

**EMPLOYMENT SECURITY**

***Material Weakness***

07-16

**Bank Accounts Should Be Reconciled Monthly**

***Finding:***

Testwork performed at the Mississippi Department of Employment Security on the Unemployment Compensation Fund for fiscal year 2007 revealed that the Cash and Cash Equivalents were misstated in the agency's accounting records. Bank statements for each bank account should be reconciled to the agency's accounting records monthly. A system whereby the reconciled bank account is compared to the accounting records of the fund was not utilized. Accounting transactions were posted to a series of spreadsheets without using a double entry accounting method. This caused the reconciliation of the bank statements and trial balance to be cumbersome and unusable by personnel.

The effect was that cash and revenue was understated in the accounting records by \$12,551,599. An adjustment was proposed to management and approved to correctly state the accounts at June 30, 2007.

- a. The reconciled bank statement for the Workforce Training account, in comparison to the agency's records, shows an overstatement of \$513,445.
- b. The reconciled bank statement for the Benefit Payable account, in comparison to the agency's records, shows an understatement of \$3,860,059.
- c. The reconciled bank statement for the Benefit Payment Refund account, in comparison to the agency's records, shows an understatement of \$2,630,136.
- d. The reconciled bank statement for the Unemployment Insurance Premium Revenue account, in comparison to the agency's records, shows an understatement of \$6,574,849.

***Recommendation:***

We recommend the Mississippi Department of Employment Security reconcile all bank statements to the agency's trial balance and other financial records each month.

**Finding  
Number**

**Finding and Recommendation**

---

**EMPLOYMENT SECURITY**

*Material Weakness*

07-17

Agency Should Use the Double Entry Accounting Method for Accounts

*Finding:*

Testwork performed at the Mississippi Department of Employment Security for fiscal year 2007 revealed the agency is not using a system of double entry accounting for the Unemployment Compensation Fund (Fund 8191). Per the *Mississippi Agency Accounting Policies and Procedures (MAAPP)* manual, Section 03.50.20, "financial transactions for all state agencies should be recorded in self-balancing groups of accounts established as funds by law or administrative action." This section also states "the self-balancing feature of each fund is accomplished through the double entry method of accounting..." The accounting records for Fund 8191 are kept on a series of spreadsheets that are not reconciled to each other. Double entry accounting is not used on these spreadsheets with the effect being that a misstatement of the financial statements could occur.

*Recommendation:*

We recommend the Mississippi Department of Employment Security adopt a centralized accounting system that uses double entry accounting and is in compliance with the MAAPP manual for the accounting of Fund 8191.

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



STATE OF MISSISSIPPI

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

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**PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Introduction**

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

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

Each finding has one of the following designations:

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

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

PART 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

**CFDA/Finding  
Number**

**Finding and Recommendation**

**EDUCATION**

**SUBRECIPIENT MONITORING**

***Significant Deficiency***

10.558

Child and Adult Care Food Program

Federal Award Number and Year: CN05-1099, 2005

07-02

Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

*Finding:*

The Office of Management and Budget (OMB) Circular A-133 requires the pass-through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report performed in accordance with OMB Circular A-133 from each subrecipient expending \$500,000 or more in federal awards during the subrecipient's fiscal year. The audits are to be submitted to the primary agency within nine months after the end of the subrecipient's fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action.

The Mississippi Department of Education – Office of Child Nutrition (OCN) and other entities provided \$500,000 or more of federal financial assistance to 34 subrecipients during fiscal year 2005. The agency maintained an Audit Resolution Log which indicated the subrecipients for which an audit should have been received. Testwork performed during the fiscal year 2007 audit on the Audit Resolution Log and subrecipient audits received and reviewed by the agency for subrecipient audit year 2005 for the Child and Adult Care Food Program (CACFP), revealed the following problems.

- The Audit Resolution Log was prepared using the federal funds expected/received from other sources as reported by the subrecipients; the CACFP funds received from OCN for the audit year were not included.

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

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**U. S. DEPARTMENT OF AGRICULTURE (continued)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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- Three of the ten audits, or 30 percent, selected for detailed testwork were not submitted in a timely manner and the agency did not send a request for the audits until May 2006, ten or more months after the entities' 2005 fiscal year end.

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

*Recommendation:*

We recommend the Mississippi Department of Education – Office of Child Nutrition strengthen controls over subrecipient monitoring by ensuring the agency's Audit Resolution Log is adequately prepared and all audit reports are obtained in compliance with federal regulations.

**HEALTH**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Material Weakness*

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: Various

07-22

MWITS Application System's Reliability Should Be Improved

*Finding:*

The Mississippi WIC Inventory Tracking System (MWITS) at the Mississippi State Department of Health (MSDH) is not providing continuous reliable service. MWITS is an obsolete DOS environment application system processing on an obsolete version of Novell. The significant functions of transferring inventory related transactions were designed around the file replication services of this early Novell local area network (LAN) operating system. Generally, Novell file replication was not engineered with safeguards for processing transaction files but was a method of file distribution. This methodology of using a LAN as a wide area network (WAN), combined with slow data lines, creates significant problems in the movement of files from local WIC warehouses to MSDH's Jackson headquarters and back.

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

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**U. S. DEPARTMENT OF AGRICULTURE (continued)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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This is a known issue, to which MSDH's Office of Health Informatics has continued to research solutions for improvement, with the final outcome expected to be a total system replacement. Due to the unstable nature of the WIC application, we are unable to attest to the reliability of this system until it is improved. As a compensating factor, the MSDH Accounting Department has developed manual methods and spreadsheets which we believe somewhat compensate for the lack of system integrity.

MSDH, through Mississippi ITS and AT&T, is currently in the process of improving the network structure and line speed for WIC warehouses. However, little progress was made since our past review. The new network structure will move transmission speeds to DSL speed and is supposed to create a quicker and more direct data path to MSDH's Jackson headquarters.

However, during the December 2007 to January 2008 timeframe, a network change issue stopped the replication process. From discussions with Health Informatics and the WIC Accounting staff it appears that the WIC databases became corrupt and data that should have been replicated on the central servers was lost and not recoverable. Since that period, the system has begun to function, but it is unknown if the central servers reflect the same information that is on the field servers. Inventory reports from the WIC central servers for December 2007 and January 2008 contained no data, so a reconciliation process must be used to manually calculate inventory from reports faxed in.

Without reliable daily replication of information to the central Jackson MWITS servers, the central MSDH office screens and reports will not reflect the information on the field servers. Therefore, for the months mentioned, accounting reports such as inventory were inaccurate and there is a potential of loss of control of information about the status of the WIC inventories. Other reports such as dual participation are also unreliable. It appears to us that the Program Integrity Director was not fully and timely made aware of the severity of the problem until attempting to run system reports after delays due to the file replication failure.

*Recommendation:*

We believe that improved data communications and a strong monitoring process could improve the reliability factors of the current system, and assist in mitigating our findings on system integrity. We recommend the Mississippi State Department of Health complete this project as soon as possible to improve the reliability of the MWITS system until a new system can be obtained and implemented. We also believe that communication of problems internally should be improved and the WIC Program Integrity area would be better served with accurate current system status information from Health Informatics.

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

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U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

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**HEALTH**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Significant Deficiency*

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: Various

07-20

Controls over Time Study Procedures Should Be Strengthened

*Finding:*

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

The Mississippi State Department of Health has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on reporting forms completed for one week of each month. Annually, the time spent by nurses, nurse practitioners and physicians in the various health clinics for health services performed is collected and analyzed to compute relative values. The agency uses the relative values to compute the cost of each service for each employee. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged for payroll for each program in order to determine the salaries charged to the federal program were reasonable and the program was not overcharged. An adjustment to decrease/increase the amounts charged for payroll to the amount supported by the time study data is made yearly.

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

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U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

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During our review of the time study system and testwork performed on 40 employee time reports for fiscal year 2007, the following problems were noted.

- The agency collected the fiscal year 2006 data necessary to compute the relative values for services performed. However, the agency did not calculate and enter all the correct relative values for fiscal year 2007 into the time study system. Due to input error and failure to follow up for changes to some relative value figures, the agency erroneously used incorrect relative values to calculate the actual time and effort costs for fiscal year 2007. Therefore, the amounts charged to payroll for services performed were not based on accurate data. The auditor requested the agency to recalculate the actual time and effort costs for fiscal year 2007 using the correct relative values to determine the effect on costs charged to federal programs. The agency's recalculation shows that the WIC program was not overcharged for personnel costs for fiscal year 2007.
- Five instances occurred on time sheets in which the program code, activity code, or the employees' hours were not entered correctly or not entered in the time study system from the time reporting form.
- One instance occurred in which encounter time information reported was not entered into the time study system.

Good internal controls dictate adequate procedures be in place to ensure amounts entered in the time study system are accurate and reliable. Inadequate controls over the time study system could result in questioned costs to a federal program if personnel costs are not properly calculated and prorated.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen internal controls to ensure time study information is reliable and accurate. When relative values have been determined for the end of the preceding fiscal year, the agency should ensure the new values are promptly input to correctly determine the personnel costs attributed to each federal program.

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

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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**HEALTH**

**PERIOD OF AVAILABILITY**

*Significant Deficiency  
Immaterial Noncompliance*

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704-11 WIC 10/01/05 –  
9/30/06  
5MS700704-13 WIC 10/01/06 –  
9/30/07

Questioned Costs: \$2,306

07-21

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

*Finding:*

During our review of 20 transactions for compliance with period of availability requirements for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), five transactions were noted as having been incurred after the period of availability. The *Code of Federal Regulations* (CFR 3106.23(a)) states where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period. In all five instances, the costs were incurred after the end of the grant period, which was September 30, 2006, and they were not obligated by the end of the grant period. These expenses should have been paid with federal fiscal year 2007 funds instead of federal fiscal year 2006 funds.

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

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

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**U. S. DEPARTMENT OF AGRICULTURE (concluded)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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*Recommendation:*

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

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

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U. S. DEPARTMENT OF DEFENSE

CFDA/Finding  
Number

Finding and Recommendation

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**MILITARY**

**ALLOWABLE COSTS/COSTS PRINCIPLES**

*Significant Deficiency*

12.401  
12.402

National Guard Military Operations and Maintenance (O&M) Projects  
National Guard Special Military Operations and Projects

Federal Award Number and Year: Various

07-04

Controls Should Be Strengthened over Construction Contracts System

*Finding:*

The Mississippi Military Department created an electronic worksheet to track construction in process. There were no procedures in place to reconcile the worksheet to the construction contracts system. The worksheet contained an error in the calculation of total construction in process that caused the calculation of construction in process to be incorrect. The error in the calculation caused construction in process to be overstated by a significant amount. As a result of the lack of a reconciliation process, the error in construction in process was not detected in a timely manner.

*Recommendation:*

We recommend the Mississippi Military Department reconcile the worksheet with the construction contracts system on a quarterly basis. The reconciliation should be reviewed by someone other than the preparer.

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

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U. S. DEPARTMENT OF DEFENSE (concluded)

CFDA/Finding  
Number

Finding and Recommendation

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**MILITARY**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Significant Deficiency*

12.401  
12.402

National Guard Military Operations and Maintenance (O&M) Projects  
National Guard Special Military Operations and Projects

Federal Award Number and Year:            Various

07-05

Controls Should Be Strengthened over Inventory

*Finding:*

During our review of inventory at the Mississippi Military Department, we noted that the Department's inventory for Special Revenue Fund 3701 is priced on an average cost basis. It was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of the prices used in the determination of this inventory. Additionally, no physical inventory count was taken on or near fiscal year end. The most recent physical inventory count taken during the year audited was in November 2006. Failure to have proper controls over inventory could allow over or understatement of the inventory balance which could lead to a material misstatement in the financial statements.

*Recommendation:*

Although the inventory on hand at year-end is not for resale, we recommend the Mississippi Military Department conduct a formal inventory observation at the end of the fiscal year in order to more accurately evaluate the quantities on hand. Sufficient documentation should be maintained to provide support for costs used to value the quantities on hand.

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

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U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CFDA/Finding  
 Number

Finding and Recommendation

**MISSISSIPPI DEVELOPMENT AUTHORITY**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Significant Deficiency*  
*Immaterial Noncompliance*

14.228

Community Development Block Grant/State's Program

Federal Award Number and Year: Various  
 Questioned Costs: not determined

07-14

Information Technology Applications Internal Audit Report Should Be Complete

*Finding:*

The Mississippi Development Authority (MDA) contracted with Reznick MS for significant support services in administering the Homeowner's Assistance Grant Program funded by the Community Development Block Grants/State's Program (CDBG). An information technology (IT) audit review was contracted by Reznick MS with the following stated purpose: "To assure that the Homeowner's Assistance Grant Program's IT assets were appropriately and accurately documented and that they provide sufficient and adequate controls for their management, and they provide accuracy in and congruence with established policy, process and procedures for grant application processing and administration." Reznick MS utilized a subcontractor, Customer Value Partners (CVP), to create an Information Technology Audit Report (ITAR), and the costs associated with the ITAR were billed to MDA as an allowable cost to the CDBG program.

From our discussions with Reznick MS, and a review of the billings produced by CVP, we were concerned about the stated costs of the CVP ITAR work as it appeared from the billings from CVP. Subsequent to our field work, we were provided information by Reznick MS of their assertions on the component costs of CVP's billings for the stated ITAR. Apparently, the billed costs related to many IT consulting tasks which CVP performed for Reznick MS, but billed under one code. The actual costs of the stated ITAR were not fully determinable.

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

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

CFDA/Finding  
Number

Finding and Recommendation

Regardless, the ITAR document we reviewed did not appear to meet normal audit standards. The most significant defect of the document was that it was not complete. It appears that the document was designed to contain auditor sign-off blocks in each section indicating that the internal control objectives of that report section were met; however, none of blocks were completed. Also, the document did not include a management letter stating that the objectives of the audit were met, and the name of the internal auditor firm and qualifications of the personnel conducting the review. The language of the statement of work created for the IT audit agreement between Reznick MS and CVP states the case of need for an Internal IT Audit, and that this work would be fulfilling that need.

CVP was noted to have a significant role in the creation of IT systems and methodology with Reznick MS, and therefore, it would appear to be a conflict of interest to also perform internal audit duties for the same processes CVP helped create.

In our post audit discussions with Reznick MS, Reznick has asserted that an IT Audit was not required by the program, and the document and work produced by CVP was not intended to be an internal audit, but was instead additional documentation to assist in the creation of the IT processes for the Homeowner's Assistance Grant Program.

Even though the MDA contract to Reznick MS did not specify an internal IT systems audit, we believe that Reznick MS created an obligation to complete such an audit once it contracted for audit services with CVP and committed MDA funds to this process.

*Recommendation:*

We recommend, as an assurance that internal IT controls were functioning as designed, and in consideration that Reznick MS had committed significant funds of the Mississippi Development Authority Homeowner's Assistance Grant Program under the Community Development Block Grants/State's Program to CVP to create an IT Internal Audit Report, that Reznick MS provide the Homeowner's Assistance Grant Program a completed and signed Internal Audit report at no additional cost to the program. We further recommend that the Mississippi Development Authority strengthen controls over approval of payments for the Homeowner's Assistance Grant Program to ensure that costs charged to the Community Development Block Grants/State's Program are for services which have been rendered and provide a benefit to the program.

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

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

CFDA/Finding  
Number

Finding and Recommendation

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**MISSISSIPPI DEVELOPMENT AUTHORITY**

**SUBRECIPIENT MONITORING**

*Significant Deficiency*

14.228

Community Development Block Grant/State's Program

Federal Award Number and Year: Various

07-10

**Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened**

*Finding:*

The *Code of Federal Regulations* (24 CFR Part 85.26 and Part 570.489) requires that audits of the State and units of general local government shall be conducted in accordance with the Single Audit Act for the Community Development Block Grant/State's Program (CDBG). States shall develop and administer an audits management system to ensure that audits of general local government are conducted in accordance with Chapter 24. Grantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 and the revised OMB Circular A-133.

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

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

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**U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

Testwork performed at the Mississippi Development Authority during fiscal year 2007 on ten out of ten subrecipient audits received and reviewed by the agency for subrecipient audit year 2005 for the CDBG Program revealed the following weaknesses.

- The agency was not able to provide the report spreadsheet from the audit tracking system which tracks due dates of audits, dates audits were received, corrective actions, and correspondence with the subrecipient.
- One instance out of ten, or 10 percent, in which the audit was not submitted in a timely manner and the agency did not send a request for the audit until November 2006, five months after the due date of June 30, 2006.
- One instance out of ten, or 10 percent, in which the agency did not document an attempt to obtain an audit that was not submitted within the nine-month deadline.
- One instance out of ten, or 10 percent, in which agency personnel did not correctly calculate subrecipient expenditures in the audit tracking system, which resulted in the agency not requesting an audit, when an audit was required.

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

*Recommendation:*

We recommend the Mississippi Development Authority strengthen controls by ensuring the agency's audit tracking system is accurately prepared and maintained for audit purposes. We further recommend that all audit reports are obtained in compliance with federal regulations.

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

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

CFDA/Finding  
Number

Finding and Recommendation

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**MISSISSIPPI DEVELOPMENT AUTHORITY**

**SUBRECIPIENT MONITORING**

*Significant Deficiency*

14.228

Community Development Block Grant/State's Program

Federal Award Number and Year:      Various

07-11

Controls over Subrecipient Monitoring Should Be Strengthened

*Finding:*

The *Code of Federal Regulations* (24 CFR Part 570.492) requires the Mississippi Development Authority (MDA) to conduct reviews and audits including on-site reviews, of units of general local government as may be necessary or appropriate to determine program compliance for the Community Development Block Grant/State's Program (CDBG). The MDA has developed monitoring procedures which require an on-site visit to take place at least twice during the life of the project to ensure compliance with all applicable federal regulations. MDA has a tracking mechanism in place to ensure all projects are properly identified and monitored. Checklists are used during the on-site monitoring review to provide guidance and to document a review was performed.

Subrecipient on-site monitoring testwork performed on 25 projects closed during fiscal year 2007 revealed the following weaknesses.

- Five instances, or 20 percent, in which several pertinent questions on the monitoring checklist were not answered. Even though these questions were not answered on the checklist, the supervisor responsible for reviewing the checklist signed off on the "Compliance Review" form indicating review and approval.
- One instance, or 4 percent, in which the area representative did not perform two monitoring visits prior to the project close-out.
- One instance, or 4 percent, in which the "Monitoring Response Review Form" was not signed/initialed by appropriate personnel. However, a letter of acceptance was sent to the subrecipient.

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

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

**CFDA/Finding  
Number**

**Finding and Recommendation**

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- The *Code of Federal Regulations* (24 CFR 570.603) requires the CDBG program to comply with labor standards in accordance with the Davis Bacon Act. For one instance, it was noted the “Labor Standards Monitoring” checklist was completed. However, the required signature of the preparer was not documented.
- The *Code of Federal Regulations* (24 CFR 42.1) requires that Housing and Urban Development assisted programs and projects are subject to the Uniform Relocation Assistance and Relocation Act (URA) of 1970. For one instance, it was noted the “Acquisition Monitoring” checklist was not completed.

Also, audit procedures performed on monitoring workpapers to ensure the tracking mechanism was functioning correctly revealed that 4 out of 40 subrecipients selected for allowable cost testwork were not included on the “Monthly Grants Management Report”. In addition, the “Monthly Grants Management Report” does not properly track project close dates to ensure projects are monitored prior to final close out. The “Monthly Grants Management Report” is the tracking document used by MDA to ensure all State recipients receive an on-site monitoring review and to document the date the review was completed.

Good internal controls dictate a supervisory review be performed on monitoring workpapers to ensure completeness and propriety. Good internal controls also dictate supervisory personnel ensure the monitoring tracking document is properly completed to ensure the required inspections are performed by agency personnel. Failure to ensure the propriety of the monitoring inspection tracking document could result in nonperformance of the required inspections. Without effective supervisory review procedures, potential subrecipient noncompliance could occur and not be detected.

*Recommendation:*

We recommend the Mississippi Development Authority strengthen its existing internal controls for subrecipient on-site monitoring. Greater care should be taken during the supervisory review process to ensure the completeness of monitoring files. We further recommend the agency ensure the on-site monitoring tracking document is properly prepared to ensure all subrecipients are identified and monitored for compliance with federal regulations.

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

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U. S. DEPARTMENT OF JUSTICE

CFDA/Finding  
 Number

Finding and Recommendation

**PUBLIC SAFETY**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Material Noncompliance  
 Material Weakness*

16.523  
 16.738

Juvenile Accountability Incentive Block Grants  
 Edward Byrne Memorial Justice Assistance Grant Program

Federal Award Number and Year: Various  
 Questioned Costs: \$547,761

07-06

Documentation Supporting Allowable Costs Should Be Maintained

*Finding:*

During the year under audit, we noted the Mississippi Department of Public Safety booked a journal entry to the Edward Byrne Memorial Justice Assistance Grant Program to move \$1,000,000 of expenditures from another fund which accounted for several grants. Subsequent to year-end, an additional entry was booked for \$452,000 to a general fund and \$547,761 to the Juvenile Accountability Incentive Block Grant, removing expenditures from the Edward Byrne Memorial Justice Assistance Grant Program. When questioning agency personnel about the purpose of the entries, back-up documentation could not be located and no explanation was provided.

In accordance with A-87 cost principles, costs must be reasonable and necessary for the purposes of the grant. Because no explanation was given, and no documentation could be provided, we are unable to determine if the costs charged were allowable for the Edward Byrne Memorial Justice Assistance Grant Program and the Juvenile Accountability Incentive Block Grant. While it appears the costs charged to the Edward Byrne Memorial Justice Assistance Grant Program were repaid by the agency's general fund, at the time of fieldwork, costs totaling \$547,761 were charged to the Juvenile Accountability Incentive Block Grant.

*Recommendation:*

We recommend the Mississippi Department of Public Safety ensure documentation supporting all expenditures charged to federal programs is maintained.

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

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U. S. DEPARTMENT OF TRANSPORTATION

CFDA/Finding  
Number

Finding and Recommendation

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**PUBLIC SAFETY**

**REPORTING**

*Material Noncompliance  
Significant Deficiency*

20.600

State and Community Highway Safety

Federal Award Number and Year: Various  
Questioned Costs: None

07-07

Controls over Federal Reimbursement and Reporting Should Be  
Strengthened

*Finding:*

Testwork performed at the Mississippi Department of Public Safety related to cash management revealed that five out of five instances, in which subgrantees submitted reporting worksheets, were not submitted to the agency timely. Per the agency's guidelines for subgrantees, reporting worksheets should be submitted for each calendar month by the tenth business day of the following month.

*Recommendation:*

We recommend the Mississippi Department of Public Safety strengthen controls to ensure that subgrantee reporting worksheets as submitted timely as required by agency guidelines.

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

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**U. S. DEPARTMENT OF TRANSPORTATION (concluded)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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**PUBLIC SAFETY**

**SUBRECIPIENT MONITORING**

*Material Noncompliance*  
*Significant Deficiency*

20.600

State and Community Highway Safety

Federal Award Number and Year: Various  
Questioned Costs: None

07-08

Agency Should Comply with Subrecipient Audit Requirements

*Finding:*

OMB Circular A-133 requires the primary recipient of federal funds to notify subrecipients of all audit requirements and determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report form each subrecipient expending more than \$500,000 in a fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action.

We noted that the Mississippi Department of Public Safety was not in compliance with requirements related to subrecipient audits for the State and Community Highway Safety program. The agency was not ensuring that audit reports are received from the applicable subrecipients, and audit reports that were received were not being reviewed by the agency. This is a repeat finding from the prior year.

*Recommendation:*

We recommend the Mississippi Department of Public Safety implement procedures to ensure audit reports are received and reviewed by agency personnel in a timely manner. Second notices should be sent to subrecipients who have not complied with audit requirements. Supervisory reviews of the checklist used to review the submitted audit reports should be performed and documented with the reviewer's initials and date of review. In addition, the audit schedule should include all subrecipients and appropriate dates to ensure adequate monitoring procedures have been performed.

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

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U. S. DEPARTMENT OF EDUCATION

**CFDA/Finding  
Number**

**Finding and Recommendation**

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**EDUCATION**

**MATCHING, LEVEL OF EFFORT, EARMARKING**

*Significant Deficiency  
Immaterial Noncompliance*

84.010

Title I Grants to Local Educational Agencies

Federal Award Number and Year: S010A060024A, 2006  
Questioned Costs: not determined

07-01

**Controls over Earmarking Requirement Should Be Established**

*Finding:*

Local educational agencies (LEAs) identified for school improvement activities must provide choice-related transportation under section 1116(b)(1)(E) and/or supplemental educational services under section 1116(e) of the Elementary and Secondary Education Act [20 USC 6316(b) and (e)]. The LEA must spend an amount equal to 20 percent of its allocation under subpart 2 of Part A to provide such transportation and supplemental services, unless a lesser amount is needed to satisfy all requests. Of this amount, the LEA must spend a minimum of an amount equal to 5 percent of its subpart 2 allocation on choice-related transportation and a minimum of an amount equal to 5 percent of its subpart 2 allocation for supplemental educational services. It may spend the remaining 10 percent for either or both activities. The state educational agency (SEA) is responsible for ensuring the LEAs remain in compliance with the earmarking requirements.

The Mississippi Department of Education-Office of Innovative Support (MDE-OIS) administers the Title I Grants to Local Educational Agencies program and requires each LEA identified for school improvement activities to complete a Consolidated Federal Program Application (CFPA) each year documenting the program allocations and budgets. However, we noted the agency did not require the LEAs to document the 20 percent set aside for choice related transportation and/or supplemental educational services on the 2006-2007 CFPA. Therefore, we could not determine if the LEAs were in compliance with federal requirements governing the earmarking requirement.

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

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**U. S. DEPARTMENT OF EDUCATION (continued)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal regulations. Failure to properly monitor each LEA for compliance with the earmarking requirement could result in noncompliance with federal regulations and jeopardize continued funding under the Title I Grants to Local Educational Agencies program.

*Recommendation:*

We recommend the Mississippi Department of Education-Office of Innovative Support establish control procedures to ensure the local educational agencies identified for school improvement activities are in compliance with the earmarking requirements.

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

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U. S. DEPARTMENT OF EDUCATION (continued)

CFDA/Finding  
Number

Finding and Recommendation

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EDUCATION

**SPECIAL TESTS AND PROVISIONS**

*Significant Deficiency*

84.010

Title I Grants to Local Educational Agencies

Federal Award Number and Year: S010A060024A, 2006

07-03

Controls over Comparability Requirement Should Be Strengthened

*Finding:*

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

The Mississippi Department of Education-Office of Innovative Support (MDE-OIS) administers the Title I Grants to Local Educational Agencies program and requires each LEA to submit a Comparability Report documenting compliance with the requirements. Also, the agency's onsite monitoring tool requires the MDE-OIS monitors to examine supporting documentation to verify the LEA's compliance with the comparability requirements. Testwork performed on 25 of the school districts revealed the following problems for fiscal year 2007.

- Five, or 20 percent, of the comparability reports tested evidenced either incomplete data or deficiencies with the requirement; however, MDE-OIS did not provide evidence of any attempt to obtain the information or address the problems.
- One, or 4 percent, did not have a comparability report on file.

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

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**U. S. DEPARTMENT OF EDUCATION (concluded)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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

*Recommendation:*

We recommend the Mississippi Department of Education-Office of Innovative Support strengthen control procedures to ensure the local educational agencies are in compliance with the comparability requirements. Comparability reports should receive a documented review for completeness and compliance. Any missing information and/or deficiencies noted in the reports should be documented in correspondence with the school districts.

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

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA/Finding  
Number

Finding and Recommendation

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**HEALTH**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Material Weakness*

*Immaterial Noncompliance*

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601MSSOSR, 2006  
Questioned Costs: \$214,717

07-19

Controls over Payments to Subrecipients Should Be Strengthened

*Finding:*

We reviewed 25 expenditure transactions related to the Social Services Block Grant (SSBG) at the Mississippi State Department of Health to test controls related to allowable costs. During our review of these transactions, we noted the following problems.

- One payment was issued to a subrecipient for a reimbursement total of \$1,579,069; however, the subrecipient's approved budget narrative stated the total project authorization for first responder costs was \$1,364,352. Therefore, the subrecipient was reimbursed \$214,717 over the allowed budgeted amount for first responder costs. After auditors brought this to the attention of management, the agency subsequently sent the subrecipient a letter requesting the amount paid in excess of project approval be returned. It appears the approved proposals and budget narratives were not being verified before subrecipients were issued grant funds.
- Three of the 25 payment vouchers reviewed were for cash advances to one recipient totaling \$1,173,742. The subrecipient had not submitted documentation to support a cash advance before requesting additional advances. After auditors brought this to the attention of management, the agency sent the subrecipient a letter asking for supporting documentation for all cash advances which totaled \$1,986,806.

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

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

**CFDA/Finding  
Number**

**Finding and Recommendation**

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OMB Circular A-87, Attachment C states that in order for costs to be allowable for federal awards, they must be adequately documented. Good internal controls also require the verification of costs with contracts/agreements and other appropriate documentation for reimbursement or cash advancement in order to ensure the costs are allowable. Before a subrecipient is allowed to receive a subsequent cash advance, the agency should obtain documentation supporting the first advance.

Failure to verify requests for reimbursement with contracts/agreements could result in overpayments being made to subrecipients. In addition, the failure to verify supporting documentation for cash advancements could result in unallowable costs.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen internal controls by verifying requests for payments with approved contracts/agreements before grant funds are issued to subrecipients. We further recommend that controls be implemented to ensure adequate documentation is received from subrecipients receiving funds on a cash advancement basis before subsequent advances are made.

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

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

CFDA/Finding  
Number

Finding and Recommendation

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HUMAN SERVICES

**PERIOD OF AVAILABILITY**

*Significant Deficiency*

93.667

Social Services Block Grant

Federal Award Number and Year: G0501MSSOSR

07-12

Controls over Period of Availability Should Be Strengthened

*Finding:*

The *Code of Federal Regulations* (45 CFR 96.14) designates the time period for obligation and expenditure of grant funds for the Social Services Block Grant (SSBG) program. Amounts not obligated by the State at the end of the fiscal year in which they were first allotted shall remain available for obligation during the succeeding fiscal year. The *Code of Federal Regulations* (45 CFR 92.23) requires a grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period.

During testwork performed at the Mississippi Department of Human Services to ensure compliance with the period of availability compliance requirements for the 2005 SSBG award, we noted the following problems.

- Two instances in which costs incurred by the State after September 30, 2006 were charged to the grant. The obligation/funding period for the 2005 SSBG award extended from October 1, 2004 through September 30, 2006. However, the costs incurred were not obligated by September 30, 2006.
- Eight instances in which costs were charged to the grant after the 90 days allowed for liquidation of obligations.

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

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

**CFDA/Finding  
Number**

**Finding and Recommendation**

---

Good internal controls require that adequate controls be in place to ensure only obligations occurring during the period of availability are charged to the program and to ensure liquidation of all obligations incurred under the award not later than 90 days after the end of the funding period. Without adequate controls in place, the agency may charge costs in violation of federal regulations that would result in questioned costs. The costs incurred after the obligation/funding period ended were valid costs for the SSBG program. The auditors notified the agency of this problem and the agency made an adjustment to properly record the costs to the correct grant year. Therefore, it appears no questioned costs are involved.

*Recommendation:*

We recommend the Mississippi Department of Human Services strengthen controls over the period of availability compliance requirement for the Social Services Block Grant (SSBG) program. The agency should ensure that costs charged to the SSBG program are made during the period for which funds were available for obligation and expenditure and liquidate all obligations incurred under the award no later than 90 days after the end of the funding period.

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

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

**CFDA/Finding  
Number**

**Finding and Recommendation**

---

**HUMAN SERVICES**

**SUBRECIPIENT MONITORING**

*Significant Deficiency*

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

Federal Award Number and Year: Various

07-13 **Controls over Subrecipient Monitoring Should Be Strengthened**

*Finding:*

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

During testwork performed on subrecipient on-site monitoring for 40 subgrantees during fiscal year 2007, we noted the following weaknesses.

- Three instances, or 7.5 percent, in which the monitoring staff failed to properly complete the fiscal monitoring tool. The staff had not documented that costs per the subgrantee's reporting worksheets and the amount of cash requested agreed to the subgrantee's accounting records.
- One instance, or 2.5 percent, in which "no" answers were checked on the programmatic monitoring tools and there was no supporting documentation to justify the failure to provide further inquiry.

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

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

**CFDA/Finding  
Number**

**Finding and Recommendation**

---

- Two instances, or 5 percent, in which we noted the Subgrantee Manual Acceptance form and the form for purchasing equipment was missing from the subrecipient monitoring files.

Good internal controls require monitoring workpapers receive adequate supervisory review to ensure completeness and propriety. Without effective supervisory review procedures, potential subrecipient noncompliance could occur and not be detected.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Program Integrity- Office of Monitoring strengthen its existing internal controls over subrecipient on-site monitoring. Greater care should be taken during the supervisory review process to ensure the completeness of monitoring files.

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

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U. S. DEPARTMENT OF HOMELAND SECURITY

**CFDA/Finding  
Number**

**Finding and Recommendation**

---

**PUBLIC SAFETY**

**SUBRECIPIENT MONITORING**

*Material Noncompliance  
Significant Deficiency*

97.004

State Domestic Preparedness Equipment Support Program

Federal Award Number and Year: Various  
Questioned Costs: None

07-09

Agency Should Comply with Subrecipient Audit Requirements

*Finding:*

During our review of subrecipient monitoring procedures for the State Domestic Preparedness Equipment Support Program, we noted that the Mississippi Department of Public Safety did not maintain a monitoring schedule to track and summarize monitoring activity. Good internal controls dictate a monitoring schedule be accurate and complete.

OMB Circular A-133 requires the primary recipient of federal funds to notify subrecipients of all audit requirements and determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending more the \$500,000 in a fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action. This is a repeat finding from the prior year.

*Recommendation:*

We recommend the Mississippi Department of Public Safety develop a monitoring schedule that includes all components of the monitoring process to ensure all subrecipients are properly monitored. Additionally, the agency should implement procedures to ensure audit reports are received and reviewed by agency personnel in a timely manner. Second notices should be sent to subrecipients who have not complied with audit requirements. Supervisory reviews of the checklist used to review submitted audit reports should be performed and documented with the reviewer's initials and date of review. In addition, the audit schedule should include all subrecipients and appropriate dates to ensure adequate monitoring procedures have been performed.

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## II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS



**STATE OF MISSISSIPPI**

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**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

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**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

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

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INDEX LISTED BY FINDING NUMBER

<u>FINDING NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>	<u>PAGE NUMBER</u>
05-04	Public Safety	125
05-05*c	Public Safety	125
05-08*a	Mississippi Development Authority	121
05-11*a	Mississippi Development Authority	121
05-12 *a	Mississippi Development Authority	122
05-15	Medicaid	117
05-16	Medicaid	117
05-17 *b	Medicaid	117
05-20	Education	107
05-21 *c	Education	107
05-22 *b	Education	107
05-23 *c	Education	108
05-25 *c	Mississippi Development Authority	122
05-26	Public Safety	125
05-27	Public Safety	125
05-30 *e	Finance and Administration	113
06-01 *a	Mississippi Development Authority	122
06-02 *c	Mississippi Development Authority	123
06-03 *a	Mississippi Development Authority	123
06-04 *a	Mississippi Development Authority	123
06-05 *e	Finance and Administration	113
06-07	Medicaid	117
06-08	Medicaid	117
06-10	Medicaid	118
06-11 *b	Medicaid	118
06-12 *b	Medicaid	118
06-13	Medicaid	118

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

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<b><u>FINDING NUMBER</u></b>	<b><u>STATE GRANTEE AGENCY NAME</u></b>	<b><u>PAGE NUMBER</u></b>
06-14 *c	Education	108
06-15 *c	Education	108
06-16 *b	Education	108
06-17	Education	109
06-18	Education	109
06-19	Public Safety	125
06-20	Public Safety	125
06-21	Public Safety	126
06-22	Public Safety	126
06-23 *c	Public Safety	126
06-24 *c	Public Safety	126
06-25	Emergency Management Agency	111
06-28	Health	115
06-29 *c	Health	115
06-30 *a	Health	115
06-31 *c	Health	116

\*a Even though the agency indicates the finding was partially corrected, our testwork did not reveal current year problems, and a finding was not considered necessary in fiscal year 2007.

\*b The agency indicates the finding was either partially corrected or not corrected. For fiscal year 2007, a similar finding was issued in a separate communication.

\*c A similar finding was written for fiscal year 2007.

\*d The agency indicates the finding was fully corrected. However, testwork for fiscal year 2007 revealed on-going problems. A new finding was written.

\*e The agency indicates the finding was not corrected. However, we noted that for fiscal year 2007 no transfers were made from self-insurance fund accounts. It was not considered necessary to write a current year finding.

STATE OF MISSISSIPPI

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

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INDEX LISTED BY STATE GRANTEE AGENCY

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
Education	05-20	107
Education	05-21	107
Education	05-22	107
Education	05-23	108
Education	06-14	108
Education	06-15	108
Education	06-16	108
Education	06-17	109
Education	06-18	109
Emergency Management Agency	06-25	111
Finance and Administration	05-30	113
Finance and Administration	06-05	113
Health	06-28	115
Health	06-29	115
Health	06-30	115
Health	06-31	116
Medicaid	05-15	117
Medicaid	05-16	117
Medicaid	05-17	117
Medicaid	06-07	117
Medicaid	06-08	117
Medicaid	06-10	118

**STATE OF MISSISSIPPI**  
**Summary Schedule of Prior Federal Audit Findings**  
**Index Listed by Sate Grantee Agency (concluded)**

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<b><u>STATE GRANTEE AGENCY NAME</u></b>	<b><u>FINDING NUMBER</u></b>	<b><u>PAGE NUMBER</u></b>
Medicaid	06-11	118
Medicaid	06-12	118
Medicaid	06-13	118
Mississippi Development Authority	05-08	121
Mississippi Development Authority	05-11	121
Mississippi Development Authority	05-12	122
Mississippi Development Authority	05-25	122
Mississippi Development Authority	06-01	122
Mississippi Development Authority	06-02	123
Mississippi Development Authority	06-03	123
-Mississippi Development Authority	06-04	123
Public Safety	05-04	125
Public Safety	05-05	125
Public Safety	05-26	125
Public Safety	05-27	125
Public Safety	06-19	125
Public Safety	06-20	125
Public Safety	06-21	126
Public Safety	06-22	126
Public Safety	06-23	126
Public Safety	06-24	126



**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION**

Hank M. Bounds  
State Superintendent of Education

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2007**

**05-20 Controls over Carryover Requirement Should Be Strengthened**

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

**05-21 Controls over Comparability Requirements Should Be Strengthened**

CFDA 84.010 Title I Grants to Local Educational Agencies

PARTIALLY CORRECTED

Procedures have been implemented in the Mississippi Department of Education – Office of Innovative Support to ensure that reports are received from LEAs to document compliance with comparability requirements and to ensure proper follow up relative to the data reported by LEAs on the comparability reports. In addition, the Office of Innovative Support has incorporated a review of LEA compliance with comparability requirements into the monitoring tool used during on-site monitoring reviews. The results of future audits should reflect the completion of the corrective action.

**05-22 Controls over Reporting Should Be Strengthened**

CFDA 84.010 Title I Grants to Local Educational Agencies

PARTIALLY CORRECTED

Controls have been implemented in the Mississippi Department of Education – Office of Innovative Support to ensure that source documentation supporting the data reported in the Consolidated State Performance Report (CSPR) is properly maintained. However, implementation was not fully completed until after the preparation of the 2005-2006 CSPR. The results of future audits should reflect the implementation of the corrective action.

05-23 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

CFDA 10.558 Child and Adult Care Food Program

**PARTIALLY CORRECTED**

Procedures have been implemented in the Mississippi Department of Education – Office of Child Nutrition to ensure A-133 audits of subrecipients are received from subrecipients within the required time frame and to ensure the audit log used to track receipt of A-133 audits is complete. The results of future audits should reflect the completion of the corrective action.

06-14 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

CFDA 10.558 Child and adult Care Food Program

**PARTIALLY CORRECTED**

Procedures have been implemented in the Mississippi Department of Education – Office of Child Nutrition to ensure A-133 audits of subrecipients are received from subrecipients within the required time frame and to ensure the audit log used to track receipt of A-133 audits is complete. The results of future audits should reflect the completion of the corrective action.

06-15 Controls over Comparability Requirement Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

**PARTIALLY CORRECTED**

Procedures have been implemented in the Mississippi Department of Education – Office of Innovative Support to ensure that reports are received from LEAs to document compliance with comparability requirements and to ensure proper follow up relative to the data reported by LEAs on the comparability reports. In addition, the Office of Innovative Support has incorporated a review of LEA compliance with comparability requirements into the monitoring tool used during on-site monitoring reviews. The results of future audits should reflect the completion of the corrective action.

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

CFDA 84.010 Title I Grants to Local Educational Agencies

**PARTIALLY CORRECTED**

Controls have been implemented in the Mississippi Department of Education – Office of Innovative Support to ensure that source documentation supporting the data reported in the Consolidated State Performance Report (CSPR) is properly maintained. However, implementation was not fully completed until after the preparation of the 2005-2006 CSPR. The results of future audits should reflect the implementation of the corrective action.

06-17 Agency Should Ensure Compliance with Carryover Requirements

CFDA 84.010 Title I Grants to Local Educational Agencies

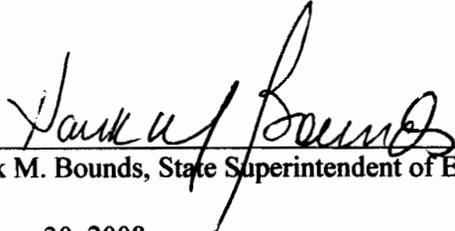
FULLY CORRECTED

06-18 Agency Should Ensure Compliance with Public Control of Funds Requirement

CFDA 84.938 Hurricane Education Recovery

FULLY CORRECTED

Signed:

  
Hank M. Bounds, State Superintendent of Education

Date: January 30, 2008

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**STATE OF MISSISSIPPI  
HALEY BARBOUR, GOVERNOR**

**MISSISSIPPI EMERGENCY MANAGEMENT AGENCY**

**THOMAS M. "MIKE" WOMACK  
EXECUTIVE DIRECTOR**

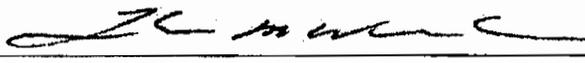
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
For the Year Ended June 30, 2007**

06-25 Audit reports from sub-recipients are not collected timely and reconciled with Sub-recipients schedule of expenditures of federal awards

97.036 Disaster Grant/Public Assistance "Presidential Declared Disasters"

FULLY CORRECTED

Mississippi Emergency Management Agency collects single audit reports timely from sub-recipients and documents response from sub-recipients who have not filed timely. Additionally, MEMA reconciles amounts reported on the sub-recipients' schedules of expenditures of federal awards with Agency records of amounts passed through the Agency for program expenditures.

Signature:   
Thomas M. (Mike) Womack

Title: Executive Director

Date: October 2, 2007

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**STATE OF MISSISSIPPI**  
HALEY BARBOUR, GOVERNOR

**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
J.K. STRINGER, JR.  
EXECUTIVE DIRECTOR

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**  
For the Year Ended June 30, 2007

05-30 Transfers from Self-Insurance Funds Should Not Include Federal Funds

93-UN Various

Not Corrected

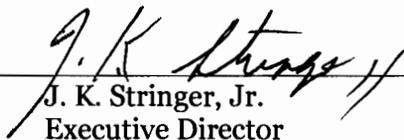
Based on discussions with the federal DHHS negotiator assigned to the State of Mississippi, it is our understanding that the determination of refunds required by the federal government will be made in conjunction with the review and approval of the applicable year's Statewide Cost Allocation Plan. When the FY 2007 plan is submitted to the federal government, we will provide information about the FY 2005 transfers and begin the negotiation process to determine appropriate action.

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

93-UN Various

Not Corrected

Based on discussions with the federal DHHS negotiator assigned to the State of Mississippi, it is our understanding that the determination of refunds required by the federal government will be made in conjunction with the review and approval of the applicable year's Statewide Cost Allocation Plan. When the FY 2008 plan is submitted to the federal government, we will provide information about the FY 2006 transfers and begin the negotiation process to determine appropriate action.

Signed:   
J. K. Stringer, Jr.  
Executive Director

Date: Dec 14, 2007

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**MISSISSIPPI STATE DEPARTMENT OF HEALTH**

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
For the Year Ended June 30, 2007**

**06-28 Controls over Reporting Should Be Strengthened**

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

FULLY CORRECTED

**06-29 Controls over Time Study Procedures Should Be Strengthened**

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

CFDA # 93.991 Preventive Health and Health Services Block Grant

PARTIALLY CORRECTED

Time Study procedures have been implemented to address multiple issues. These procedures will be reviewed periodically and updated. Any new items requiring a procedure to be implemented will be addressed at the time they are identified.

**06-30 Time Study Allocation System Edits and Processes Should Be Improved**

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

CFDA # 93.991 Preventive Health and Health Services Block Grant

PARTIALLY CORRECTED

The MSDH staff has reviewed edits within the Time Study system and made modifications/enhancements where weaknesses were identified. This process will be reviewed on a process by process basis to identify new weaknesses as they arise.

06-31 MWITS Application System's Reliability Should Be Improved

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

NOT CORRECTED

The MSDH staff has continued efforts to stabilize the MWITS application. Many projects and tasks have been completed but with a limited level of success. The migration of the MWITS application to a centralized server has been tested and is functional at two sites. This effort moves the MWITS application to servers at the MSDH central office and the warehouses connect to that application. MSDH – working with ITS – is planning the upgrade of the warehouse sites to a higher performance networking speed to enable those sites to come under this same model. This project will minimize the network issues associated with replication. The overall correction to this problem lies in the replacement of the MWITS application. The RFP released January 2007 resulted in a non-award due to cost and suitability of the overall application. MSDH is working with USDA and ITS to expedite a re-bid of this solution.

Signed   
F.E. "Ed" Thompson, MD, MPH  
State Health Officer

Date: 1/25/08



**STATE OF MISSISSIPPI**  
**OFFICE OF THE GOVERNOR**  
**DIVISION OF MEDICAID**  
**DR. ROBERT L. ROBINSON**  
**EXECUTIVE DIRECTOR**

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**  
**For the Year Ended June 30, 2007**

- 05-15 Agency Should Ensure Paid Hospital Claims Do Not Exceed Service Limits  
CFDA #93.778                      Medical Assistance Program  
FULLY CORRECTED (See finding 06-10)
- 05-16 Agency Should Ensure Claims for Physician Visits in Excess of Service Limits Are Denied  
CFDA #93.778                      Medical Assistance Program  
This finding was not repeated in fiscal year 06 single audit.
- 05-17 Agency Should Ensure Hospital Claims Are Paid in Accordance with the State Plan  
CFDA #93.778                      Medical Assistance Program  
See response for 06-11
- 06-07 Adjustments to Administrative Costs Should be Correctly Calculated  
CFDA #93.778                      Medical Assistance Program  
FULLY CORRECTED
- 06-08 Claims for Inpatient Psychiatric Services Should Be Denied for Recipients Age 21 and Older  
CFDA #93.778                      Medical Assistance Program  
FULLY CORRECTED

06-10 Hospital Claims in Excess of Service Limits Should Be Denied

CFDA #93.778                      Medical Assistance Program

FULLY CORRECTED

06-11 Outpatient Hospital Claims Should Be Paid in Accordance with the State Plan

CFDA #93.778                      Medical Assistance Program

NOT CORRECTED

The design of computer edits to ensure compliance with the co-payment requirement is programmatic for emergency room claims. At the present time, the processing system is considering all outpatient claims from an emergency room to be an emergency and therefore not collecting a co-payment. The Division of Medicaid is continuing to research procedures to implement which will ensure co-payment amounts are correctly calculated. However, enforcement of the collection of such co-pays for non-emergency visits to an emergency room may prove to be problematic.

06-12 Outpatient Rates Should Be Calculated in Accordance with the State Plan

CFDA #93.778                      Medical Assistance Program

NOT CORRECTED

The Division submitted State Plan Amendment (SPAs) in the second quarter of state fiscal year 2006 related to reimbursement of hospital inpatient and outpatient services. While the hospital inpatient SPA has been approved, the hospital outpatient SPA is currently being held by CMS due to questions related to the changes in this reimbursement methodology. The Division is currently negotiating with CMS on acceptance of the final language to the state plan amendment.

06-13 Payments for Uncompensated Care Should Be Reviewed for Duplication and Clerical Accuracy

CFDA #93.776                      Hurricane Katrina Relief

NOT VALID

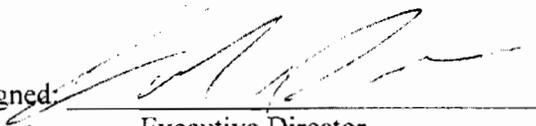
As reported in last year's response to this finding, CMS provided Mississippi, along with Louisiana and Alabama with a Section 1115 waiver that expedited

health care coverage to meet the needs of low-income beneficiaries who needed health care and eliminated barriers in an effort to support evacuees. The states were granted waivers of federal requirements to allow for flexibility, administrative efficiency, and additional coverage needed to ensure that the most vulnerable citizens received the health care they required.

DOM worked very closely with CMS and developed methodologies to prevent fraud which were approved by CMS. Section VI of the CMS approved Mississippi Uncompensated Care Plan states that DOM will perform retrospective reviews and recoup payments for inappropriate claims.

The Division of Medicaid paid approximately 214,492 claims under this program totaling \$73,648,908.27. As of September 17, 2007 DOM had received refunds from providers totaling \$4,037,634.71. These refunds are the result of provider self-audits and agency audit. Reasons for the refunds include payment by third party insurance, payment from Medicaid as a result of a retro eligibility decision, or billing errors.

In October 2007 the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), issued its final report entitled "Review of Hurricane Katrina Uncompensated Care Costs Claimed by Mississippi for Forrest General Hospital". The objective of this review was to determine whether the State agency claimed reimbursement for services provided by the Hospital in accordance with the approved section 1115 demonstration and uncompensated care pool plan. As of December 5, 2007 DOM had reimbursed \$7.9 million under the plan to this hospital. The results of this review were that DOM had claimed reimbursement for services provided by this hospital in accordance with the approved section 1115 demonstration and uncompensated care pool plan.

Signed: 

Executive Director

Date: 12-4-07

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

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**  
**For the Year Ended June 30, 2007**

05-08 Controls over Program Income Should Be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

The implementation process to correct this finding has begun. The Area Representatives are currently using the IDIS System Receipt Audit Trail to track HOME program income. Special Conditions Clearance is used as a tool to report program income during the initiation of the grant contract. A CSD Instruction has been mailed to Local Units of Government and CHDOs detailing the responsibility of reporting program income.

05-11 Controls over Monitoring Sub-recipient Audit Requirement Should be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

MDA has a three-step process in place to minimize errors. Each sub-recipient report will be closely reviewed for errors or omissions. This process starts with the Area Representative checking the submitted documents closely for errors before routing to the next level. CSD Instructions have been issued to notify all recipients of the required due dates for the audit fiscal year. Community Services staff continues to work to identify additional controls to monitor the receipt of sub-recipient audit reports. In addition MDA writes Request for Audit Letters to HOME sub-recipients with a due date reminder.

## SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Page 2

### 05-12 Controls over Period of Affordability Inspections Should Be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

Once contracts are approved and submitted to Accounting, information is updated in the HOME Monitoring Tracking System (HMTS). In addition, area representatives enter inspection and affordability information into system once monitoring of program is 100% complete. We will continue working with staff to correct deficiencies and develop better internal controls to ensure timely inspections.

### 05-25 Controls over Sub-recipient Monitoring Should be Strengthened

14.228 Community Development Block Grant/State's Program

PARTIALLY CORRECTED

MDA has taken step to strengthen the review process by having the staff initial the monitoring report at level one. The reports are reviewed by a supervisor for accuracy and also signed by that person. MDA has in place a Compliance Review system to reduce the probability of an oversight in the monitoring process. This Compliance Review sheet indicates the areas to be monitored, location, date/time and the project description. MDA has revise the monitoring tool to include an answer of yes, n/a, or no for each question asked.

### 06-01 Controls over Program Income Should Be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

The implementation process to correct this finding has begun. The Area Representatives are currently using the IDIS System Receipt Audit Trail to track HOME program income. Special Conditions Clearance is used as a tool to report program income during the initiation of the grant contract. A CSD Instruction has been mailed to Local Units of Government and CHDOs detailing the responsibility of reporting program income.

# SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Page 3

## 06-02 Controls over Sub-recipient Monitoring Should be Strengthened

14.228 Community Development Block Grant/State's Program

PARTIALLY CORRECTED

The corrective action taken by MDA will comply with the stated HUD requirement of monitoring the sub-recipient/grantee at least once during the life of the project. MDA will also modify its monitoring procedures to assure timely monitoring of all projects, to include all required areas of compliance. Only projects with problems or difficulties will require more than one on-site visit to provide needed technical assistance. MDA has in place a Compliance Review system to reduce the probability of an oversight in the monitoring process. This Compliance Review sheet states the areas to be monitored, location, date/time and the project description.

## 06-03 Controls over Sub-recipient Monitoring Should be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

A Monitoring Review Checklist has been developed which will be used during the supervisor's compliance reviews of each grant. We will continue to look at other states for test systems that are in current use for tracking financial records. MDA will continue its efforts to ensure that supervisory reviews are conducted and all documents are signed.

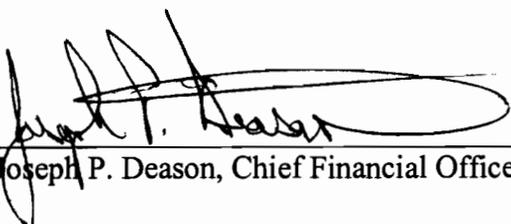
## 06-04 Controls over Period of Affordability Inspections Should Be Strengthened

14.239 HOME Investment Partnership Program

PARTIALLY CORRECTED

Once contracts are approved and submitted to Accounting, information is updated in the HOME Monitoring Tracking System (HMTS). In addition, area representatives enter inspection and affordability information into system once monitoring of program is 100% complete. We will continue working with staff to correct deficiencies and develop better internal controls to ensure timely inspections.

Signed:



\_\_\_\_\_  
Joseph P. Deason, Chief Financial Officer

Date: October 10, 2007

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STATE OF MISSISSIPPI  
HALEY BARBOUR, GOVERNOR  
DEPARTMENT OF PUBLIC SAFETY  
GEORGE PHILLIPS, COMMISSIONER

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2007

05-04 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

16.579 Bryne Formula Grant Program

FULLY CORRECTED

05-05 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

20.600 State and Community Highway Safety

PARTIALLY CORRECTED

05-26 Documentation Supporting Federal Reports Should Be Maintained

97.004 State Domestic Preparedness Equipment Support Program

FULLY CORRECTED

05-27 Controls over Subrecipient Monitoring Should Be Strengthened

97.004 State Domestic Preparedness Equipment Support Program

FULLY CORRECTED

06-19 Documentation Supporting Federal Reports Should Be Maintained

16.579 Edward Byrne Memorial Formula Grant Program

20.600 State and Community Highway Safety

97.004 State Domestic Preparedness Equipment Support Program

FULLY CORRECTED

06-20 Controls over Federal Reimbursement and Reporting Should Be Strengthened

16.579 Edward Byrne Memorial Formula Grant Program

FULLY CORRECTED

06-21 Agency Should Comply with Subrecipient Audit Requirements

16.579 Edward Byrne Memorial Formula Grant Program

FULLY CORRECTED

06-22 Subrecipient Monitoring Procedures Should Be Strengthened

16.579 Edward Byrne Memorial Formula Grant Program

FULLY CORRECTED

06-23 Agency Should Comply with Subrecipient Audit Requirements

20.600 State and Community Highway Safety

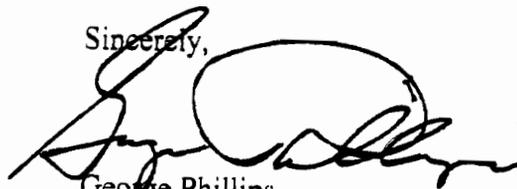
PARTIALLY CORRECTED

06-24 Agency Should Comply with Subrecipient Audit Requirements

97.004 State Domestic preparedness Equipment Support Program

PARTIALLY CORRECTED

Sincerely,

A handwritten signature in black ink, appearing to read "George Phillips". The signature is stylized and cursive, with a large loop at the end.

George Phillips  
Commissioner

### III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



**STATE OF MISSISSIPPI**

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**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS  
FOR THE YEAR ENDED JUNE 30, 2007  
Instructions to Management**

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

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

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

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

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

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**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION**

Hank M. Bounds  
State Superintendent of Education

**SINGLE AUDIT FINDINGS**

March 7, 2008

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

Dear Mr. Pickering:

In accordance with your correspondence dated February 19, 2008, the Mississippi Department of Education is providing the following responses and corrective action plans for the single audit findings for the fiscal year ended June 30, 2007:

**AUDIT FINDINGS:**

84.010 Title I Grants to Local Educational Agencies

Matching, Level of Effort, Earmarking

07-01 Controls over Earmarking Requirement Should Be Established

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

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

The Mississippi Department of Education – Office of Innovative Support has strengthened controls to ensure local educational agencies identified for school improvement are in compliance with earmarking requirements. The FY08 Consolidated Federal Programs Application was modified to include a page entitled “Required Administrative Set-Asides” that requires local educational agencies to identify the percentage set-asides for choice related transportation and supplemental services.

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

Quentin Ransburg, Director  
Office of Innovative Support

C. Anticipated completion date for corrective action:

Procedures have been implemented.

10.558 Child and Adult Care Food Program

Subrecipient Monitoring

07-02 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

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

The Mississippi Department of Education – Office of Child Nutrition (OCN) has strengthened controls over audit logs to ensure the proper identification of entities meeting the requirement for audit submission. OCN has modified the method used to identify organizations required to submit an audit. In addition, written audit resolution guidelines have been updated and distributed to program staff. These written guidelines are maintained on file in the program office.

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

Scott Clements, Director of Monitoring  
Office of Child Nutrition

C. Anticipated completion date for corrective action:

Procedures have been implemented. However, implementation was not fully completed until the end of the 2006-07 fiscal year.

84.010 Title I Grants to Local Educational Agencies

Special Tests and Provisions

07-03 Controls over Comparability Requirement Should Be Strengthened

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

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

The Mississippi Department of Education – Office of Innovative Support has strengthened controls to ensure proper monitoring of LEA compliance with comparability requirements. The review by program staff of LEA comparability reports is documented in writing. When reports indicate comparability deficiencies, the LEA is notified in writing by the program office and is required to submit additional documentation noting compliance. If an LEA fails to comply, it is subject to possible withholding or repayment of Title I, Part A funds in an appropriate amount relative to the instance(s) of noncompliance.

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

Quentin Ransburg, Director  
Office of Innovative Support

C. Anticipated completion date for corrective action:

Procedures were implemented prior to the comparability review in December 2007.

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

Sincerely,



Hank M. Bounds  
State Superintendent of Education

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## Mississippi Department of Employment Security

Haley Barbour  
Governor

Tommye Dale Favre  
Executive Director

### FINANCIAL AUDIT FINDINGS

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

March 12, 2008

Dear Mr. Pickering:

The Mississippi Department of Employment Security appreciates this opportunity to submit our responses to the audit findings for the year ended June 30, 2007 for Special Revenue Fund - Fund 8191.

#### **AUDIT FINDINGS:**

07-15

Response: The Agency accepts this finding and is re-evaluating the process of establishing receivables on employers who have never reported wages.

Corrective Action Plan:

- A. The Tax Department has been instructed to modify the method of determining assessments authorized by MS code Section 71-5-365.
- B. Contacts for this corrective action are Veronica England, Chief of Tax and Dale Smith, Director, Office of Customer Operations Support.
- C. This change will be implemented with assessments made for the first calendar quarter 2008.
- D. N/A

07-16

Response: The Agency accepts this finding and has adopted a policy to include non-trust fund accounts with the federal trust fund accounting trial balance.

*Increasing Employment in Mississippi*

Corrective Action Plan:

- A. The Tax Department has added all accounts to the unemployment trust fund trial balance as suggested by the auditor.
- B. Contacts for this corrective action are Veronica England, Chief of Tax and Dale Smith, Director, Office of Customer Operations Support.
- C. This change was made effective January 1, 2008.
- D. N/A

07-17

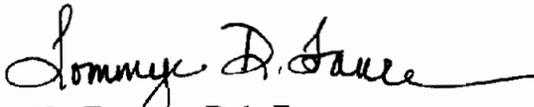
Response: The Agency accepts this finding and is planning to conduct a search for a suitable unemployment trust fund accounting system within the next 9-12 months.

Corrective Action Plan:

- A. The Tax Department is in the process of training a new trust fund accountant. Upon satisfactory completion of the training for this staff MDES will begin a search for a suitable trust fund accounting system that will meet both federal and state requirements.
- B. Contacts for this corrective action are Veronica England, Chief of Tax and Dale Smith, Director, Office of Customer Operations Support.
- C. Search for this accounting system will start by January 2009.

If you have any questions, please call Dale Smith, Director, Office of Customer Operations Support at (601) 321-6167.

Sincerely,



Ms. Tommy Dale Favre  
Executive Director



**MISSISSIPPI STATE DEPARTMENT OF HEALTH**

**SINGLE AUDIT FINDINGS**

March 14, 2008

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 to the Single Audit Findings contained in your letter dated March 5, 2008, for the Fiscal Year 2007 Audit:

**AUDIT FINDINGS:**

**ALLOWABLE COSTS/ COST PRINCIPLES**

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

Federal Award Number and Year: Various

07-22 MWITS Applications Systems Reliability Should be Improved

**Response:** We concur with the finding.

**Corrective Action:** The agency is in the process of obtaining and implementing a new inventory system. This new system should alleviate the problems identified.

**ALLOWABLE COSTS/ COST PRINCIPLES**

93.667 Social Services Block Grant

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

07-19

Controls over Payments to Subrecipients Should Be Strengthened

**Response:** We concur with the finding.

**Corrective Action:** MSDH does have controls in place to ensure payments are not made in excess of the total contract. The overpayment of \$214,717 was the result of the agency reimbursing the subrecipient in excess of a particular line item in the grant. We did not pay them in excess of the overall awarded contract. We have requested repayment from the subrecipient, yet payment has not been received to date. If payment is not received, this will be turned over to the State Auditor. Staff will exercise greater caution to ensure payments do not exceed the line item budgets included in the subrecipient contracts.

In addition, staff will ensure advances are cleared out in a reasonable time period and that additional payments are not made until previous advances have been cleared. A request for documentation was sent to the subrecipient referenced in the audit finding; however, documentation has not been received to date. If documentation is not received this will be turned over to the State Auditor.

**ALLOWABLE COSTS/ COST PRINCIPLES**

10.557

Special Supplemental Nutrition Program for Woman, Infants, and Children

Federal Award Number and Year: various

07-20

Controls over Time Study Procedures Should Be Strengthened

**Response:** We concur with the finding.

**Corrective Action Plan:** The agency has implemented significant changes to the Time Study process. An additional person has been hired to assist with the data entry functions for both relative value and time sheets. Edits to the time study system have been enhanced to reduce the number of issues with data entry. Processes have been implemented to streamline the correction process for forms submitted incorrectly. These efforts will continue as issues with edits and timeliness of data are identified and corrected. These efforts should be recognized on the FY2008 tasks as these changes have been implemented during the first several months of FY2008.

**PERIOD OF AVAILABILITY**

10.557

Special Supplemental Nutrition Program for Woman, Infants, and Children

Federal Award Number and Year: 5MS700704-011 WIC 10/01/05-  
9/30/06  
5MS700704-013 WIC 10/01/06-  
9/30/07

07-21

Controls Should Be Strengthened to Ensure Compliance with Period of Availability

**Response:** We concur with the finding.

**Corrective Action Plan:** Controls are in place to ensure compliance with period of availability requirements. These controls include verification to ensure expenditures are paid from the proper grant. Staff will exercise greater caution in reviewing expenditures when processing for payment.

Sincerely,

A handwritten signature in black ink, appearing to read "F. E. Thompson, Jr. MD". The signature is written in a cursive, flowing style.

F. E. Thompson, Jr., MD, MPH  
State Health Officer

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STATE OF MISSISSIPPI  
HALEY REEVES BARBOUR, GOVERNOR  
DEPARTMENT OF HUMAN SERVICES  
DONALD R. TAYLOR  
EXECUTIVE DIRECTOR

**SINGLE AUDIT FINDINGS**

March 14, 2008

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2007:

**AUDIT FINDINGS:**

**PERIOD OF AVAILABILITY**

*Significant Deficiency*

93.667 Social Services Block Grant

Federal Award Number and Year: G0501MSSOSR

07-12 **Controls over Period of Availability Should Be Strengthened**

**Response:**

Of the two instances where costs were incurred but not obligated by September 30, 2006, MDHS was made aware of the error by the State Auditor's Office. An adjustment was done immediately.

Of the eight instances in which costs were charged to the grant after 90 days allowed for liquidation of obligations, MDHS concurs that the costs were erroneously charged to that reporting category. However, the Agency subsequently shifted our accounting records to reflect efficient bookkeeping practices.

**Corrective Action Plan:**

The Agency's internal control system is in place and will be strengthened to ensure that it is functioning as intended. To prevent further discrepancies, we have budget analysts that review the GM reports monthly to ensure that expenditures are not recorded after the grant's funding and obligation period ends.

The Office of Budgets submitted the final Financial Status Report for FY 2005 SSBG (G0501MSSOSR) on December 29, 2006. If costs were charged in error, a journal entry is prepared to remove it from the grant. The responsible division is notified and instructs the analysts which funds will be used to remove the erroneous charge. The journal entries are verified and approved by the supervisor of the analysts.

The person responsible for the corrective action plans is Peter Boulette, Director, Division of Budgets and Accounting.

**SUB RECIPIENT MONITORING**

*Significant Deficiency*

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

Federal Award Number and Year: Various

- 07-13 Controls over Sub Recipients Monitoring Should Be Strengthened

**Response:**

Of the three instances in which monitoring failed to properly complete the fiscal monitoring tool, the Agency partially agrees with the finding. For one of sub recipients (MS Food Network), costs on the reporting worksheet will not be compared to costs in the sub recipient's accounting system because costs on the reporting worksheet are to be reported based upon the number of pounds of food distributed multiplied by the rate per pound.

Of the one instance in which "no" answers were checked on programmatic monitoring tools with no supporting documentation, the monitor checked "no" in error.

Of the two instances in which documents were missing from the sub recipient monitoring files, the Agency concurs with the finding.

**Corrective Action Plan:**

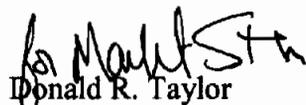
Of the other two instances on not properly completing the monitoring tool, the Division of Program Integrity has put corrective action measures in place to ensure subsequent work papers will be fully reviewed and complete before being put in the sub monitoring file. Each monitor and monitoring supervisor has been informed of the requirement to fully review and complete work papers before filing in sub monitoring files. The information was provided in written form and the monitors acknowledged receipt of the information in written form.

Since there were no findings noted during the monitoring review, checkmarks should have been placed in the column headed "yes" and support documents were not to be required. Again, each monitor and monitoring supervisor has been informed of the importance of completeness and accuracy. The responsible person for the corrective action plan is Janie Howell, Director, Division of Program Integrity.

It was an oversight by the monitor on not completing the Property and Equipment form. Internal Control has been strengthened to ensure that the Division's procedures are followed. It is the responsibility of the MDHS funding division that awarded the sub grant to ensure that all documents are a part of the sub grant award, not the responsibility of the Division of Program Integrity, Office of Monitoring. Janie Howell, Director of the Division of Program Integrity, sent a memorandum to each of the funding divisions to make the applicable staff aware of the requirement.

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

For a better Mississippi,

  
Donald R. Taylor  
Executive Director

DRT:PBB:blz

pc: Mark Smith  
Richard Berry  
Richard Harris  
Peter Boulette

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STATE OF MISSISSIPPI  
MILITARY DEPARTMENT



THE ADJUTANT GENERAL'S OFFICE  
POST OFFICE BOX 5027  
JACKSON, MISSISSIPPI 39296-5027

SINGLE AUDIT FINDINGS

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

February 26, 2008

Dear Mr. Pickering:

We appreciate the professionalism and courtesy shown our staff by your audit staff during both the financial and federal compliance audits recently conducted. We had the exit conference and received the Single Audit Management Report and the following details our response to the Allowable Costs/Costs Principles Findings:

**AUDIT FINDINGS:**

**SIGNIFICANT DEFICIENCY**

07-04 Controls Should Be Strengthened over Construction Contracts System – CFDA 12.401 & CFDA 12.402

**Response:** We agree with this recommendation.

**Corrective Action Plan:**

- A. The current computer program being used for tracking contracts is being edited for accuracy and reliability. Some modifications are noted that will compensate for changes in contracts from ending-year balances to next-year beginning balances. However the actual fix is not with the computer program but with correlating the Architects fees into the total construction costs. On large projects, the Architects fees are not included with the Construction-in-Process figures until virtual completion of the entire project. We adjusted the Prior Year-End contract balances in error to associate the A&E costs in error. We have adjusted this process for future years.
- B. COL Robert F. Thomas is the contact person for this corrective action.
- C. The completion date for this corrective action was January 1, 2008.
- D. N/A

**SIGNIFICANT DEFICIENCY**

07-05 Controls Should Be Strengthened over Inventory – CFDA 12.401 & CFDA 12.402

**Response:** We agree with this recommendation.

**Corrective Action Plan:**

- A. Special Revenue Fund 3701 has a perpetual inventory system. We do a physical inventory of stock in our warehouse each year towards the end of the Calendar year. This procedure was changed a few years back due to the influx of troops onto Camp Shelby around the May through August timeframe for annual training. I have instructed the warehouse Manager and the Accountant at Camp Shelby to conduct a FY year-end physical inventory count to accommodate our financial statements. We have proper controls over inventory in place therefore no changes or improvements are necessary.
- B. COL Robert F. Thomas is the contact person for this corrective action.
- C. The completion date for this corrective action was January 1, 2008.
- D. N/A

Should you have any questions or need additional information, contact our Director of State Resources, COL Robert Thomas at 313-6212.

Sincerely,



Harold A. Cross  
Major General, Mississippi National Guard  
The Adjutant General of Mississippi



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

Single Audit Findings

March 17, 2008

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

Dear Mr. Pickering:

This letter is in response to your letter of March 4, 2008 concerning the Single Audit Findings for the Mississippi Development Authority (MDA) for the fiscal year ended June 30, 2007. Our responses to the three significant deficiencies are as follows:

**07-14**

CFDA Number and Program Name  
14.228 Community Development Block Grant/State's Program  
Federal Award Number and Year: Various  
Questioned Costs: not determined

**Information Technology Applications Internal Audit Report Should Be Completed**

**Response:**

MDA concurs the Information Technology Applications Internal Audit Report (ITAR) should be completed.

**Corrective Action:**

MDA is currently working to resolve this issue in the ongoing contract negotiations.

**07-10**

CFDA Number and Program Name  
14.228 Community Development Block Grant/State's Program  
Federal Award Number and Year: Various

**Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened**

**Response:**

We concur that the controls over monitoring subrecipient audit requirements should be strengthened.

**Corrective Action Plan:**

MDA has taken steps to strengthen the review process by having the Development Assistants responsible for compliance review to initial the monitoring report in the areas that are applicable. After the compliance review, the report will be reviewed by the Bureau Manager. Reports found to be incomplete or questionable will be returned to the appropriate Development Assistant for additional information or completeness. Those reports that do not indicate, "YES, NO, N/A", will be returned to indicate the appropriate response.

The "CSD Monitoring System" has been revised to reflect that CDBG projects must be monitored at least once during the life of the project. The revision of the "CSD Monitoring System" will be effective as of the date of this response. The Bureau Manager or Division Director may indicate, under certain circumstances, if a project will be monitored more than once.

Development Assistants currently track the progress of the projects with a spreadsheet designed to indicate the stage of a particular project. The tracking of projects to ensure projects are monitored prior to close-out will be incorporated into the spreadsheets maintained by Development Assistants for their respective areas.

**07-11**

CFDA Number and Program Name  
14.228 Community Development Block Grant/State's Program  
Federal Award Number and Year: Various

**Controls over Subrecipient Monitoring Should Be Strengthened**

**Response:**

We concur that controls over subrecipient monitoring should be strengthened.

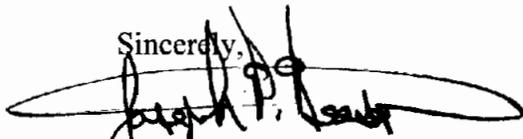
Mr. Pickering  
March 17, 2008  
Page 3 of 3

**Corrective Action Plan:**

Mississippi Development Authority has strengthened the controls to ensure that all of the projects are included on this report. MDA staff will begin entering the closeout data on current active projects as of January 1, 2008. The development specialists will review the Monthly Grants Management Reports and verify that all of their active projects are included on the report. MDA has revised the report to include the close-out received date and the closed date fields. Attached is a copy of the revised Monthly Grantee Management Report.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact Brian Daniel at (601) 359-2596.

Sincerely,



Joseph P. Deason  
Chief Financial Officer

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STATE OF MISSISSIPPI  
HALEY BARBOUR, GOVERNOR  
DEPARTMENT OF PUBLIC SAFETY  
GEORGE PHILLIPS, COMMISSIONER

December 13, 2007

Ms. Susan Riley, CPA  
Nicholson & Company, PLLC  
1700 South 28<sup>th</sup> Avenue  
P.O. Drawer 15099  
Hattiesburg, MS 39404-5099

Dear Ms. Riley:

The following is our response to your audit of the Mississippi Department of Public Safety, Schedule of Federal Awards of Hurricane Criminal Justice Infrastructure Program, the State Highway Safety Program, and the Byrne Formula Grant Program for the year ended June 30, 2007.

**QUESTIONED COSTS**

**Material Noncompliance, Significant Deficiency**

16.738 Hurricane Criminal Justice Infrastructure Program  
16.523 Juvenile Accountability Incentive Block Grant

07-06 *Documentation Supporting Allowable Costs Should be Maintained*

***Finding:***

During the year under audit, a journey entry was booked to the Hurricane Criminal Justice Infrastructure Program to move \$1,000,000 of expenditures from another fund which accounted for several grants. Subsequent to year-end, an additional entry was booked for \$452,000 to a general fund and \$547,761 to the Juvenile Accountability Incentive Block Grant, removing expenditures from the Hurricane Criminal Justice Infrastructure Program. When questioning agency personnel about the purpose of the entries, back-up documentation could not be located and no explanation was provided.

In accordance with A-87 cost principles, cost must be reasonable and necessary for the purpose of the grant. Because no explanation was given, and no documentation could be

provided, we are unable to determine if the costs charged were allowable for the Hurricane Criminal Justice Infrastructure Program and the Juvenile Accountability Incentive Block Grant. While it appears the costs charged to the Hurricane Criminal Justice Infrastructure Program were repaid, by the agency's general fund, at the time of the fieldwork, costs totaling \$547,761 were charged to the Juvenile Accountability Incentive Block Grant.

***Recommendation:***

The agency should ensure documentation supporting all expenditures charged to federal programs is maintained.

***Response:***

When the transfer of funds out of the Hurricane Criminal Justice Infrastructure Program took place, Public Safety Planning was not able to enter transfers. Public Safety Planning is taking additional steps within the grant accounting department to ensure that all expenditures charged to federal programs have proper documentation. Public Safety Planning now has received authority from the Commissioner to enter transfers of funds to ensure that all grant expenditures entered by Public Safety Planning staff have corresponding documentation to justify the drawing and depositing of federal grant funds.

In addition, a reconciliation of the Juvenile Accountability Incentive Block Grant is being performed to ensure that the amount of federal funds drawn equaled the allowable grant expenditures.

**REPORTING**

**Material Noncompliance**

20.600 State and Community Highway Safety CFDA 20.600

07-07 *Controls over Federal Reimbursement and Reporting Should be Strengthened*

***Finding:***

Test work performed at the Mississippi Department of Public Safety related to cash management revealed that five out of five instances, in which sub-grantees submitted reporting worksheets, were not submitted to the agency timely.

***Recommendation:***

Per the agency's guidelines for sub-grantees, reporting worksheets should be submitted for each calendar month by the tenth business day of the following month.

***Response:***

The local agencies are responsible for submission of their monthly claims in a timely manner in order to be reimbursed in a short time, and are required by OHS to sign a statement to this effect. However, the only consequence to the local agencies of failure to meet the 10<sup>th</sup> business day deadline is the delay in receiving their cost reimbursements.

The Office of Highway Safety has no control over the timeliness of the monthly claims submissions by local agencies. We can only advise them that to submit on the 10<sup>th</sup> business day will expedite their payment. OHS will examine the possibility of extending the deadline to allow the local agencies additional time to gather the necessary paperwork for monthly cost reimbursement.

**SUBRECIPIENT MONITORING**

**Material Noncompliance**

07-08 *Monitoring Procedures Should be Strengthened*

***Finding:***

During our review of sub-recipient monitoring procedures for the State and Community Highway Safety Grant at the Mississippi Department of Public Safety, we noted that the agency did not maintain a monitoring schedule to track and summarize monitoring activity. Good internal controls dictate a monitoring schedule to be accurate and complete and monitoring checklists should be completed and retained to provide documentation for sub-recipients' performance with regard to program requirements. This is a repeat of a prior year finding.

***Recommendation:***

The agency should develop a monitoring schedule that includes all components of the monitoring process to ensure that all sub-recipients are properly monitored.

*Auditor's Note:* Subsequent to year end, Department of Public Safety has contracted with a CPA to monitor audit reports from sub-recipients.

***Response:***

The Office of Highway Safety has maintained monitoring schedules for all projects in a Microsoft Excel Data Base since October 1, 2005, and corrected this audit finding of 2005. Both FY 2006 and FY 2007 project monitoring schedules are maintained on this data base, as well as by the Director, and each program manager. This monitoring schedule was shown to Gene Polk with the auditor's office during the state audit in 2007, and was also emailed to the state auditor's office following the 2006 audit.

## Material Noncompliance

97.004 Domestic Preparedness Equipment Support Program

07-09

### Agency Should Comply With Subrecipient Audit Requirements

#### *Finding:*

During our review of subrecipient monitoring procedures for the Domestic Preparedness Equipment Support Program, we noted that the agency did not maintain a monitoring schedule to track and summarize monitoring activity. Good internal controls dictate a monitoring schedule be accurate and complete.

OMB Circular A-133 requires the primary recipient of federal funds to notify subrecipients of all audit requirements and determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient receiving more than \$500,000 in a fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipients audit report and to ensure the subrecipient took appropriate and timely corrective action.

#### *Recommendation:*

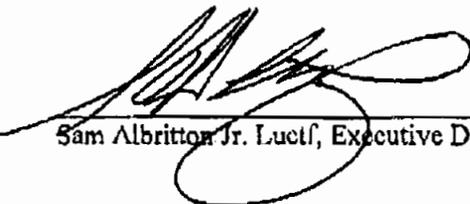
The agency should develop a monitoring schedule that includes all components of the monitoring process to ensure all subrecipients are properly monitored. Additionally, the agency should implement procedures to ensure audit reports are received and reviewed by agency personnel in a timely manner. Second notices should be sent to subrecipients who have not complied with audit requirements. Supervisory reviews of the checklist used to review submitted audit reports should be performed and documented with the reviewer's initials and date of review. In addition, the audit schedule should include all subrecipients and appropriate dates to ensure adequate monitoring procedures have been performed.

#### *Response:*

The Department of Public Safety, Office of Homeland Security, has fully corrected this finding by developing and implementing a monitoring schedule and tracking tool for this grant program. Subgrantees will be monitored on a yearly basis. The tracking tool is comprised of the following items: name of subgrantee, subgrantee primary contact, scheduled date of audit, completed date of audit, type of grant monitored and date audit report was received and reviewed. All subgrantees are required to submit a copy of their financial audit with their completed Cooperative Agreement. The Grants Director will review all audits submitted by subgrantees.

Sincerely,

MS Department of Public Safety, Division of Planning

  
\_\_\_\_\_  
Sam Albritton Jr. Lucif, Executive Director

## IV. INDICES



**STATE OF MISSISSIPPI**

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**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
LISTED BY FEDERAL DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2007**

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1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: Pages 69-75
3. U.S. Department of Commerce: None
4. U.S. Department of Defense: Pages 77-78
5. U.S. Department of Housing and Urban Development: Pages 79-84
6. U.S. Department of the Interior: None
7. U.S. Department of Justice: Page 85
8. U.S. Department of Labor: None
9. U.S. Department of Transportation: Pages 86-87
10. U. S. Department of Treasury: None
11. Appalachian Regional Commission: None
12. General Services Administration: None
13. National Foundation on the Arts and the Humanities: None
14. U.S. Department of Veterans Affairs: None
15. Environmental Protection Agency: None
16. U.S. Department of Energy: None
17. Federal Emergency Management Agency: None
18. U.S. Department of Education: Pages 88-91
19. National Archives and Records Administration: None
20. Elections Assistance Commission: None
21. U.S. Department of Health and Human Services: Pages 93-98
22. Corporation for National and Community Service: None
23. Social Security Administration: None
24. Department of Homeland Security: Page 99

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STATE OF MISSISSIPPI

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INDEX OF FINDINGS AND RECOMMENDATIONS  
LISTED BY STATE GRANTEE AGENCY  
FOR THE YEAR ENDED JUNE 30, 2007

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1. Agricultural Aviation Board: None
2. Agriculture and Commerce: None
3. Animal Health: None
4. Archives and History: None
5. Arts Commission: None
6. Attorney General: None
7. Board for Community and Junior Colleges: None
8. Corrections: None
9. Education: Pages 69, 88
10. Emergency Management: None
11. Employment Security: Page 63
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Pages 70, 93
18. Human Services: Page 95
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: None
23. Military Department: Page 77
24. Mississippi Development Authority: Page 79
25. Narcotics: None
26. Oil and Gas Board: None
27. Public Safety: Pages 85, 99
28. Public Service Commission: None
29. Rehabilitation Services: None
30. Secretary of State: None
31. Soil and Water Conservation Commission: None
32. State Fire Academy: None
33. Supreme Court: None
34. Transportation: None
35. Treasury: None
36. Veterans Affairs Board: None
37. Wildlife, Fisheries and Parks: None

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

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**STATE OF MISSISSIPPI**

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**INDEX OF FINDINGS AND RECOMMENDATIONS  
LISTED BY FINDING NUMBER  
FOR THE YEAR ENDED JUNE 30, 2007**

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<b><u>FINDING NUMBER</u></b>	<b><u>PAGE NUMBER</u></b>	<b><u>STATE GRANTEE AGENCY NAME</u></b>
07-01	88	Education
07-02	69	Education
07-03	90	Education
07-04	77	Military
07-05	78	Military
07-06	85	Public Safety
07-07	86	Public Safety
07-08	87	Public Safety
07-09	99	Public Safety
07-10	81	Mississippi Development Authority
07-11	83	Mississippi Development Authority
07-12	95	Human Services
07-13	97	Human Services
07-14	79	Mississippi Development Authority
07-15	63	Employment Security
07-16	64	Employment Security
07-17	65	Employment Security
07-18	-	(not used)
07-19	93	Health
07-20	72	Health
07-21	74	Health
07-22	70	Health

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**STATE OF MISSISSIPPI**

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**INDEX OF MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS  
LISTED BY STATE GRANTEE AGENCY  
FOR THE YEAR ENDED JUNE 30, 2007**

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1. Agricultural Aviation Board: None
2. Agriculture and Commerce: None
3. Animal Health: None
4. Archives and History: None
5. Arts Commission: None
6. Attorney General: None
7. Board for Community and Junior Colleges: None
8. Corrections: None
9. Education: Page 129
10. Emergency Management: None
11. Employment Security: Page 133
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Page 135
18. Human Services: Page 139
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: None
23. Military Department: Page 143
24. Mississippi Development Authority: Page 145
25. Narcotics: None
26. Oil and Gas Board: None
27. Public Safety: Page 149
28. Public Service Commission: None
29. Rehabilitation Services: None
30. Secretary of State: None
31. Soil and Water Conservation Commission: None
32. State Fire Academy: None
33. Supreme Court: None
34. Transportation: None
35. Treasury: None
36. Veterans Affairs Board: None
37. Wildlife, Fisheries and Parks: None

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## V. ACKNOWLEDGMENTS



## ACKNOWLEDGMENTS

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Many thanks to the following managers, supervisors and field staff of the Office of the State Auditor for their efforts in gathering information contained in this Single Audit Report:

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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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