

State of Mississippi

Single Audit Report

for the Fiscal Year Ended June 30, 2013

MISSISSIPPI



Stacey E. Pickering

State Auditor

Office of the State Auditor

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

March 27, 2014

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, 2013. Our audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996, the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Mississippi's audit requirements.

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

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

- for the twenty-sixth 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 2012 Comprehensive Annual Financial Report (CAFR) and
- an unmodified opinion has been rendered on the state's financial statements in 2013.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2013 and our report thereon, dated December 19, 2013, has been issued under separate cover and is available electronically at <http://www.dfa.state.ms.us/> or by writing to the address below:

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

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

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

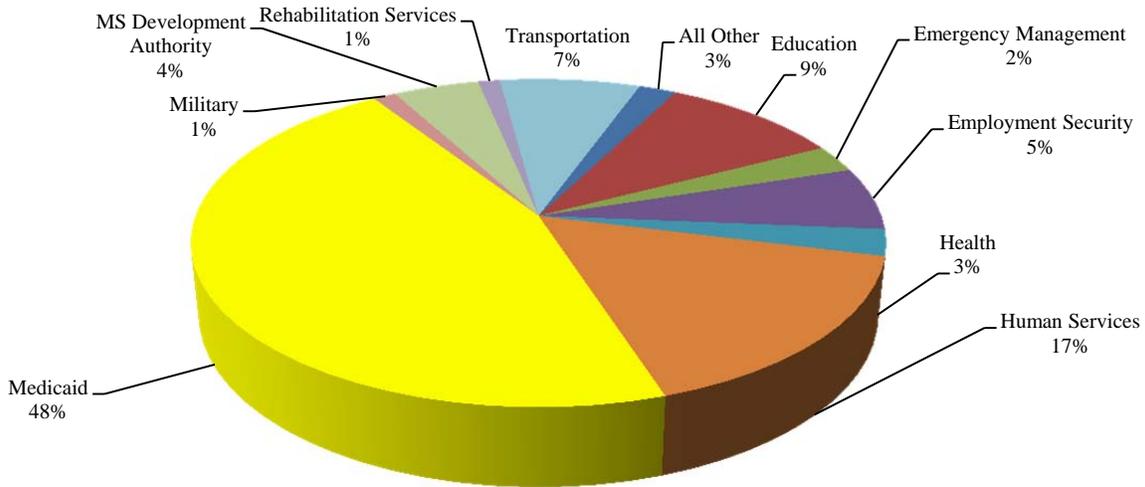
Respectfully submitted

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

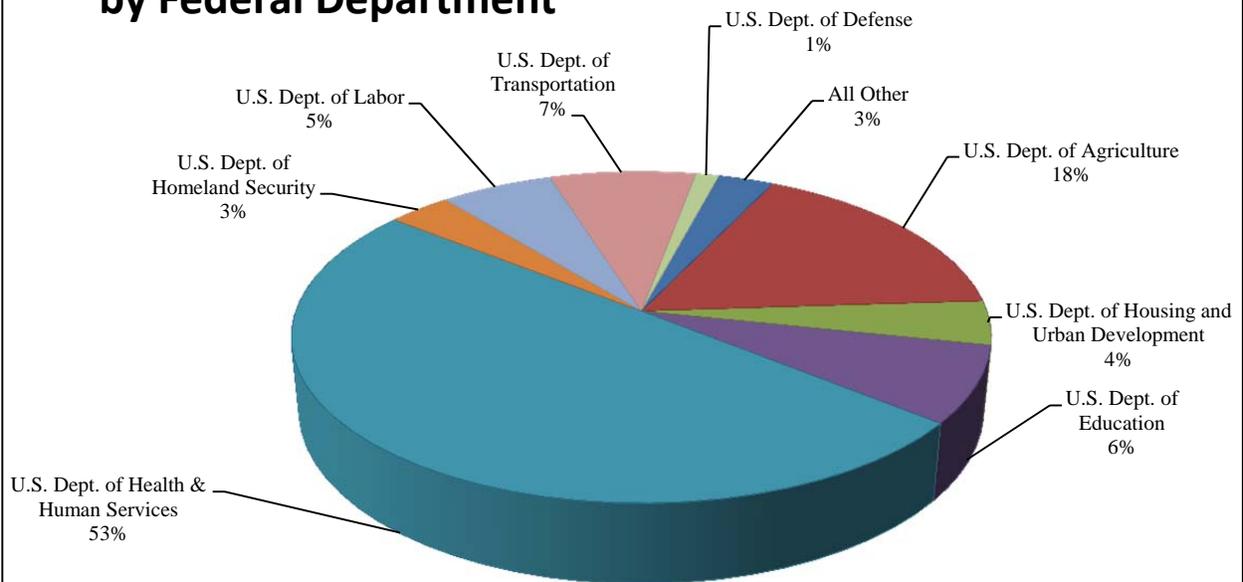
STACEY E. PICKERING
State Auditor

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

**STATE OF MISSISSIPPI
Fiscal Year 2013**

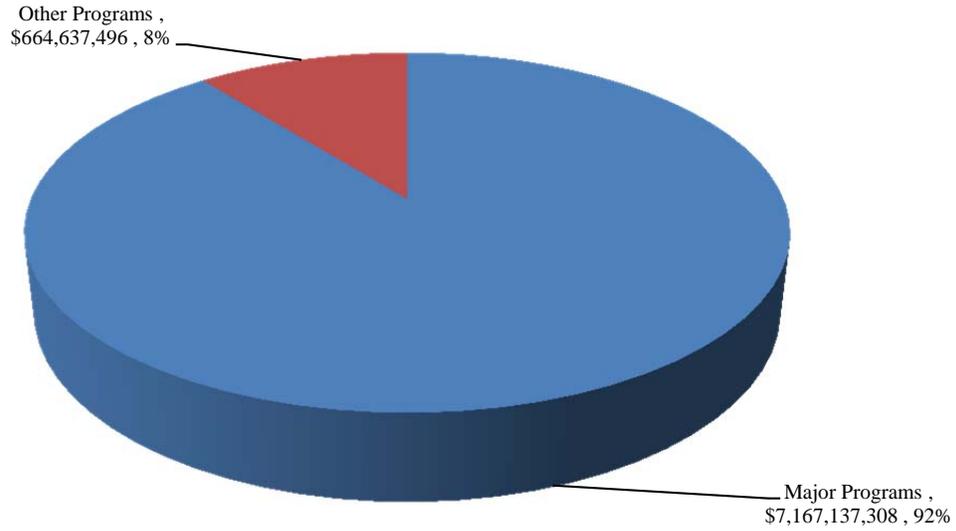


**Expenditures of Federal Awards
by Federal Department**

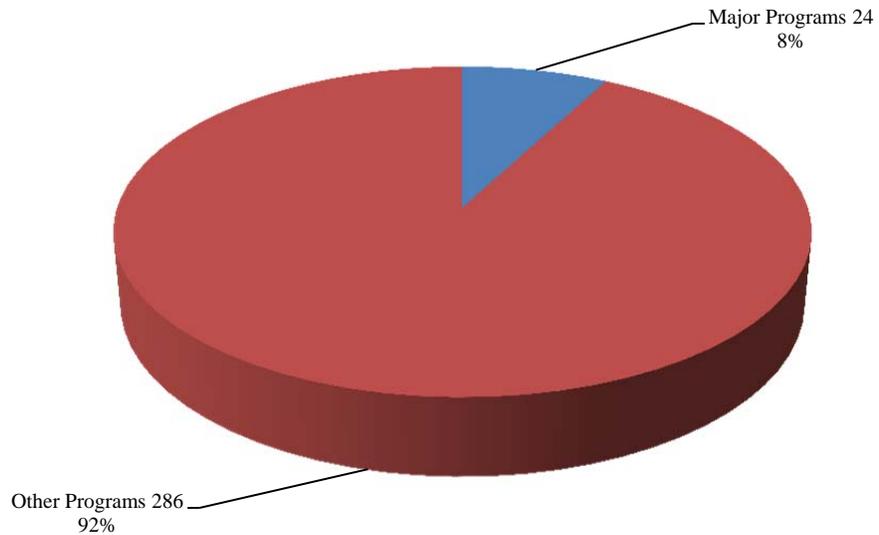


STATE OF MISSISSIPPI Fiscal Year 2013

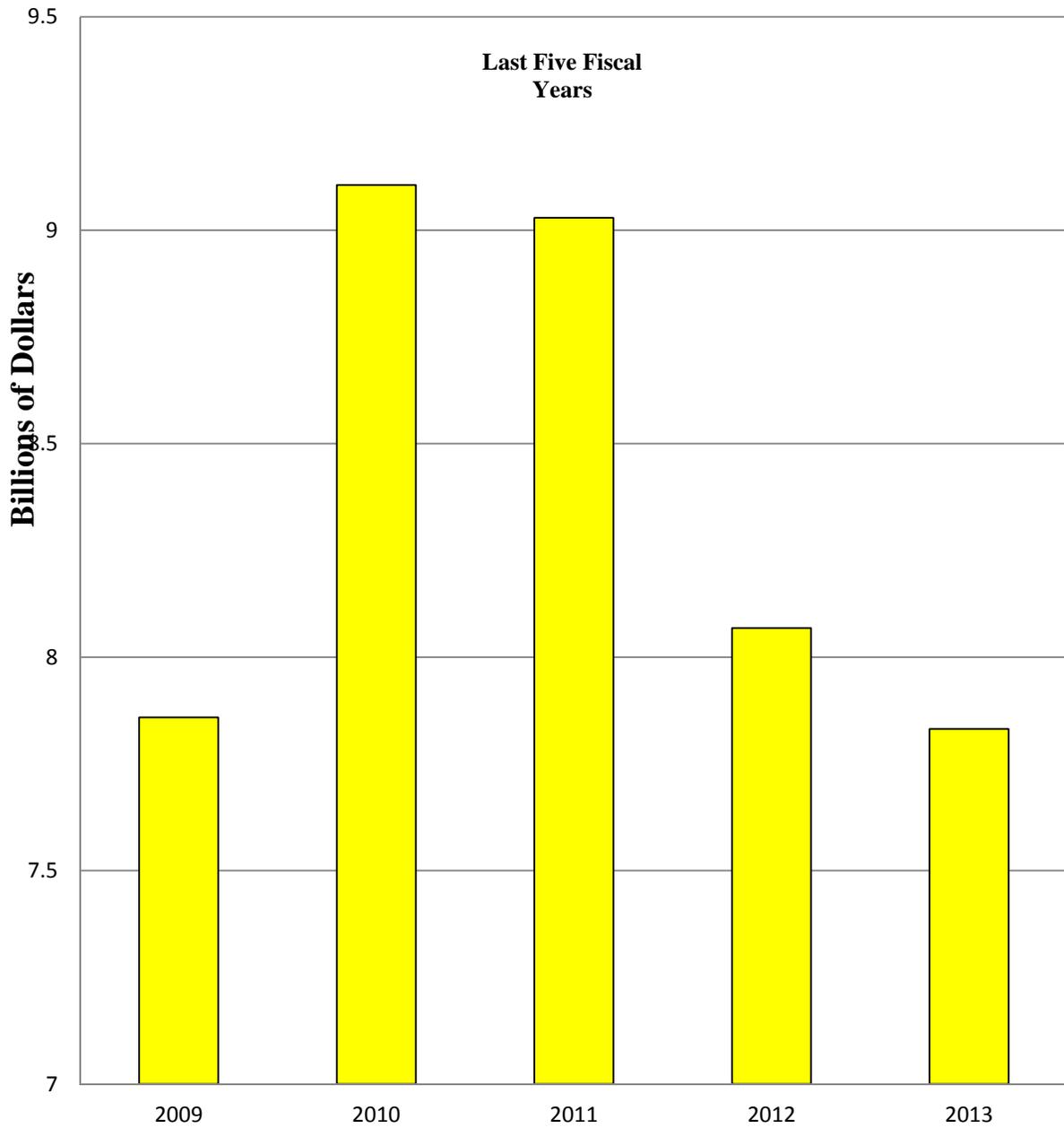
Percentage of Major Program Assistance Total Expenditures of Federal Awards \$7,831,774,804



Percentage of Major Program Assistance 310 Programs



STATE OF MISSISSIPPI Total Federal Financial Assistance



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STATE OF MISSISSIPPI

SINGLE AUDIT REPORT

For the Year Ended June 30, 2013

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I. AUDIT REPORTING



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Mississippi (the State), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 19, 2013. Our report includes a reference to other auditors who audited the financial statements of the following, as described in our report on the State of Mississippi's financial statements:

■ Government-wide Financial Statements

● Governmental Activities

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Finance and Administration – Office of Insurance, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 40%, respectively, of the assets and revenues of the Governmental Activities;

● Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and the Unemployment Compensation

Fund which, in the aggregate, represent 96% and 93%, 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, the Mississippi Authority for Educational Television and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 22% and 36%, respectively, of the assets and revenues of the General Fund;

- Proprietary Funds

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

- Aggregate Remaining Funds

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

all of which represent 99% and 98%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

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

The financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the University of Southern Mississippi Foundation, the University of Mississippi Medical Center

Educational Building Corporation, the University of Mississippi Educational Building Corporation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, which were audited by other auditors upon whose reports we are relying, were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these funds or entities.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we and other auditors considered the State of Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our and the other auditors' consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

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

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2013-01.

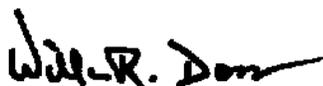
We and the other auditors also noted certain matters which we have reported to management of the State of Mississippi in separate communications.

Management's Response to Finding

Management's response to the finding identified in our audit is described in the accompanying "Management's Response and Corrective Action Plan" section. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the State of Mississippi's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Will R. Doss". The signature is written in a cursive style with a long horizontal stroke at the end.

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

Jackson, Mississippi
December 19, 2013



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We and other auditors have audited the State of Mississippi's (the State) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. We did not audit the National Guard Military Operations and Maintenance (O&M) Projects, the Disaster Recovery Funds within the Community Development Block Grants/State's Program, the Unemployment Insurance Program, the WIA Cluster, the Recreational Trails Program within the Highway Planning and Construction Cluster, the Capitalization Grants for Clean Water State Revolving Funds Program, the Capitalization Grants for Drinking Water State Revolving Funds Program, the Vocational Rehabilitation Grants to States, the Children's Health Insurance Program, the Medicaid Cluster, the Mississippi Interoperable Communications Grant Program, the Disaster Grants - Public Assistance Program, and the Hazard Mitigation Grant Program. Those programs were audited by other auditors whose reports have been furnished to us. The State of Mississippi's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Auditor's Responsibility

Our and the other auditors' responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. The State of Mississippi's basic financial statements include the operations of the State's public universities, as a major component unit within the discretely presented component units, which received \$954,382,779 in federal awards which is not included in the State's schedule during the year ending June 30, 2013. Our audit, described below, did not include the operations of the public universities because the universities component unit engaged other auditors to perform an audit in accordance with the provisions of OMB Circular A-133.

Except as discussed in the following paragraph, we and other auditors conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-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 reports of other auditors, provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit, and the audits of other auditors, do not provide a legal determination of the State of Mississippi’s compliance.

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

Basis for Qualified Opinion on the WIA Cluster, the TANF Cluster, the CCDF Cluster and the SSBG Program

As described in the accompanying “Schedule of Findings and Questioned Costs: Part 3 – Federal Award Findings and Questioned Costs,” the State of Mississippi did not comply with requirements regarding the following:

Finding #	CFDA #	Program/Cluster Name	Compliance Requirement
2013-006	17.258, 17.259, 17.278	WIA Cluster	Subrecipient Monitoring
2013-010	93.558, 93.714	TANF Cluster	Eligibility
2013-009	93.575, 93.596	CCDF Cluster	Allowable Costs
2013-011	93.575, 93.596	CCDF Cluster	Eligibility
2013-013	93.575, 93.596	CCDF Cluster	Subrecipient Monitoring
2013-012	93.667	Social Services Block Grant	Reporting

Compliance with such requirements is necessary, in our opinion, for the State of Mississippi to comply with the requirements applicable to those programs.

Qualified Opinion on the WIA Cluster, the TANF Cluster, the CCDF Cluster and the SSBG Program

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the WIA Cluster, the TANF Cluster, the CCDF Cluster and the Social Services Block Grant for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, based on our audit and the reports of other auditors, the State of Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor’s

Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2013. We did not test the transactions and records of the major federal programs administered by the state's public universities for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

Other Matters

The results of our auditing procedures also disclosed other instances of noncompliance, 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 2013-002, 2013-003 and 2013-014. Our opinion on each major federal program is not modified with respect to these matters.

The responses by state agencies to the noncompliance findings identified in our audit, and the audits of other auditors, are described in the accompanying "Section III – Management Responses and Corrective Action Plans." Management's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

The management of the State of Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we and other auditors considered the State of Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control over compliance. We excluded the federal programs of the State's public universities, as discussed in the fifth paragraph of this report.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 2013-009, 2013-010, 2013-011, 2013-012 and 2013-015 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 – Federal Award Findings and Questioned Costs" as items 2013-004, 2013-005, 2013-007, 2013-008, 2013-014 and 2013-016 to be significant deficiencies.

The responses by state agencies to the internal control over compliance findings identified in our audit, and the audits of other auditors, are described in the accompanying "Section III – Management Responses and Corrective Action Plans." Management's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is matter of public record and its distribution is not limited.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the State of Mississippi's basic financial statements. We issued our report thereon dated December 19, 2013 which contained unmodified opinions on those financial statements. We did not audit the financial statements of:

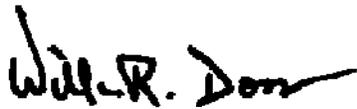
- Government-wide Financial Statements
 - Governmental Activities
 - the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Finance and Administration – Office of Insurance, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 40%, respectively, of the assets and revenues of the Governmental Activities;
 - Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board and the Unemployment Compensation Fund which, in the aggregate, represent 96% and 93%, 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, the Mississippi Authority for Educational Television and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 22% and 36%, respectively, of the assets and revenues of the General Fund;
 - Proprietary Funds
 - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program and the Unemployment Compensation Fund, which are considered major enterprise funds;
 - Aggregate Remaining Funds
 - the State Agencies Self-Insured Workers' Compensation Trust Fund and selected funds at the Department of Finance and Administration – Office of Insurance within the Internal Service Fund;
 - nonmajor enterprise funds for the Veterans' Home Purchase Board;
 - the Pension Trust Funds;
 - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;
- all of which represent 99% and 98%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinions, insofar as they relate to the amounts included for those agencies, funds, and component units, are based on the reports of the other auditors.

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

Our audit and the audits of the other auditors were conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State of Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards by Federal Department is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Although not required by OMB Circular A-133, the Schedule of Expenditures of Federal Awards by State Grantee Agency is presented for purposes of additional analysis. The information in the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based upon our audit and the audit reports of the other auditors, except for the effects of the omission described in the preceding paragraph, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



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

Jackson, Mississippi
March 27, 2014 except for the Schedule of Expenditures of Federal Awards, as to which the date is
December 19, 2013.

Schedule of Expenditures of Federal Awards by Federal Department



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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture and Commerce / Animal Health / Wildlife, Fisheries and Parks	660,901
10.069	Conservation Reserve Program	Agriculture and Commerce	12,307
10.163	Market Protection and Promotion	Agriculture and Commerce	29,282
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	114,392
10.170	Specialty Crop Block Grant Program – Farm Bill	Agriculture and Commerce	192,448
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,754,287
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	80,782,324
10.558	Child and Adult Care Food Program	Education	40,185,099
10.560	State Administrative Expenses for Child Nutrition	Education	3,347,297
10.574	Team Nutrition Grants	Education	4,833
10.577	SNAP Partnership Grant	Human Services	151,909
10.582	Fresh Fruit and Vegetable Program	Education	1,880,661
10.664	Cooperative Forestry Assistance	Forestry Commission	2,714,523
10.678	Forest Stewardship Program	Forestry Commission	1,988,480
10.680	Forest Health Protection	Agriculture and Commerce	49,902
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	Forestry Commission	262
10.861	Public Television Station Digital Transition Grant Program	Educational Television	113,257
10.902	Soil and Water Conservation	Agriculture and Commerce	647,968
10.912	Environmental Quality Incentives Program	Agriculture and Commerce	40,268
10.950	Agricultural Statistics Reports	Agriculture and Commerce	56,961
SUBTOTAL			134,727,361
SNAP Cluster			
10.551	Supplemental Nutrition Assistance Program (SNAP)	Human Services	1,004,165,802
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	27,550,846
Total SNAP Cluster			1,031,716,648
Child Nutrition Cluster			
10.553	School Breakfast Program (SBP)	Education	58,760,406
10.555 @	National School Lunch Program (NSLP)	Education	176,248,407
10.556	Special Milk Program for Children (SMP)	Education	3,358
10.559	Summer Food Service Program for Children (SFSPC)	Education	5,816,425
Total Child Nutrition Cluster			240,828,596

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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
Food Distribution Cluster			
10.565	Commodity Supplemental Food Program	Health	621,177
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	720,034
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	7,053,366
Total Emergency Food Assistance Cluster			8,394,577
Forest Service Schools and Roads Cluster			
10.665	Schools and Roads - Grants to States	Treasury	6,787,169
Total Forest Service Schools and Roads Cluster			6,787,169
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,422,454,351
<u>U.S. DEPARTMENT OF COMMERCE</u>			
11.419	Coastal Zone Management Administration Awards	Marine Resources	2,325,119
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	620,402
11.434	Cooperative Fishery Statistics	Marine Resources	76,034
11.472	Unallied Science Program	Wildlife, Fisheries and Parks	19,320
11.473	Coastal Services Center	Environmental Quality / Marine Resources	814,599
11.557	ARRA – Broadband Technology Opportunities Program (BTOP)	Governor's Office	8,452,926
11.558	ARRA – State Broadband Data and Development Grant Program	Governor's Office	1,489,672
TOTAL U.S. DEPARTMENT OF COMMERCE			13,798,072
<u>U.S. DEPARTMENT OF DEFENSE</u>			
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	497,693
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers assigned by the pass through entity – DACW01-3-91-0543, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, DACW38-3-12-9, and DACW01-3-92-0410.	Wildlife, Fisheries and Parks	1,580,530
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	188,239
12.400	Military Construction, National Guard	Military Department	8,869,626
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department / Soil & Water Conservation Commission	76,222,368
12.404	National Guard ChalleNGe Program	Military Department	3,616,310
12.405	National Guard Drug Interdiction and Counter Drug	Military Department	301,423

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
	Activities		
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	169,294
TOTAL U.S. DEPARTMENT OF DEFENSE			91,445,483
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
14.231	Emergency Solutions Grant Program	MS Development Authority	1,735,974
14.239	Home Investment Partnerships Program	MS Development Authority	14,004,271
14.241	Housing Opportunities for Persons with AIDS	Health	495,949
SUBTOTAL			16,236,194
	CDBG – State-Administered CDBG Cluster		
14.228	Community Development Block Grants / State's Program	MS Development Authority	295,050,937
Total CDBG – State-Administered CDBG Cluster			295,050,937
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			311,287,131
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	191,431
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Environmental Quality	11,599
15.426	Coastal Impact Assistance Program (CIAP)	Marine Resources	7,487,491
15.615	Cooperative Endangered Species Conservation Fund	Wildlife, Fisheries and Parks	170,904
15.616	Clean Vessel Act	Marine Resources	41,018
15.622	Sportfishing and Boating Safety Act	Marine Resources	695,746
15.630	Coastal Program	Marine Resources	61,855
15.633	Landowner Incentive Program	Wildlife, Fisheries and Parks	818
15.634	State Wildlife Grants	Wildlife, Fisheries and Parks	470,932
15.657	Endangered Species Conservation – Recovery Implementation Funds	Wildlife, Fisheries and Parks	34,234
15.668	Coastal Impact Assistance Program	Marine Resources	557,719
15.810	National Cooperative Geologic Mapping Program	Environmental Quality	83,579
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	Environmental Quality	10,484
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History / Marine Resources	2,719,705
SUBTOTAL			12,537,515

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Fish and Wildlife Cluster		
15.605	Sport Fish Restoration Program	Marine Resources / Wildlife, Fisheries and Parks	4,362,654
15.611	Wildlife Restoration and Basic Hunter Education	Wildlife, Fisheries and Parks	4,627,517
	Total Fish and Wildlife Cluster		<u>8,990,171</u>
	TOTAL U.S. DEPARTMENT OF THE INTERIOR		<u>21,527,686</u>
	<u>U.S. DEPARTMENT OF JUSTICE</u>		
16.017	Sexual Assault Services Formula Program	Public Safety	166,327
16.523	Juvenile Accountability Block Grants	Public Safety	576,548
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	Public Safety	346,855
16.543	Missing Children's Assistance	Attorney General	222,728
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	191,424
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Public Safety	571,578
16.575	Crime Victim Assistance	Public Safety	4,214,760
16.576	Crime Victim Compensation	Attorney General	2,219,000
16.588	Violence Against Women Formula Grants	Public Safety	1,567,525
16.588	ARRA – Violence Against Women Formula Grants	Public Safety	26,657
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	183,176
16.606	State Criminal Alien Assistance Program	Corrections	15,707
16.609	Project Safe Neighborhoods	Public Safety	51,362
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	31,458
16.727	Enforcing Underage Drinking Laws Program	Public Safety	197,705
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	Corrections	211,364
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Public Safety	41,674
16.751	Edward Byrne Memorial Competitive Grant Program	Attorney General	54,888
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	Attorney General / Public Safety	154,021
16.801	ARRA – Recovery Act – State Victim Assistance Formula Grant Program	Public Safety	24,709
16.810	ARRA – Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	Attorney General	37,008
16.816	John R. Justice Prosecutors and Defenders Incentive Act	Attorney General	122,782
16.922	Equitable Sharing Program	Public Safety	279

(continued)

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

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
16.UN	Domestic Cannabis Eradication / Suppression Program	Narcotics	138,147
16.UN1	DEA Task Force	Public Safety	22,638
16.UN5	U.S. Marshall Service	Public Safety	3,813
SUBTOTAL			11,394,133
JAG Program Cluster			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	2,426,359
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	Public Safety	2,805,995
Total JAG Program Cluster			5,232,354
TOTAL U.S. DEPARTMENT OF JUSTICE			16,626,487
<u>U.S. DEPARTMENT OF LABOR</u>			
17.002	Labor Force Statistics	Employment Security	788,075
17.005	Compensation and Working Conditions	Health	19,720
17.225 #	Unemployment Insurance	Employment Security	369,412,761
17.225 #	ARRA – Unemployment Insurance	Employment Security	8,284
17.235	Senior Community Service Employment Program	Employment Security / Human Services	995,466
17.245	Trade Adjustment Assistance	Employment Security	1,296,113
17.271	Work Opportunity Tax Credit Program (WOTC)	Employment Security	217,095
17.273	Temporary Labor Certification for Foreign Workers	Employment Security	111,292
17.277	Workforce Investment Act (WIA) National Emergency Grants	Employment Security	3,630,892
17.280	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants	Employment Security	2,342
17.505	OSHA Data Initiative	Health	14,766
17.600	Mine Health and Safety Grants	Environmental Quality	30,558
SUBTOTAL			376,527,364
Employment Service Cluster			
17.207	Employment Service / Wagner-Peyser Funded Activities	Employment Security	6,392,239
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security	693,726
17.804	Local Veterans' Employment Representative (LVER) Program	Employment Security	668,566
Total Employment Service Cluster			7,754,531

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
	WIA Cluster		
17.258	WIA Adult Program	Employment Security	12,444,752
17.259	WIA Youth Activities	Employment Security	18,418,589
17.278	WIA Dislocated Worker Formula Grants	Employment Security	1,748,203
17.278	ARRA – WIA Dislocated Worker Formula Grants	Employment Security	414,473
	Total WIA Cluster		33,026,017
	TOTAL U.S. DEPARTMENT OF LABOR		417,307,912
	<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
20.106	Airport Improvement Program	Transportation	97,730
20.218	National Motor Carrier Safety	Public Safety	3,100,629
20.231	Performance and Registration Information Systems Management	Revenue	60,333
20.232	Commercial Driver's License Program Improvement Grant	Public Safety	857,266
20.237	Commercial Vehicle Information Systems and Networks	Transportation	1,287,567
20.2NA	Fatal Analysis Reporting System	Public Safety	68,564
20.314	Railroad Development	Transportation	562,549
20.505	Metropolitan Transportation Planning	Transportation	569,350
20.509	Formula Grants for Rural Areas	Transportation	11,043,616
20.509	ARRA – Formula Grants for Rural Areas	Transportation	2,878,162
20.607	Alcohol Open Container Requirements	Public Safety	7,819,536
20.700	Pipeline Safety Program Base Grant	Public Service Commission	536,822
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	231,988
	SUBTOTAL		29,114,112
	Highway Planning and Construction Cluster		
20.205	Highway Planning and Construction	Transportation / Health	546,545,434
20.205	ARRA – Highway Planning and Construction	Transportation	-59,833
20.219	Recreational Trails Program	Wildlife, Fisheries and Parks	1,395,411
	Total Highway Planning and Construction Cluster		547,881,012
	Federal Transit Cluster		
20.500	Federal Transit – Capital Investment Grants	Port Authority at Gulfport	94,941
	Total Federal Transit Cluster		94,941
	Transit Services Programs Cluster		

(continued)

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

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	2,061,811
20.516	Job Access – Reverse Commute Program	Transportation	415,732
20.521	New Freedom Program	Transportation	188,556
Total Transit Services Programs Cluster			2,666,099
Highway Safety Cluster			
20.600	State and Community Highway Safety	Public Safety	3,327,851
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	Public Safety	1,238,815
20.602	Occupant Protection Incentive Grants	Public Safety	467,687
20.610	State Traffic Safety Information System Improvement Grants	Public Safety	323,680
Total Highway Safety Cluster			5,358,033
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			585,114,197
<u>APPALACHIAN REGIONAL COMMISSION</u>			
23.002	Appalachian Area Development	MS Development Authority / Transportation	196,331
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	MS Development Authority	127,182
TOTAL APPALACHIAN REGIONAL COMMISSION			323,513
<u>GENERAL SERVICES ADMINISTRATION</u>			
39.003 @	Donation of Federal Surplus Personal Property	Finance and Administration	1,428,566
39.011	Election Reform Payments	Secretary of State	460,926
TOTAL GENERAL SERVICES ADMINISTRATION			1,889,492
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>			
45.025	Promotion of the Arts - Partnership Agreements	Arts Commission	944,797
45.310	Grants to States	Library Commission	1,901,499
45.312	National Leadership Grants	Archives and History	39,831
TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			2,886,127
<u>SMALL BUSINESS ADMINISTRATION</u>			
59.061	State Trade and Export Promotion Pilot Grant Program	MS Development Authority	614,790

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
TOTAL SMALL BUSINESS ADMINISTRATION			614,790
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>			
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs Board	165,328
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	112,412
64.203	State Cemetery Grants	Veterans Affairs Board	958,874
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			1,236,614
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.032	State Indoor Radon Grants	Health	44,229
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	402,217
66.040	State Clean Diesel Grant Program	Environmental Quality	265,521
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	195,808
66.432	State Public Water System Supervision	Health	874,399
66.433	State Underground Water Source Protection	Oil and Gas Board	103,250
66.454	Water Quality Management Planning	Environmental Quality	126,065
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	5,291,994
66.460	Nonpoint Source Implementation Grants	Environmental Quality	3,899,834
66.461	Regional Wetland Program Development Grants	Environmental Quality	15,543
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	9,136,996
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	Health	139,892
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	206,372
66.475	Gulf of Mexico Program	Environmental Quality / Marine Resources	413,005
66.605	Performance Partnership Grants	Agriculture and Commerce / Environmental Quality	8,328,126
66.606	Survey's, Studies, Investigations and Special Purpose Grants	Environmental Quality	52,825
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	103,415
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	80,103
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	290,363
66.708	Pollution Prevention Grants Program	Environmental Quality	56,921

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	80,979
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Environmental Quality	150,791
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality	549,336
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality	1,224,828
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	110,319
TOTAL ENVIRONMENTAL PROTECTION AGENCY			32,143,131
<u>U.S. DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	MS Development Authority	756,153
81.041	ARRA – State Energy Program	MS Development Authority	54,902
81.042	Weatherization Assistance for Low-Income Persons	Human Services / Treasury	530,017
81.042	ARRA – Weatherization Assistance for Low-Income Persons	Human Services	2,868,854
81.119	State Energy Program Special Projects	MS Development Authority	396,164
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	MS Development Authority / Public Service Commission	261,578
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	Educational Television / MS Development Authority	350,052
81.136	Long-Term Surveillance and Maintenance	Health	129,122
81.UN1	Petroleum Violation Escrow – Stripper Well	Treasury	708,045
TOTAL U.S. DEPARTMENT OF ENERGY			6,054,887
<u>U.S. DEPARTMENT OF EDUCATION</u>			
84.002	Adult Education – Basic Grants to States	Board for Community and Junior Colleges	6,396,076
84.011	Migrant Education – State Grant Program	Education	979,798
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Education	395,411
84.048	Career and Technical Education – Basic Grants to States	Education	13,107,340
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	Rehabilitation Services	44,903,239
84.144	Migrant Education – Coordination Program	Education	89,058
84.169	Independent Living - State Grants	Rehabilitation Services	286,483
84.177	Rehabilitation Services – Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	261,375
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	Rehabilitation Services	391,892
84.213	Even Start State Educational Agencies	Education	183,832

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>	
84.224	Assistive Technology	Rehabilitation Services	379,982
84.243	Tech-Prep Education	Education	67,652
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	134,995
84.287	Twenty-First Century Community Learning Centers	Education	12,904,297
84.305	Education Research, Development and Dissemination	Education	85,088
84.323	Special Education – State Personnel Development	Education	820,204
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	180,310
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	Education	38,249
84.358	Rural Education	Education	6,185,827
84.365	English Language Acquisition State Grants	Education	1,785,852
84.366	Mathematics and Science Partnerships	Education	2,568,506
84.367	Improving Teacher Quality State Grants	Education	30,855,528
84.369	Grants for State Assessments and Related Activities	Education	4,887,929
84.371	Striving Readers	Education	5,310
84.410	ARRA – Education Jobs Fund	Finance and Administration	282,338
84.938	Hurricane Education Recovery	Education	509,020
SUBTOTAL			128,685,591
Title 1, Part A Cluster			
84.010	Title I Grants to Local Educational Agencies	Education	193,713,068
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	Education	48,165
Total Title 1, Part A Cluster			193,761,233
Special Education Cluster (IDEA)			
84.027	Special Education – Grants to States (IDEA, Part B)	Education	135,739,203
84.173	Special Education – Preschool Grants (IDEA, Preschool)	Education	4,327,374
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	Education	-298,661
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	Education	-177
Total Special Education Cluster (IDEA)			139,767,739
TRIO Cluster			
84.044	TRIO – Talent Search	Education	403,723
Total TRIO Cluster			403,723

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
Early Intervention Services (IDEA) Cluster		
84.181	Special Education – Grants for Infants and Families	Health 4,095,912
84.393	ARRA – Special Education – Grants for Infants and Families, Recovery Act	Health 75,796
Total Early Intervention Services (IDEA) Cluster		4,171,708
Education of Homeless Children and Youth Cluster		
84.196	Education of Homeless Children and Youth	Education 768,177
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	Education -341
Total Education of Homeless Children and Youth Cluster		767,836
Educational Technology State Grants Cluster		
84.318	Educational Technology State Grants	Education 94,256
Total Educational Technology State Grants Cluster		94,256
Statewide Data Systems Cluster		
84.372	Statewide Data Systems	Education 107,346
84.384	ARRA – Statewide Data Systems, Recovery Act	Education 2,612,092
Total Statewide Data Systems Cluster		2,719,438
Teacher Incentive Fund Cluster		
84.374	Teacher Incentive Fund	Education 1,705,044
Total Teacher Incentive Fund Cluster		1,705,044
School Improvement Grants Cluster		
84.377	School Improvement Grants	Education 8,757,682
84.388	ARRA – School Improvement Grants, Recovery Act	Education 10,484,762
Total School Improvement Grants Cluster		19,242,444
TOTAL U.S. DEPARTMENT OF EDUCATION		491,319,012
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>		
89.003	National Historical Publications and Records Grants	Archives and History 10,681
TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		10,681
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	Health	32,728
93.041	Special Programs for the Aging – Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	37,543
93.042	Special Programs for the Aging – Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	Human Services	215,494
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	Human Services	148,244
93.048	Special Programs for the Aging – Title IV – and Title II - Discretionary Projects	Human Services	239,891
93.052	National Family Caregiver Support, Title III, Part E	Human Services	1,088,013
93.069	Public Health Emergency Preparedness	Health	1,587,742
93.070	Environmental Public Health and Emergency Response	Health	377,623
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Health	8,513,067
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health	492,496
93.103	Food and Drug Administration – Research	Health	113,385
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	2,563,138
93.110	Maternal and Child Health Federal Consolidated Programs	Health	177,373
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	849,078
93.127	Emergency Medical Services for Children	Health	117,427
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	Health	159,499
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	294,064
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	304,827
93.184	Disabilities Prevention	Health	73,311
93.197	Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	24,604
93.217	Family Planning – Services	Health	4,535,768
93.235	Affordable Care Act (ACA) Abstinence Education Program	Human Services	528,429
93.236	Grants to States to Support Oral Health Workforce Activities	Health	433,854
93.241	State Rural Hospital Flexibility Program	Health	324,912
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	Mental Health	1,017,648
93.251	Universal Newborn Hearing Screening	Health	229,605

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

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
93.270	Adult Viral Hepatitis Prevention and Control	Health	12,000
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	Emergency Management / Health	13,915,454
93.296	State Partnership Grant Program to Improve Minority Health	Health	67,311
93.301	Small Rural Hospital Improvement Grant Program	Health	336,759
93.414	ARRA – State Primary Care Offices	Health	106,857
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Human Services	2,596,885
93.507	PPHF 2012 National Public Health Improvement Initiative	Health	216,748
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	Insurance	419,072
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	Insurance	243,527
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	Health	717,791
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	Insurance	7,306,765
93.539	PPHF 2012 – Prevention and Public Health Fund (Affordable Care Act) – Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds	Health	93,628
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	Health	306,290
93.556	Promoting Safe and Stable Families	Human Services	4,599,946
93.563	Child Support Enforcement	Human Services	20,732,843
93.566	Refugee and Entrant Assistance – State Administered Programs	Human Services	1,219,779
93.568	Low-Income Home Energy Assistance	Human Services / Treasury	35,906,307
93.569	Community Services Block Grant	Human Services	9,811,560
93.586	State Court Improvement Program	Supreme Court	385,061
93.590	Community-Based Child Abuse Prevention Grants	Human Services	176,762
93.597	Grants to States for Access and Visitation Programs	Human Services	96,527
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	369,576
93.603	Adoption Incentive Payments	Human Services	123,025
93.617	Voting Access for Individuals with Disabilities – Grants to States	Secretary of State	163,443
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	602,363
93.631	Developmental Disabilities Projects of National Significance	Mental Health	347,894
93.643	Children's Justice Grants to States	Human Services	201,311
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Human Services	3,340,430

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.652	Adoption Opportunities	Human Services	289,141
93.658	Foster Care – Title IV-E	Human Services	18,697,742
93.658	ARRA – Foster Care – Title IV-E	Human Services	10,134
93.659	Adoption Assistance	Human Services	8,785,926
93.667	Social Services Block Grant	Human Services	28,791,699
93.669	Child Abuse and Neglect State Grants	Human Services	242,348
93.671	Family Violence Prevention and Services / Battered Women's Shelters – Grants to States and Indian Tribes	Health	993,940
93.674	Chafee Foster Care Independence Program	Human Services	1,148,868
93.717	ARRA – Preventing Healthcare-Associated Infections	Health	8,339
93.719	ARRA – State Grants to Promote Health Information Technology	Health	770,160
93.723	ARRA – Prevention and Wellness – State, Territories and Pacific Islands	Health	-112,224
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self-Management Program	Human Services	81,509
93.729	ARRA – Health Information Technology and Public Health	Health	110,885
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – Financed in Part by the Prevention and Public Health Fund (PPHF-2012)	Health	174,324
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in Part by 2012 Prevention and Public Health Funds (PPHF-2012)	Health	221,543
93.744	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by 2012 Prevention and Public Health Funds	Health	159,243
93.745	PPHF 2012: Health Care Surveillance/Health Statistics - Surveillance Program Announcement Behavioral Risk Factor Surveillance System Financed in Part by 2012 Prevention And Public Health Funds (PPHF-2012)	Health	151,493
93.767	Children's Health Insurance Program	Medicaid	168,616,415
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid	818,299
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	5,952,174
93.791	Money Follows the Person Rebalancing Demonstration	Medicaid	2,761,919
93.793	Medicaid Transformation Grants	Medicaid	459,551
93.889	National Bioterrorism Hospital Preparedness Program	Health	3,059,918
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Central MS Residential Center	81,284
93.913	Grants to States for Operation of Offices of Rural Health	Health	175,388
93.917	HIV Care Formula Grants	Health	12,290,803
93.938	Cooperative Agreements to Support Comprehensive School	Education	281,727

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures/ Distributions/ Issuances</u>
	Health Programs to Prevent the Spread of HIV and Other Important Health Problems		
93.940	HIV Prevention Activities – Health Department Based	Health	2,776,350
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	861,293
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	790,446
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	138,734
93.958	Block Grants for Community Mental Health Services	Mental Health	3,667,529
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	13,563,934
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	Health	1,393,091
93.991	Preventive Health and Health Services Block Grant	Health	977,241
93.994	Maternal and Child Health Services Block Grant to the States	Health	9,036,667
93.UN1	Healthy Communities	Health	15,796
	SUBTOTAL		417,139,306
	Aging Cluster		
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	Human Services	3,123,410
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	Human Services	5,217,132
93.053	Nutrition Services Incentive Program	Human Services	1,393,306
	Total Aging Cluster		9,733,848
	Immunization Cluster		
93.268 @	Immunization	Health	41,337,428
93.712	ARRA - Immunization	Health	35,566
	Total Immunization Cluster		41,372,994
	TANF Cluster		
93.558	Temporary Assistance for Needy Families (TANF) State Programs	Human Services	54,610,961
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	Human Services	-45,387
	Total TANF Cluster		54,565,574
	CCDF Cluster		

(continued)

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

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>	
93.575	Child Care and Development Block Grant	Human Services	52,022,531
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	20,815,698
	Total CCDF Cluster		72,838,229
	Head Start Cluster		
93.600	Head Start	Governor's Office	175,000
93.708	ARRA – Head Start	Human Services	563,078
	Total Head Start Cluster		738,078
	Medicaid Cluster		
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative	Health	2,191
93.775	State Medicaid Fraud Control Units	Attorney General	2,295,622
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health / Medicaid	4,617,781
93.778	Medical Assistance Program	Medicaid	3,492,066,003
93.778	ARRA – Medical Assistance Program	Medicaid	50,108,750
	Total Medicaid Cluster		3,549,090,347
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		4,145,478,376
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>		
94.013	Volunteers in Service to America	Human Services	68,363
	SUBTOTAL		68,363
	Foster Grandparent / Senior Companion Cluster		
94.016	Senior Companion Program	Human Services	216,989
	Total Foster Grandparent / Senior Companion Cluster		216,989
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		285,352
	<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>		
95.001	High Intensity Drug Trafficking Areas Program	Narcotics / Public Safety	1,385,270
	TOTAL EXECUTIVE OFFICE OF THE PRESIDENT		1,385,270

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>		
96.008	Social Security – Work Incentives Planning and Assistance Program	Rehabilitation Services 876
SUBTOTAL		876
Disability Insurance / SSI Cluster		
96.001	Social Security – Disability Insurance (DI)	Rehabilitation Services 29,603,335
Total Disability Insurance / SSI Cluster		29,603,335
TOTAL SOCIAL SECURITY ADMINISTRATION		29,604,211
<u>DEPARTMENT OF HOMELAND SECURITY</u>		
97.001	Mississippi Interoperable Communications Grant	Public Safety 29,183,485
97.012	Boating Safety Financial Assistance	Wildlife, Fisheries and Parks 718,522
97.013	State Access to the Oil Spill Liability Trust Fund	Environmental Quality 3,115,998
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Emergency Management 234,740
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Emergency Management 158,538,596
97.039	Hazard Mitigation Grant	Emergency Management 29,587,966
97.041	National Dam Safety Program	Environmental Quality 323,066
97.042	Emergency Management Performance Grants	Public Safety 4,511,845
97.043	State Fire Training Systems Grants	State Fire Academy 15,029
97.045	Cooperating Technical Partners	Emergency Management / Environmental Quality 1,653,792
97.047	Pre-Disaster Mitigation	Emergency Management 40,500
97.052	Emergency Operations Center	Public Safety 25,900
97.055	Interoperable Emergency Communications	Public Safety 227,212
97.056	Port Security Grant Program	Port Authority at Gulfport / Public Safety 2,362,167
97.067	Homeland Security Grant Program	Public Safety 976,030
97.078	Buffer Zone Protection Program (BZPP)	Public Safety 37,442
97.082	Earthquake Consortium	Emergency Management 41,294
97.089	Driver's License Security Grant Program	Public Safety 7,388,445
TOTAL DEPARTMENT OF HOMELAND SECURITY		238,982,029
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 7,831,774,804

(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, 2013

**CFDA
Number**

State Agency/Federal Department/Program Name

**Federal
Expenditures
Distributions/
Issuances**

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

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

The total expenditures for CFDA No. 17.225 include state expenditures of \$176,054,867 and federal expenditures of \$193,336,178.

@ Denotes federal programs with noncash benefits.

(concluded)

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

Schedule of Expenditures of Federal Awards by State Grantee Agency



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STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Agriculture and Commerce</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	97,448
10.069	Conservation Reserve Program	12,307
10.163	Market Protection and Promotion	29,282
10.169	Specialty Crop Block Grant Program	114,392
10.170	Specialty Crop Block Grant Program – Farm Bill	192,448
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,754,287
10.680	Forest Health Protection	49,902
10.902	Soil and Water Conservation	33,792
10.912	Environmental Quality Incentives Program	40,268
10.950	Agricultural Statistics Reports	56,961
Total U.S. DEPARTMENT OF AGRICULTURE		2,381,087
ENVIRONMENTAL PROTECTION AGENCY		
66.605	Performance Partnership Grants	515,127
TOTAL Agriculture and Commerce		2,896,214
<u>Animal Health</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	550,029
TOTAL Animal Health		550,029
<u>Archives and History</u>		
U.S. DEPARTMENT OF THE INTERIOR		
15.904	Historic Preservation Fund Grants-In-Aid	2,613,116
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.312	National Leadership Grants	39,831
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		
89.003	National Historical Publications and Records Grants	10,681
TOTAL Archives and History		2,663,628

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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Arts Commission</u>		
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.025	Promotion of the Arts - Partnership Agreements	944,797
TOTAL Arts Commission		944,797
<u>Attorney General</u>		
U.S. DEPARTMENT OF JUSTICE		
16.543	Missing Children's Assistance	222,728
16.576	Crime Victim Compensation	2,219,000
16.751	Edward Byrne Memorial Competitive Grant Program	54,888
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	151,170
16.810	ARRA – Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	37,008
16.816	John R. Justice Prosecutors and Defenders Incentive Act	122,782
Total U.S. DEPARTMENT OF JUSTICE		2,807,576
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.775	State Medicaid Fraud Control Units	2,295,622
TOTAL Attorney General		5,103,198
<u>Board for Community and Junior Colleges</u>		
U.S. DEPARTMENT OF EDUCATION		
84.002	Adult Education – Basic Grants to States	6,396,076
TOTAL Board for Community and Junior Colleges		6,396,076
<u>Central Mississippi Residential Center</u>		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	81,284
TOTAL Central Mississippi Residential Center		81,284
<u>Corrections</u>		
U.S. DEPARTMENT OF JUSTICE		
16.606	State Criminal Alien Assistance Program	15,707
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	211,364
Total U.S. DEPARTMENT OF JUSTICE		227,071
TOTAL Corrections		227,071

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name Education</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
U.S. DEPARTMENT OF AGRICULTURE		
10.553	School Breakfast Program (SBP)	58,760,406
10.555 @	National School Lunch Program (NSLP)	176,248,407
10.556	Special Milk Program for Children (SMP)	3,358
10.558	Child and Adult Care Food Program	40,185,099
10.559	Summer Food Service Program for Children (SFSPC)	5,816,425
10.560	State Administrative Expenses for Child Nutrition	3,347,297
10.574	Team Nutrition Grants	4,833
10.582	Fresh Fruit and Vegetable Program	1,880,661
Total U.S. DEPARTMENT OF AGRICULTURE		286,246,486
U.S. DEPARTMENT OF DEFENSE		
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	169,294
U.S. DEPARTMENT OF EDUCATION		
84.010	Title I Grants to Local Educational Agencies	193,713,068
84.011	Migrant Education – State Grant Program	979,798
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	395,411
84.027	Special Education – Grants to States (IDEA, Part B)	135,739,203
84.044	TRIO – Talent Search	403,723
84.048	Career and Technical Education – Basic Grants to States	13,107,340
84.144	Migrant Education – Coordination Program	89,058
84.173	Special Education – Preschool Grants (IDEA, Preschool)	4,327,374
84.196	Education of Homeless Children and Youth	768,177
84.213	Even Start State Educational Agencies	183,832
84.243	Tech-Prep Education	67,652
84.287	Twenty-First Century Community Learning Centers	12,904,297
84.305	Education Research, Development and Dissemination	85,088
84.318	Educational Technology State Grants	94,256
84.323	Special Education – State Personnel Development	820,204
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	180,310
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	38,249
84.358	Rural Education	6,185,827
84.365	English Language Acquisition State Grants	1,785,852
84.366	Mathematics and Science Partnerships	2,568,506
84.367	Improving Teacher Quality State Grants	30,855,528
84.369	Grants for State Assessments and Related Activities	4,887,929
84.371	Striving Readers	5,310
84.372	Statewide Data Systems	107,346
84.374	Teacher Incentive Fund	1,705,044
84.377	School Improvement Grants	8,757,682
84.384	ARRA – Statewide Data Systems, Recovery Act	2,612,092

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	-341
84.388	ARRA – School Improvement Grants, Recovery Act	10,484,762
84.389	ARRA – Title I Grants to Local Educational Agencies, Recovery Act	48,165
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	-298,661
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	-177
84.938	Hurricane Education Recovery	509,020
	Total U.S. DEPARTMENT OF EDUCATION	434,110,924
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	281,727
	TOTAL Education	720,808,431
	<u>Educational Television</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.861	Public Television Station Digital Transition Grant Program	113,257
	U.S. DEPARTMENT OF ENERGY	
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	-9,848
	TOTAL Educational Television	103,409
	<u>Emergency Management</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	231,988
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	4,608,209
	DEPARTMENT OF HOMELAND SECURITY	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	234,740
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	158,538,596
97.039	Hazard Mitigation Grant	29,587,966
97.045	Cooperating Technical Partners	312,446
97.047	Pre-Disaster Mitigation	40,500
97.082	Earthquake Consortium	41,294
	Total DEPARTMENT OF HOMELAND SECURITY	188,755,542
	TOTAL Emergency Management	193,595,739
	<u>Employment Security</u>	
	U.S. DEPARTMENT OF LABOR	
17.002	Labor Force Statistics	788,075

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
17.207	Employment Service / Wagner-Peyser Funded Activities	6,392,239
17.225 #	Unemployment Insurance	369,412,761
17.225 #	ARRA – Unemployment Insurance	8,284
17.235	Senior Community Service Employment Program	952,273
17.245	Trade Adjustment Assistance	1,296,113
17.258	WIA Adult Program	12,444,752
17.259	WIA Youth Activities	18,418,589
17.271	Work Opportunity Tax Credit Program (WOTC)	217,095
17.273	Temporary Labor Certification for Foreign Workers	111,292
17.277	Workforce Investment Act (WIA) National Emergency Grants	3,630,892
17.278	WIA Dislocated Worker Formula Grants	1,748,203
17.278	ARRA – WIA Dislocated Worker Formula Grants	414,473
17.280	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants	2,342
17.801	Disabled Veterans' Outreach Program (DVOP)	693,726
17.804	Local Veterans' Employment Representative (LVER) Program	668,566
Total U.S. DEPARTMENT OF LABOR		417,199,675
TOTAL Employment Security		417,199,675
 <u>Environmental Quality</u>		
U.S. DEPARTMENT OF COMMERCE		
11.473	Coastal Services Center	145,342
 U.S. DEPARTMENT OF DEFENSE		
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	188,239
 U.S. DEPARTMENT OF THE INTERIOR		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	191,431
15.252	Abandoned Mine Land Reclamation (AMLR) Program	11,599
15.810	National Cooperative Geologic Mapping Program	83,579
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	10,484
Total U.S. DEPARTMENT OF THE INTERIOR		297,093
 U.S. DEPARTMENT OF LABOR		
17.600	Mine Health and Safety Grants	30,558
 ENVIRONMENTAL PROTECTION AGENCY		
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	402,217
66.040	State Clean Diesel Grant Program	265,521
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	195,808
66.454	Water Quality Management Planning	126,065
66.458	Capitalization Grants for Clean Water State Revolving Funds	5,291,994
66.460	Nonpoint Source Implementation Grants	3,899,834

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
66.461	Regional Wetland Program Development Grants	15,543
66.472	Beach Monitoring and Notification Program Implementation Grants	206,372
66.475	Gulf of Mexico Program	284,976
66.605	Performance Partnership Grants	7,812,999
66.606	Survey's, Studies, Investigations and Special Purpose Grants	52,825
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	103,415
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	80,103
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	290,363
66.708	Pollution Prevention Grants Program	56,921
66.709	Multi-Media Capacity Building Grants for States and Tribes	80,979
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	150,791
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	549,336
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,224,828
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	110,319
	Total ENVIRONMENTAL PROTECTION AGENCY	21,201,209
	DEPARTMENT OF HOMELAND SECURITY	
97.013	State Access to the Oil Spill Liability Trust Fund	3,115,998
97.041	National Dam Safety Program	323,066
97.045	Cooperating Technical Partners	1,341,346
	Total DEPARTMENT OF HOMELAND SECURITY	4,780,410
	TOTAL Environmental Quality	26,642,851
	<u>Finance and Administration</u>	
	GENERAL SERVICES ADMINISTRATION	
39.003 @	Donation of Federal Surplus Personal Property	1,428,566
	U.S. DEPARTMENT OF EDUCATION	
84.410	ARRA – Education Jobs Fund	282,338
	TOTAL Finance and Administration	1,710,904
	<u>Forestry Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.664	Cooperative Forestry Assistance	2,714,523
10.678	Forest Stewardship Program	1,988,480
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	262
	Total U.S. DEPARTMENT OF AGRICULTURE	4,703,265
	TOTAL Forestry Commission	4,703,265

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Governor's Office</u>		
U.S. DEPARTMENT OF COMMERCE		
11.557	ARRA – Broadband Technology Opportunities Program (BTOP)	8,452,926
11.558	ARRA – State Broadband Data and Development Grant Program	1,489,672
	Total U.S. DEPARTMENT OF COMMERCE	9,942,598
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.600	Head Start	175,000
	TOTAL Governor's Office	10,117,598
<u>Health</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	80,782,324
10.565	Commodity Supplemental Food Program	621,177
	Total U.S. DEPARTMENT OF AGRICULTURE	81,403,501
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
14.241	Housing Opportunities for Persons with AIDS	495,949
U.S. DEPARTMENT OF LABOR		
17.005	Compensation and Working Conditions	19,720
17.505	OSHA Data Initiative	14,766
	Total U.S. DEPARTMENT OF LABOR	34,486
U.S. DEPARTMENT OF TRANSPORTATION		
20.205	Highway Planning and Construction	84,671
ENVIRONMENTAL PROTECTION AGENCY		
66.032	State Indoor Radon Grants	44,229
66.432	State Public Water System Supervision	874,399
66.468	Capitalization Grants for Drinking Water State Revolving Funds	9,136,996
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds	139,892
	Total ENVIRONMENTAL PROTECTION AGENCY	10,195,516
U.S. DEPARTMENT OF ENERGY		
81.136	Long-Term Surveillance and Maintenance	129,122
U.S. DEPARTMENT OF EDUCATION		
84.181	Special Education – Grants for Infants and Families	4,095,912
84.393	ARRA – Special Education – Grants for Infants and Families, Recovery Act	75,796

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF EDUCATION	4,171,708
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV / AIDS Demonstration Program	32,728
93.069	Public Health Emergency Preparedness	1,587,742
93.070	Environmental Public Health and Emergency Response	377,623
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	8,513,067
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	492,496
93.103	Food and Drug Administration – Research	113,385
93.110	Maternal and Child Health Federal Consolidated Programs	177,373
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	849,078
93.127	Emergency Medical Services for Children	117,427
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	159,499
93.136	Injury Prevention and Control Research and State and Community Based Programs	294,064
93.184	Disabilities Prevention	73,311
93.197	Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	24,604
93.217	Family Planning – Services	4,535,768
93.236	Grants to States to Support Oral Health Workforce Activities	433,854
93.241	State Rural Hospital Flexibility Program	324,912
93.251	Universal Newborn Hearing Screening	229,605
93.268 @	Immunization	41,337,428
93.270	Adult Viral Hepatitis Prevention and Control	12,000
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	9,307,245
93.296	State Partnership Grant Program to Improve Minority Health	67,311
93.301	Small Rural Hospital Improvement Grant Program	336,759
93.414	ARRA – State Primary Care Offices	106,857
93.507	PPHF 2012 National Public Health Improvement Initiative	216,748
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	717,791
93.539	PPHF 2012 – Prevention and Public Health Fund (Affordable Care Act) – Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds	93,628
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	306,290
93.671	Family Violence Prevention and Services / Battered Women's Shelters – Grants to States and Indian Tribes	993,940
93.712	ARRA – Immunization	35,566
93.717	ARRA – Preventing Healthcare-Associated Infections	8,339
93.719	ARRA – State Grants to Promote Health Information Technology	770,160
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative	2,191
93.723	ARRA – Prevention and Wellness – State, Territories and Pacific Islands	-112,224

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.729	ARRA – Health Information Technology and Public Health	110,885
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure And Performance – Financed in Part by the Prevention and Public Health Fund (PPHF – 2012)	174,324
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in Part by 2012 Prevention and Public Health Funds (PPHF – 2012)	221,543
93.744	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by 2012 Prevention and Public Health Funds	159,243
93.745	PPHF 2012: Health Care Surveillance/Health Statistics – Surveillance Program Announcement Behavioral Risk Factor Surveillance System Financed in Part by 2012 Prevention and Public Health Funds (PPHF – 2012)	151,493
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2,425,960
93.889	National Bioterrorism Hospital Preparedness Program	3,059,918
93.913	Grants to States for Operation of Offices of Rural Health	175,388
93.917	HIV Care Formula Grants	12,290,803
93.940	HIV Prevention Activities – Health Department Based	2,776,350
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	861,293
93.945	Assistance Programs for Chronic Disease Prevention and Control	790,446
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	138,734
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	1,393,091
93.991	Preventive Health and Health Services Block Grant	977,241
93.994	Maternal and Child Health Services Block Grant to the States	9,036,667
93.UN1	Healthy Communities	15,796
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		107,295,740
TOTAL Health		203,810,693
 <u>Human Services</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.551	Supplemental Nutrition Assistance Program (SNAP)	1,004,165,802
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	27,550,846
10.568	Emergency Food Assistance Program (Administrative Costs)	720,034
10.569 @	Emergency Food Assistance Program (Food Commodities)	7,053,366
10.577	SNAP Partnership Grant	151,909
Total U.S. DEPARTMENT OF AGRICULTURE		1,039,641,957
 U.S. DEPARTMENT OF LABOR		
17.235	Senior Community Service Employment Program	43,193
 U.S. DEPARTMENT OF ENERGY		
81.042	Weatherization Assistance for Low-Income Persons	707,743
81.042	ARRA – Weatherization Assistance for Low-Income Persons	2,868,854

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF ENERGY	3,576,597
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.041	Special Programs for the Aging – Title VII, Chapter 3 – Programs for Prevention of Elder Abuse, Neglect, and Exploitation	37,543
93.042	Special Programs for the Aging – Title VII, Chapter 2 – Long Term Care Ombudsman Services for Older Individuals	215,494
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	148,244
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	3,123,410
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	5,217,132
93.048	Special Programs for the Aging – Title IV – and Title II – Discretionary Projects	239,891
93.052	National Family Caregiver Support, Title III, Part E	1,088,013
93.053	Nutrition Services Incentive Program	1,393,306
93.235	Affordable Care Act (ACA) Abstinence Education Program	528,429
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	2,596,885
93.556	Promoting Safe and Stable Families	4,599,946
93.558	Temporary Assistance for Needy Families (TANF) State Programs	54,610,961
93.563	Child Support Enforcement	20,732,843
93.566	Refugee and Entrant Assistance – State Administered Programs	1,219,779
93.568	Low-Income Home Energy Assistance	35,915,076
93.569	Community Services Block Grant	9,811,560
93.575	Child Care and Development Block Grant	52,022,531
93.590	Community-Based Child Abuse Prevention Grants	176,762
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	20,815,698
93.597	Grants to States for Access and Visitation Programs	96,527
93.599	Chafee Education and Training Vouchers Program (ETV)	369,576
93.603	Adoption Incentive Payments	123,025
93.643	Children's Justice Grants to States	201,311
93.645	Stephanie Tubbs Jones Child Welfare Services Program	3,340,430
93.652	Adoption Opportunities	289,141
93.658	Foster Care – Title IV-E	18,697,742
93.658	ARRA – Foster Care – Title IV-E	10,134
93.659	Adoption Assistance	8,785,926
93.667	Social Services Block Grant	28,791,699
93.669	Child Abuse and Neglect State Grants	242,348
93.674	Chafee Foster Care Independence Program	1,148,868
93.708	ARRA – Head Start	563,078
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	-45,387
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self-Management Program	81,509
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	802,493
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	277,991,923

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.013	Volunteers in Service to America	68,363
94.016	Senior Companion Program	216,989
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	285,352
	TOTAL Human Services	1,321,539,022
	<u>Insurance</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	419,072
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	243,527
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	7,306,765
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	7,969,364
	TOTAL Insurance	7,969,364
	<u>Library Commission</u>	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.310	Grants to States	1,901,499
	TOTAL Library Commission	1,901,499
	<u>Marine Resources</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.419	Coastal Zone Management Administration Awards	2,325,119
11.420	Coastal Zone Management Estuarine Research Reserves	620,402
11.434	Cooperative Fishery Statistics	76,034
11.473	Coastal Services Center	669,257
	Total U.S. DEPARTMENT OF COMMERCE	3,690,812
	U.S. DEPARTMENT OF THE INTERIOR	
15.426	Coastal Impact Assistance Program (CIAP)	7,487,491
15.605	Sport Fish Restoration Program	516,746
15.616	Clean Vessel Act	41,018
15.622	Sportfishing and Boating Safety Act	695,746
15.630	Coastal Program	61,855
15.668	Coastal Impact Assistance Program	557,719
15.904	Historic Preservation Fund Grants-In-Aid	106,589
	Total U.S. DEPARTMENT OF THE INTERIOR	9,467,164

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	ENVIRONMENTAL PROTECTION AGENCY	
66.475	Gulf of Mexico Program	128,029
	TOTAL Marine Resources	13,286,005
	 <u>Medicaid</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.767	Children's Health Insurance Program	168,616,415
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2,191,821
93.778	Medical Assistance Program	3,492,066,003
93.778	ARRA – Medical Assistance Program	50,108,750
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	15,806
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	5,952,174
93.791	Money Follows the Person Rebalancing Demonstration	2,761,919
93.793	Medicaid Transformation Grants	459,551
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	3,722,172,439
	TOTAL Medicaid	3,722,172,439
	 <u>Mental Health</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	2,563,138
93.150	Projects for Assistance in Transition from Homelessness (PATH)	304,827
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	1,017,648
93.630	Developmental Disabilities Basic Support and Advocacy Grants	602,363
93.631	Developmental Disabilities Projects of National Significance	347,894
93.958	Block Grants for Community Mental Health Services	3,667,529
93.959	Block Grants for Prevention and Treatment of Substance Abuse	13,563,934
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	22,067,333
	TOTAL Mental Health	22,067,333
	 <u>Military Department</u>	
	U.S. DEPARTMENT OF DEFENSE	
12.400	Military Construction, National Guard	8,869,626
12.401	National Guard Military Operations and Maintenance (O&M) Projects	76,164,121
12.404	National Guard ChalleNGe Program	3,616,310
12.405	National Guard Drug Interdiction and Counter Drug Activities	301,423

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF DEFENSE	88,951,480
	TOTAL Military Department	88,951,480
	<u>MS Development Authority</u>	
	U.S. DEPARTMENT OF DEFENSE	
12.002	Procurement Technical Assistance For Business Firms	497,693
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.228	Community Development Block Grants / State's Program	295,050,937
14.231	Emergency Solutions Grant Program	1,735,974
14.239	Home Investment Partnerships Program	14,004,271
	Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	310,791,182
	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	176,331
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	127,182
	Total APPALACHIAN REGIONAL COMMISSION	303,513
	SMALL BUSINESS ADMINISTRATION	
59.061	State Trade and Export Promotion Pilot Grant Program	614,790
	U.S. DEPARTMENT OF ENERGY	
81.041	State Energy Program	756,153
81.041	ARRA – State Energy Program	54,902
81.119	State Energy Program Special Projects	396,164
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	36,580
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	359,900
	Total U.S. DEPARTMENT OF ENERGY	1,603,699
	TOTAL MS Development Authority	313,810,877
	<u>Narcotics</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.UN	Domestic Cannabis Eradication / Suppression Program	138,147
	EXECUTIVE OFFICE OF THE PRESIDENT	
95.001	High Intensity Drug Trafficking Areas Program	1,419,373
	TOTAL Narcotics	1,557,520

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<u>Oil and Gas Board</u>		
	ENVIRONMENTAL PROTECTION AGENCY	
66.433	State Underground Water Source Protection	103,250
	TOTAL Oil and Gas Board	103,250
<u>Port Authority at Gulfport</u>		
	U.S. DEPARTMENT OF TRANSPORTATION	
20.500	Federal Transit – Capital Investment Grants	94,941
	DEPARTMENT OF HOMELAND SECURITY	
97.056	Port Security Grant Program	885,809
	TOTAL Port Authority at Gulfport	980,750
<u>Public Safety</u>		
	U.S. DEPARTMENT OF JUSTICE	
16.017	Sexual Assault Services Formula Program	166,327
16.523	Juvenile Accountability Block Grants	576,548
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	346,855
16.554	National Criminal History Improvement Program (NCHIP)	191,424
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	571,578
16.575	Crime Victim Assistance	4,214,760
16.588	Violence Against Women Formula Grants	1,567,525
16.588	ARRA – Violence Against Women Formula Grants	26,657
16.593	Residential Substance Abuse Treatment for State Prisoners	183,176
16.609	Project Safe Neighborhoods	51,362
16.710	Public Safety Partnership and Community Policing Grants	31,458
16.727	Enforcing Underage Drinking Laws Program	197,705
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2,426,359
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	41,674
16.800	ARRA – Recovery Act – Internet Crimes Against Children Task Force Program (ICAC)	2,851
16.801	ARRA – Recovery Act – State Victim Assistance Formula Grant Program	24,709
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	2,805,995
16.922	Equitable Sharing Program	279
16.UN1	DEA Task Force	22,638
16.UN5	U.S. Marshall Service	3,813
	Total U.S. DEPARTMENT OF JUSTICE	13,453,693
	U.S. DEPARTMENT OF TRANSPORTATION	
20.218	National Motor Carrier Safety	3,100,629

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
20.232	Commercial Driver's License Program Improvement Grant	857,266
20.2NA	Fatal Analysis Reporting System	68,564
20.600	State and Community Highway Safety	3,327,851
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	1,238,815
20.602	Occupant Protection Incentive Grants	467,687
20.607	Alcohol Open Container Requirements	7,819,536
20.610	State Traffic Safety Information System Improvement Grants	323,680
Total U.S. DEPARTMENT OF TRANSPORTATION		17,204,028
EXECUTIVE OFFICE OF THE PRESIDENT		
95.001	High Intensity Drug Trafficking Areas Program	-34,103
DEPARTMENT OF HOMELAND SECURITY		
97.001	Mississippi Interoperable Communications Grant	29,183,485
97.042	Emergency Management Performance Grants	4,511,845
97.052	Emergency Operations Center	25,900
97.055	Interoperable Emergency Communications	227,212
97.056	Port Security Grant Program	1,476,358
97.067	Homeland Security Grant Program	976,030
97.078	Buffer Zone Protection Program (BZPP)	37,442
97.089	Driver's License Security Grant Program	7,388,445
Total DEPARTMENT OF HOMELAND SECURITY		43,826,717
TOTAL Public Safety		74,450,335
Public Service Commission		
U.S. DEPARTMENT OF TRANSPORTATION		
20.700	Pipeline Safety Program Base Grant	536,822
U.S. DEPARTMENT OF ENERGY		
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	224,998
TOTAL Public Service Commission		761,820
Rehabilitation Services		
U.S. DEPARTMENT OF EDUCATION		
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	44,903,239
84.169	Independent Living - State Grants	286,483
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	261,375
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	391,892
84.224	Assistive Technology	379,982
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	134,995

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF EDUCATION	46,357,966
	SOCIAL SECURITY ADMINISTRATION	
96.001	Social Security – Disability Insurance (DI)	29,603,335
96.008	Social Security – Work Incentives Planning and Assistance Program	876
	Total SOCIAL SECURITY ADMINISTRATION	29,604,211
	TOTAL Rehabilitation Services	75,962,177
	<u>Revenue</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.231	Performance and Registration Information Systems Management	60,333
	TOTAL Revenue	60,333
	<u>Secretary of State</u>	
	GENERAL SERVICES ADMINISTRATION	
39.011	Election Reform Payments	460,926
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.617	Voting Access for Individuals with Disabilities – Grants to States	163,443
	TOTAL Secretary of State	624,369
	<u>Soil & Water Conservation Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.902	Soil and Water Conservation	614,176
	U.S. DEPARTMENT OF DEFENSE	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	58,247
	TOTAL Soil & Water Conservation Commission	672,423
	<u>State Fire Academy</u>	
	DEPARTMENT OF HOMELAND SECURITY	
97.043	State Fire Training Systems Grants	15,029
	TOTAL State Fire Academy	15,029
	<u>Supreme Court</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.586	State Court Improvement Program	385,061

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Supreme Court	385,061
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	<u>Transportation</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.106	Airport Improvement Program	97,730
20.205	Highway Planning and Construction	546,460,763
20.205	ARRA – Highway Planning and Construction	-59,833
20.237	Commercial Vehicle Information Systems and Networks	1,287,567
20.314	Railroad Development	562,549
20.505	Metropolitan Transportation Planning	569,350
20.509	Formula Grants for Rural Areas	11,043,616
20.509	ARRA – Formula Grants for Rural Areas	2,878,162
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	2,061,811
20.516	Job Access – Reverse Commute Program	415,732
20.521	New Freedom Program	188,556
	Total U.S. DEPARTMENT OF TRANSPORTATION	565,506,003
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	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	20,000
	TOTAL Transportation	565,526,003
<hr/>		
	<u>Treasury</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.665	Schools and Roads – Grants to States	6,787,169
	U.S. DEPARTMENT OF ENERGY	
81.042	Weatherization Assistance for Low-Income Persons	-177,726
81.UN1	Petroleum Violation Escrow – Stripper Well	708,045
	Total U.S. DEPARTMENT OF ENERGY	530,319
<hr/>		
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.568	Low-Income Home Energy Assistance	-8,769
	TOTAL Treasury	7,308,719
<hr/>		
	<u>Veterans Affairs Board</u>	
	U.S. DEPARTMENT OF VETERANS AFFAIRS	
64.005	Grants to States for Construction of State Home Facilities	165,328
64.124	All-Volunteer Force Educational Assistance	112,412
64.203	State Cemetery Grants	958,874
	Total U.S. DEPARTMENT OF VETERANS AFFAIRS	1,236,614

(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, 2013

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
TOTAL Veterans Affairs Board		1,236,614
<u>Wildlife, Fisheries and Parks</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	13,424
U.S. DEPARTMENT OF COMMERCE		
11.472	Unallied Science Program	19,320
U.S. DEPARTMENT OF DEFENSE		
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers assigned by the pass-through entity- DACW01-3-91-0543, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, DACW38-3-12-9, and DACW01-3-92-0410.	1,580,530
U.S. DEPARTMENT OF THE INTERIOR		
15.605	Sport Fish Restoration Program	3,845,908
15.611	Wildlife Restoration and Basic Hunter Education	4,627,517
15.615	Cooperative Endangered Species Conservation Fund	170,904
15.633	Landowner Incentive Program	818
15.634	State Wildlife Grants	470,932
15.657	Endangered Species Conservation – Recovery Implementation Funds	34,234
Total U.S. DEPARTMENT OF THE INTERIOR		9,150,313
U.S. DEPARTMENT OF TRANSPORTATION		
20.219	Recreational Trails Program	1,395,411
DEPARTMENT OF HOMELAND SECURITY		
97.012	Boating Safety Financial Assistance	718,522
TOTAL Wildlife, Fisheries and Parks		12,877,520
 TOTAL EXPENDITURES OF FEDERAL AWARDS:		 \$ 7,831,774,804

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

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

The total expenditures for CFDA No. 17.225 include state expenditures of \$176,054,867 and federal expenditures of \$193,366,178.

@ 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



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STATE OF MISSISSIPPI

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1: PURPOSE OF THE SCHEDULES

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Presentation** - The information in the accompanying schedules of expenditures of federal awards is presented in accordance with OMB Circular A-133. The Schedule of Expenditures of Federal Awards by Federal Department presents a summary of federal awards expended by federal department and CFDA number. The Schedule of Expenditures of Federal Awards by State Grantee Agency presents federal awards expended by recipient agencies of the State of Mississippi.
- Federal Financial Assistance - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, cooperative agreements, loans, loan guarantees, property (including donated surplus property), interest subsidies, insurance, direct appropriations or other assistance. Accordingly, nonmonetary federal assistance, including food commodities, immunizations and surplus property, is included in federal financial assistance and, therefore, is reported on the schedules of expenditures of federal awards. Federal financial assistance does not include direct federal cash assistance to individuals or procurement contracts used to buy goods or services from vendors.
 - Major Programs - The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish a risk-based approach to determine which federal programs are major based on certain expenditure thresholds and risk criteria. According to the state's Single Audit Report for the fiscal year ended June 30, 2013, federal expenditures, distributions or issuances totaled \$7,831,774,804. This established the threshold for Type A programs as those with federal expenditures, distributions or issuances which exceeded \$23,495,324. For the fiscal year 2013 audit, there were 24 programs with expenditures exceeding the Type A threshold. Of these 24 programs, five Type A programs were identified as low risk. Risk assessments of Type B programs were performed until five high risk Type B programs were identified. Therefore for fiscal year 2013, twenty four federal award programs, comprising 19 high risk Type A programs and five high risk Type B programs, were audited as major programs for the State of Mississippi.

STATE OF MISSISSIPPI

Notes to Schedule of Expenditures of Federal Awards (continued)

- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.
- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2013. 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, 2014.
- 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, 2013, for distributed surplus property are valued at the handling and shipping costs, which more closely approximate fair market value at the date of the transfer of the surplus property to the State of Mississippi.

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

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

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

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

NOTE 3: OTHER

- A. All federal expenditures/distributions/issuances included in the accompanying schedules represent assistance received directly from the federal government, unless otherwise noted. Federal financial assistance received indirectly from the federal government (i.e., passed-through from entities outside of the State of Mississippi) is noted parenthetically.
- B. The accompanying schedules of expenditures of federal awards include distributions of donated surplus personal property (CFDA 39.003) of \$1,428,566. 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, 2013, as charges for sales and services of \$205,308. 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 \$3,017,812. 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, 2013, the outstanding loan balance for the program totaled \$4,839,540.
- 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	\$176,054,867
Federal Portion	<u>193,366,178</u>
Total	<u>\$369,421,045</u>

- E. Expenditures reflected in CFDA 66.458 - Capitalization Grants for Clean Water State Revolving Funds - include loans to local governments for developing or constructing water treatment facilities. The funding source for these loans includes federal grant funds and state funds. In subsequent years, local governments will be required to repay these funds to the Mississippi Department of Environmental Quality. When received, these funds will be redistributed to local governments through new loans for additional water treatment facility projects. The outstanding loan balance for the year ended June 30, 2013, was \$338,497,379. Total disbursements for new loans for the year ended June 30, 2013, totaled \$39,398,253. Administrative costs associated with the program for the year ended June 30, 2013, totaled \$1,442,188.
- 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, 2013, was \$141,383,332.

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

Total disbursements for new loans made during fiscal year 2013 totaled \$11,462,009. Administrative costs associated with the program for the year ended June 30, 2013, totaled \$3,276,379.

G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$33,737,868 related to State Aid Road Construction is included on the schedules of expenditures of federal awards under Transportation Department program 20.205 - Highway Planning and Construction.

H. Noncash Assistance.

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

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

- *CFDA 10.555 — National School Lunch Program received \$176,248,407 including cash assistance and noncash assistance. Cash assistance totaled \$159,655,850 and noncash assistance totaled \$16,592,557.*
- *CFDA 93.268 — Immunization Grants received \$41,337,428 including cash assistance and noncash assistance. Cash assistance totaled \$2,494,536 and noncash assistance totaled \$38,842,892.*

I. The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 10.95 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2012.

J. Contingencies.

The State of Mississippi has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of

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

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

The Office of the Governor – Division of Medicaid has been notified by the Centers for Medicare and Medicaid Services (CMS) of a potential claim relative to potential overpayments by CMS under Medical Assistance Program grants that may have been made between 1981 and 2009 to a number of states, including Mississippi. CMS is working with the Division of Medicaid, as well as various other states, to resolve the discrepancies. The amount questioned by CMS approximates \$28 million for the Division of Medicaid.

- K. The State of Mississippi's major federal programs for the year ended June 30, 2013, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

CFDA Number	Program Name
	SNAP Cluster
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	Child Nutrition Cluster
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560*	State Administrative Expenses for Child Nutrition
12.401	National Guard Military Operations and Maintenance (O&M) Projects
	CDBG – State-Administered CDBG Cluster
14.228	Community Development Block Grants/State’s Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program

STATE OF MISSISSIPPI

Notes to Schedule of Expenditures of Federal Awards (continued)

- 66.458* Capitalization Grants for Clean Water State Revolving Funds
- 66.468* Capitalization Grants for Drinking Water State Revolving Funds
- 66.468* ARRA – Capitalization Grants for Drinking Water State Revolving Funds
- Title 1, Part A Cluster
- 84.010 Title I Grants to Local Educational Agencies
- 84.389 ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act
- Special Education Cluster (IDEA)
- 84.027 Special Education – Grants to States (IDEA, Part B)
- 84.173 Special Education – Preschool Grants (IDEA, Preschool)
- 84.391 ARRA – Special Education – Grants to States (IDEA, Part B),
Recovery Act
- 84.392 ARRA – Special Education – Preschool Grants (IDEA Preschool),
Recovery Act
- 84.126 Rehabilitation Services – Vocational Rehabilitation Grants to States
- 93.069* Public Health Emergency Preparedness
- TANF Cluster
- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
- 93.714 ARRA – Emergency Contingency Fund for Temporary Assistance
for Needy Families (TANF) State Program
- CCDF Cluster
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care
and Development Fund
- 93.667 Social Services Block Grant
- 93.767 Children’s Health Insurance Program
- Medicaid Cluster
- 93.720 ARRA – State Survey and Certification Ambulatory Surgical Center
Healthcare Associated Infection (ASC – HAI) Prevention Initiative
- 93.775 State Medicaid Fraud Control Units
- 93.777 State Survey and Certification of Health Care Providers and Suppliers
(Title XVIII) Medicare
- 93.778 Medical Assistance Program
- 93.778 ARRA – Medical Assistance Program
- 93.889* National Bioterrorism Hospital Preparedness Program
- 97.001 Mississippi Interoperable Communications Grant

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

97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039 Hazard Mitigation Grant

*Denotes a Type B Program

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Schedule of Findings and Questioned Costs

Part 1 – Summary of Auditor’s Results



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

Identification of major programs:

CFDA Number	Program Name
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	Child Nutrition Cluster
10.553	School Breakfast Program (SBP)
10.555	National School lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560*	State Administrative Expenses for Child Nutrition
12.401	National Guard Military Operations and Maintenance (O&M) Projects
	CDBG – State-Administered CDBG Cluster:
14.228	Community Development Block Grants/State's Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster:
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program
66.458*	Capitalization Grants for Clean Water State Revolving Funds
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
66.468*	ARRA – Capitalization Grants for Drinking Water State Revolving Funds
	Title 1, Part A Cluster:
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title I Grants to Local Educational Agencies, Recovery Act

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

<u>CFDA Number</u>	<u>Program Name</u>
	Special Education Cluster (IDEA):
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA, Preschool)
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
93.069*	Public Health Emergency Preparedness
	TANF Cluster:
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.720	ARRA – State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC – HAI) Prevention Initiative
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
93.889*	National Bioterrorism Hospital Preparedness Program
97.001	Mississippi Interoperable Communications Grant
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant

* Denotes Type B Program

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

 \$23,495,324

Auditee qualified as low-risk auditee?

 yes X no

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Schedule of Findings and Questioned Costs

Part 2 – Financial Statement Findings



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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

PART 2 – FINANCIAL STATEMENT FINDINGS

Introduction

This part of the Schedule of Findings and Questioned Costs presents an audit finding classified as an instance of material noncompliance that is related to the financial statements and is required to be reported in accordance with *Government Auditing Standards*.

A material noncompliance is a matter coming to the auditor's attention relating to the state's compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

PART 2 – FINANCIAL STATEMENT FINDINGS

<u>Finding Number</u>	<u>Finding and Recommendation</u>
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TREASURY

Material Noncompliance

2013-01	<u>Investment Ratios Should Be Maintained in Accordance with State Law</u>
---------	--

Finding:

Section 27-105-33, Miss. Code Ann. (1972), establishes guidelines for use in the maintenance of the State's investment pool portfolio. The law also states that at no time shall funds invested in United States Government agency, United States Government instrumentality, or United States Government sponsored enterprise obligations exceed 50 percent of all monies invested with maturities 30 days or longer. Testwork at the Office of the State Treasurer revealed the total of United States Government agency, instrumentality, and government sponsored enterprise obligations exceeded 50 percent of total investments for 12 of the 12 dates selected for testwork (one per month). The actual investment percentages for dates tested ranged from approximately 89 to 96 percent, resulting in investments in U.S. Government agency, instrumentality, and government sponsored enterprise obligations of approximately \$910 million to approximately \$1.2 billion in excess of statutory limits. Failure to maintain investment ratios in the state's investment pool portfolio within the required percentages resulted in violation of state law.

Recommendation:

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

NOTE: See Management's Response and Corrective Action Plan on page 145.

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



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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Introduction

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

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

Each finding has one of the following designations:

- **Material Weakness** – *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.
- **Significant Deficiency** – *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
- **Material Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor’s judgment have a direct and material effect on a major federal program.
- **Immaterial Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

**CFDA/Finding
Number**

Finding and Recommendation

EDUCATION

**ACTIVITIES ALLOWED/UNALLOWED
ALLOWABLE COSTS/ COST PRINCIPLES**

***Immaterial Noncompliance
Control Deficiency***

10.560

State Administrative Expenses for Child Nutrition

Federal Award Number and Year: 5MS300907; 2012, 2013

Questioned Costs: \$50,884

2013-002

Controls Should Be Strengthened over Employee Time Certifications

Finding:

The Office of Management and Budget (OMB) Circular A-87, Attachment B “Compensation for Personal Services”, section 8 (h)(3) requires costs incurred related to salaries and wages for employees who are expected to work solely on a single Federal award or cost objective, to be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications should be prepared at least semiannually and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

During testwork related to the State Administrative Expenses for Child Nutrition program at the Mississippi Department of Education, we tested ten items related to payroll. One sample item was composed of 37 employees, and 35 of these employees were required to have employee certifications. Two employees of the 35 did not have employee certifications for the time period of January, 2013 through June, 2013.

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Failure to complete semi-annual employee certifications could result in unallowable salary expenses to be paid with funds from the state administrative expense program for child nutrition when the employee did not spend time working on related child nutrition programs.

Recommendation:

We recommend the Department of Education strengthen controls over the State Administrative Expenses for Child Nutrition program to ensure employee time certifications are completed at least semiannually for employees whose wages are claimed under the program.

NOTE: See Management’s Response and Corrective Action Plan on page 123.

EDUCATION

**ACTIVITIES ALLOWED/UNALLOWED
ALLOWABLE COSTS/ COST PRINCIPLES**

Significant Deficiency

10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.558	Child and Adult Care Food Program
10.559	Summer Food Service Program for Children

Federal Award Number and Year: 5MS300326; 2012, 2013
5MS300340; 2012, 2013

2013-004 Controls Should Be Strengthened over Payments Made to Child Nutrition and Child and Adult Care Food Program Subrecipients

Finding:

Federal Regulations for the National School Lunch Program, 7 CFR Part 210.9(a), require School Food Authorities (SFA’s) wishing to participate in the Program to submit a written application to the State agency for any school in

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

which it desires to operate the Program. Applications shall provide the State agency with sufficient information to determine eligibility. Section 210.7(a) states that reimbursement payments to finance nonprofit school food service operations shall be made only to school food authorities operating under a written agreement with the State agency. Federal Regulations for the School Breakfast Program, 7 CFR Part 220.7 (e) states that each school food authority approved to participate in the program shall enter into a written agreement with the State agency that may be amended as necessary. Part 245.6(c)(1) states eligibility for free or reduced price meals, as determined through an approved application or by direct certification must remain in effect for the entire school year and for up to 30 operating days into the subsequent school year. Lastly, the Mississippi Department of Education (MDE) Policies and Procedures Manual for Child Nutrition, Section 3, page 2 states, “The annual Application, Agreement and Free/Reduced Meal Policy related to receipt of Federal Funds for the National School Lunch Program, School Breakfast Program and Food Distribution Program shall have final approval by MDE prior to the service of any meals under the Child Nutrition program.”

Federal Regulations for the Child and Adult Care Food Program (CACFP), 7 CFR Part 226.11 (a) require that payments be made only to institutions operating under an agreement with the State agency for the meal types specified in the agreement served at approved child care centers, at-risk afterschool care centers, adult day care centers, emergency shelters, and outside-school-hours care centers. The MDE Policies and Procedures Manual for Child Nutrition, Section 9, page 3 states, “The Mississippi Department of Education administers the CACFP and approves sponsoring organizations and independent centers to operate the program on the local level.”

To provide services under Child Nutrition programs, SFA’s and institutions submit applications electronically to MDE through the computer system named OCEAN. Additional supporting documentation (tax exempt status, food permits, etc.) must be mailed to MDE. Once MDE receives notice of the application pending in OCEAN, agency employees review the application along with the supporting documentation. Once all necessary information is received, the agency approves the contract in OCEAN. Reimbursement claims are then submitted monthly by the SFA’s and institutions through OCEAN. The claim should process against the approved contract, through computer edits, to ensure the claim is valid prior to approval for payment.

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

In performing testwork at the Mississippi Department of Education related to 194 applications for the National School Lunch Program (NSLP) we noted the following:

- One provider did not have an application approval in OCEAN, but received reimbursement for services. There was evidence of a manual review and approval of the application on file with the agency; however, the approval was not input to OCEAN.
- Three providers that have current approved applications on file with the agency were reflected as being expired in OCEAN.

In performing testwork related to 422 applications for the CACFP program, we noted the following:

- Three institutions did not have an approved application in OCEAN, but received reimbursement for services. For two of those institutions, there was evidence of a manual review and approval of the application on file with the agency. For the remaining institution there was no evidence of an approval of the application; however, the agency was obtaining the information needed to finalize approval of the application based on the instructions from the federal grantor.
- Three institutions that have current approved applications were reflected as being expired in OCEAN.

The OCEAN system allowing payments to be processed for entities for which there is no application approval in the system, or allowing payments for entities with expired applications, could result in unauthorized or erroneous payments being made.

Recommendation:

We recommend that the Mississippi Department of Education strengthen controls over payments made to Child Nutrition and Child and Adult Care Food Program subrecipients from the OCEAN system to ensure payments are only made to entities with an approved active application in the OCEAN system.

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

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

EDUCATION

PROCUREMENT AND SUSPENSION AND DEBARMENT

***Immaterial Noncompliance
Control Deficiency***

10.560

State Administrative Expenses for Child Nutrition

Federal Award Number and Year: 5MS300907; 2011

Questioned Costs: \$30,950

2013-003

Controls Should Be Strengthened over the Procurement Process Related to the
State Administrative Expenses for Child Nutrition Program

Finding:

The procurement section in part three of the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement provides the same procedures should be used for federal and non-federal purchases. The Mississippi Department of Education (MDE) Employee Procedures Manual, Section 17, provides that the Mississippi Department of Information and Technology Services (ITS) rules and regulations shall govern contracts for procurement of computer or information technology-related services. Additionally, the ITS Procurement Handbook states in Rule 205.4:009-025, the ITS CP-1 Acquisition Approval form is used to notify agencies and institutions that ITS has approved the agency or institution's request for the acquisition of information technology equipment, software, or service or has approved the exemption of a procurement from ITS.

During our review of procurements at MDE, we tested 10 contracts related to the State Administrative Expenses for Child Nutrition program with parties who provided goods or services. We noted one instance in which the Office of Child Nutrition failed to request a current CP-1 form from ITS.

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Failure to follow the ITS procurement rules results in a violation of the state purchasing laws and; therefore, the procurement section of the OMB Circular A-133 Compliance Supplement.

Recommendation:

We recommend the Mississippi Department of Education strengthen controls to ensure that contracts with payees are procured in accordance with applicable state law, policies, and procedures which is required to be compliant with the Office of Management and Budget Circular A-133.

NOTE: See Management’s Response and Corrective Action Plan on page 124.

EDUCATION

SUBRECIPIENT MONITORING

Significant Deficiency

10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program

Federal Award Number and Year: 5MS300326; 2010, 2011, 2012

2013-005 Controls Should Be Strengthened Over Monitoring for OMB Circular A-133 Audits for Child Nutrition Subrecipients

Finding:

The Office of Management and Budget (OMB) Circular A-133 states the pass-through entity is responsible for ensuring that subrecipients expending \$500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient’s audit period.

While performing testwork at the Mississippi Department of Education regarding

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

the Office of Child Nutrition’s A-133 subrecipient audit monitoring, the following problems were noted:

- Three instances were noted in which subrecipients receiving over \$500,000 in federal funds were not listed on the 2011 Audit Resolution Log; therefore, the subrecipients did not submit an A-133 audit to the Child Nutrition office.
- The A-133 Audit Report produced from OCEAN, which was requested by and prepared for the auditors, differed from the A-133 Audit Report previously produced from OCEAN and maintained by Child Nutrition personnel.

Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

Recommendation:

We recommend the Mississippi Department of Education Office of Child Nutrition strengthen controls over subrecipient monitoring to ensure that subrecipients expending \$500,000 or more in Federal awards during their fiscal year are appropriately monitored and an A-133 audit is obtained. We also recommend that the agency strengthen controls in OCEAN to ensure the system is able to consistently provide the same report to ensure the subrecipients and funds listed are accurate.

NOTE: See Management’s Response and Corrective Action Plan on page 126.

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.069	Public Health Emergency Preparedness
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.889	National Bioterrorism Hospital Preparedness Program

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

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Finding and Recommendation

Federal Award Number and Year: 5MS700704 2012
5MS700704 2013
1U90TP000530-01 2013
2U90TP416986011 2013
05-1005-MS-5000 2013

2013-008

Controls Should Be Strengthened over the Allowable Costs/Cost Principles for the Time Study System

Finding:

The *Code of Federal Regulations* (2 CFR section 225) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. OMB Circular A-87 requires that 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. For allocated costs, OMB Circular A-87 requires quarterly comparisons of actual costs to budgeted distributions based on the monthly activity reports. Unless quarterly comparisons show differences between budgeted and actual costs less than ten percent, adjustments should be made on a quarterly basis. If differences are less than ten percent, adjustments may be made annually.

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 system is based on time study reporting forms completed by applicable employees for one week of each month. 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. Adjustments to payroll are made based upon the results of the time study reporting.

During our review of the agency's time study process, we noted the following deficiencies related to testwork performed to verify that reconciliations between actual time and effort reports and the amount charged for payroll for major programs had been performed at least quarterly:

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

- The agency had not performed a reconciliation for the State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare (SSC) Program during SFY2013 until the documentation was requested by the auditor. Although the results of the reconciliation did not reveal that the federal program had been overcharged for payroll based upon the results of time study, OMB Circular A-87 requires at least a quarterly comparison to be performed for all federal programs with allocated costs.
- Of the two months of reconciliations selected for testwork for the Public Health Emergency Program (PHEP) and the National Bioterrorism Hospital Preparedness Program (HPP), we noted for the September 2012 reconciliation the amount of federal funds drawn and charged to the Bioterrorism program exceeded allowable payroll based upon time study results by \$80,968 or 12.39%. We also noted that for the June 2013 reconciliation the amount of federal funds drawn and charged to the Bioterrorism program exceeded allowable payroll based upon time study results by \$355,583.93 or 13.01%. It should be noted that the June 2013 difference is a cumulative amount for the fiscal year. A quarterly adjustment to correctly state the time and effort expended had not been made by the agency. According to agency personnel, the time study system results do not include time for select employees who appropriately charge time to the Bioterrorism program but do not complete standard time study forms. Therefore it appears the reconciliation prepared by the agency is not properly designed to accurately identify amounts which should be adjusted.
- Of the two months of reconciliations selected for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program, the PHEP program, the HPP program, and the SSC program, we noted six instances in which the quarterly reconciliations lacked signatures evidencing a supervisory review of the preparer's work. In addition, we noted one instance in which an incorrect fringe benefit rate was used in the reconciliation between allocated costs and actual costs for the SSC program; two instances in which the PHEP/HPP reconciliation preparer reversed the overtime payment and annual leave payment amounts subtracted from the original difference between allocated over actual costs; one instance where the annual leave payments backed out due to those payments not being included in time study did not agree with the total of annual leave payments per COGNOS reports; and, one instance in which the wrong formula was

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

used in calculating the fringe benefits expense for August 2012 for reporting category code 058C on the year end reconciliation. The salary amount for that month was added to the fringe benefits expense causing the total expenditures for 058C to be overstated by \$203,535.71. Actual fringe benefits expense should have been \$77,022.68. Although the net result of these errors did not impact the overall conclusion of these reconciliations, it suggests a lack of sufficient supervisory review.

- One instance was noted in which an incorrect program code was written on the time study form but corrected during data entry into the Raw Time Report. One instance was noted in which the incorrect activity/service code was input into the Raw Time Report as compared to the completed time study form. Time study allocates totals by federal program; therefore, there would not have been any effect on time study results for these data entry errors.
- One instance in which service code 82A was not listed on the Standard Time report.

During our review of the time study process, we also noted the following deficiencies related to the agency's relative values table used to help determine the allocation of payroll costs for services provided by nurses, nurse practitioners and doctors to various federal programs. These were deficiencies communicated to agency management in the prior year when the relative values table was originally audited and remain uncorrected in the current year:

- One instance in which time for service code 15 was entered into the Relative Value Table for services that are no longer provided in the clinics and therefore should not be allocating PC03 time.
- Two instances in which the service codes 83B and 85A could not be traced to the Standard Time report and the Relative Value Table did not agree to auditor calculation of an average of the previous few years' Relative Value tables.

Our review of the time study process also identified a deficiency in internal control related to the annual review of the standard time value table. There was

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

no annual review or documentation of review of the standard time value table to ensure that all values were still accurate and pertinent.

Our review of the time study process also identified a lack of adherence to cognizant agency policies over time study procedures. Current year time study procedures did not comply with all of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual requirements for conducting time studies. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. Testwork showed that the Department of Health collected data for the fourth week for two consecutive months and did not equally distribute the data collection weeks throughout the year.

Failure to: perform required reconciliations; make necessary quarterly adjustments based upon appropriate documentation supporting actual levels of effort; provide an adequate level of supervisory review over the reconciliations; modify inaccurate relative values data; and adhere to cognizant agency policies for time study procedures could result in the misallocation of federal funds and questioned costs. The agency may then be subject to repaying a portion of the grants, be levied fines and penalties, and potentially lose future grant awards.

Recommendation:

We recommend the Mississippi State Department of Health strengthen internal controls to ensure time study reconciliations are properly designed, accurately and timely prepared, reviewed, and performed for all federal programs to ensure that federal programs have not been overcharged based upon actual distribution of effort. For programs which have been overcharged based on the results of the reconciliations, we recommend the agency ensure that adjustments are made in a timely manner. We further recommend that management strengthen internal controls to ensure sufficient monitoring and oversight of time study policies and procedures.

NOTE: See Management's Response and Corrective Action Plan on page 129.

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
 Number**

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Significant Deficiency

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year:

SNAP Letter of Credit	G0901MSCCD7 2009
G0902MSTANF 2009	G1001MSCCDF 2010
G1001MSTANF 2010	G1101MSCCDF 2011
G1001MSTAN2 2010	G0901MSSOS2 2009
G1002MSTANF 2010	G0901MSSOSR 2009
G1102MSTANF 2011	G1001MSSOSR 2010
G0901MSCCDF 2009	G1101MSSOSR 2011

2013-016 Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits

Finding:

The Office of Management and Budget (OMB) *Circular A-133* states the pass-through entity is responsible for (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient’s audit period; (2) issuing a management decision on findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely

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

U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding
Number**

Finding and Recommendation

and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

During our audit of the Mississippi Department of Human Services (MDHS), we reviewed the Division of Program Integrity – Office of Monitoring (OM) audit files and Monitoring Tracking Document for MDHS Subgrantees for state fiscal year 2011. During our review, we noted the following problems.

- During testing for completeness, we noted two instances in which subrecipients were not included on the FY2011 tracking report but had expenditures in FY 2011 and should have been included for OMB A-133 tracking purposes.
- Of nine subgrantees tested on Attachment B of the Status Report, we noted eight instances in which OMB A-133 audits or Subgrantee Audit Information Forms (SAIF) for the subgrantees were not received by Office of Monitoring within nine months of the subgrantee’s fiscal year end. In each instance in which an audit was received, we noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee’s fiscal year end. While the auditor noted the Office of Monitoring sent an initial, reminder, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements, it appears no additional follow-up was made to obtain the OMB A-133 audit or SAIF form prior to the auditor’s request. Following the request, Office of Monitoring was able to obtain the required audits.
- Of nine subgrantees tested on Attachment B of the Status Report, we noted one instance in which the OMB A-133 audit or SAIF form for the subgrantee had not yet been received as of February 21, 2014. Per requirements, an OMB A-133 audit or SAIF form was to be received within nine months of the subgrantee’s fiscal year end. While the auditor noted the Office of Monitoring sent an initial letter, reminder letter and demand letter to the subgrantee regarding their OMB A-133 audit report requirements, it appears no additional follow-up was made to obtain the OMB A-133 audit or SAIF form prior to the auditor’s request.
- Of 21 subgrantees tested, we noted four instances in which neither a clearance letter from the funding division nor communications between the subgrantee and the funding division discussing corrective action could be located in the Office of Monitoring or from the funding division within the six month deadline for corrective action.

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

U. S. DEPARTMENT OF AGRICULTURE (concluded)

CFDA/Finding
Number

Finding and Recommendation

- Of 21 subgrantees tested, we noted four instances in which the OMB A-133 audit for the subgrantee was not received by Office of Monitoring within nine months of the subgrantee’s fiscal year end. We noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee’s fiscal year end. The auditor noted the Office of Monitoring sent an initial, reminder, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements. Subgrantee audit reports were received on average 145 days after the nine month deadline.

Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

Recommendation:

We recommend the Mississippi Department of Human Services’ Division of Program Integrity – Office of Monitoring (OM) strengthen controls over subrecipient monitoring for OMB A-133 audits to ensure recipients expending \$500,000 or more in Federal funds during their fiscal year are appropriately monitored and an OMB A-133 audit is obtained. We also recommend that the agency follow-up more frequently with the funding divisions to ensure corrective action was taken when a subgrantee’s audit report contains findings. We further recommend that OM should ensure all subrecipients are included on the tracking report and continue to follow-up to obtain an OMB A-133 audit or Subgrantee Audit Information Form after the demand letter is issued.

NOTE: See Management’s Response and Corrective Action Plan on page 142.

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

U. S. DEPARTMENT OF LABOR

**CFDA/Finding
 Number**

Finding and Recommendation

EMPLOYMENT SECURITY

REPORTING

Significant Deficiency

17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants

Federal Award Number and Year: AA-24101-13-55-A-28
 AA-22944-12-55-A-28
 AA-21404-11-55-A-28
 AA-20202-10-55-A-28
 AA-18649-09-55-A-28

2013-007

A Process Should Be Established to Ensure Compliance with Reporting Requirements

Finding:

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and non-Profit Organizations* and the Federal Funding Accountability and Transparency Act (FFATA) dictate entities receiving and expending federal funds are required to report first-tier subawards subject to the FFATA on the FFATA Subaward Reporting System (FSRS). This reporting requirement dictates that subaward information and any subsequent modifications should be uploaded to the FSRS website within one month following the date of the award or modification.

The Mississippi Department of Employment Security (MDES) did not have a process in place to ensure the FFATA reporting as required by OMB Circular A-133 and FFATA was completed. Therefore, MDES did not upload its FFATA information in compliance with federal requirements.

Recommendation:

We recommend the Mississippi Department of Employment Security establish a process to ensure that all reports required by the WIA program are filed on a timely basis.

Note: See Management’s Response and Corrective Action Plan on page 127.

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

U. S. DEPARTMENT OF LABOR (continued)

**CFDA/Finding
Number**

Finding and Recommendation

EMPLOYMENT SECURITY

SUBRECIPIENT MONITORING

Material Noncompliance

17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants

Federal Award Number and Year: AA-24101-13-55-A-28
 AA-22944-12-55-A-28
 AA-21404-11-55-A-28
 AA-20202-10-55-A-28
 AA-18649-09-55-A-28

Questioned Costs: Not applicable

2013-006

On-Site Monitoring Reviews Should Be Performed for the WIA Program

Finding:

The U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, dictates entities receiving and expending federal funds under the Workforce Investment Act (WIA) Cluster, CFDA Nos. 17.258, 17.259 and 17.278, are required to perform subrecipient monitoring. The subrecipient compliance requirement includes performing on-site monitoring reviews of each local area’s compliance with the Department of Labor’s uniform administrative requirements, as required by WIA Section 184(a)(4).

Personnel of the Mississippi Department of Employment Security did not perform the required on-site monitoring reviews as required by OMB Circular A-133 and WIA Section 184(a)(4) for the WIA Cluster.

Agency personnel indicated that the subrecipient monitor position was vacated during the fiscal year and has remained unfilled to-date.

The Mississippi Department of Employment Security was not in compliance with federal requirements, and subrecipient noncompliance could have been uncovered during monitoring that would not otherwise have been discovered.

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

U. S. DEPARTMENT OF LABOR (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Employment Security complete the required on-site monitoring reviews of all local areas for the fiscal year 2013 and in future fiscal years.

Note: See Management's Response and Corrective Action Plan on page 127.

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

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

**CFDA/Finding
 Number**

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.069	Public Health Emergency Preparedness
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.889	National Bioterrorism Hospital Preparedness Program

Federal Award Number and Year:	5MS700704	2012
	5MS700704	2013
	1U90TP000530-01	2013
	2U90TP416986011	2013
	05-1005-MS-5000	2013

2013-008 Controls Should Be Strengthened over the Allowable Costs/Cost Principles for the Time Study System

Finding:

The *Code of Federal Regulations* (2 CFR section 225) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. OMB Circular A-87 requires that 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. For allocated costs, OMB Circular A-87 requires quarterly comparisons of actual costs to budgeted distributions based on the monthly activity reports. Unless quarterly comparisons show differences between budgeted and actual costs less than ten percent, adjustments should be made on a quarterly basis. If differences are less than ten percent, adjustments may be made annually.

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 system is based on time study reporting forms completed by applicable employees for one week of each month.

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

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

**CFDA/Finding
Number**

Finding and Recommendation

The 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. Adjustments to payroll are made based upon the results of the time study reporting.

During our review of the agency's time study process, we noted the following deficiencies related to testwork performed to verify that reconciliations between actual time and effort reports and the amount charged for payroll for major programs had been performed at least quarterly:

- The agency had not performed a reconciliation for the State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare (SSC) Program during SFY2013 until the documentation was requested by the auditor. Although the results of the reconciliation did not reveal that the federal program had been overcharged for payroll based upon the results of time study, OMB Circular A-87 requires at least a quarterly comparison to be performed for all federal programs with allocated costs.
- Of the two months of reconciliations selected for testwork for the Public Health Emergency Program (PHEP) and the National Bioterrorism Hospital Preparedness Program (HPP), we noted for the September 2012 reconciliation the amount of federal funds drawn and charged to the Bioterrorism program exceeded allowable payroll based upon time study results by \$80,968 or 12.39%. We also noted that for the June 2013 reconciliation the amount of federal funds drawn and charged to the Bioterrorism program exceeded allowable payroll based upon time study results by \$355,583.93 or 13.01%. It should be noted that the June 2013 difference is a cumulative amount for the fiscal year. A quarterly adjustment to correctly state the time and effort expended had not been made by the agency. According to agency personnel, the time study system results do not include time for select employees who appropriately charge time to the Bioterrorism program but do not complete standard time study forms. Therefore it appears the reconciliation prepared by the agency is not properly designed to accurately identify amounts which should be adjusted.

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

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

CFDA/Finding
Number

Finding and Recommendation

- Of the two months of reconciliations selected for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program, the PHEP program, the HPP program, and the SSC program, we noted six instances in which the quarterly reconciliations lacked signatures evidencing a supervisory review of the preparer's work. In addition, we noted one instance in which an incorrect fringe benefit rate was used in the reconciliation between allocated costs and actual costs for the SSC program; two instances in which the PHEP/HPP reconciliation preparer reversed the overtime payment and annual leave payment amounts subtracted from the original difference between allocated over actual costs; one instance where the annual leave payments backed out due to those payments not being included in time study did not agree with the total of annual leave payments per COGNOS reports; and, one instance in which the wrong formula was used in calculating the fringe benefits expense for August 2012 for reporting category code 058C on the year end reconciliation. The salary amount for that month was added to the fringe benefits expense causing the total expenditures for 058C to be overstated by \$203,535.71. Actual fringe benefits expense should have been \$77,022.68. Although the net result of these errors did not impact the overall conclusion of these reconciliations, it suggests a lack of sufficient supervisory review.
- One instance was noted in which an incorrect program code was written on the time study form but corrected during data entry into the Raw Time Report. One instance was noted in which the incorrect activity/service code was input into the Raw Time Report as compared to the completed time study form. Time study allocates totals by federal program; therefore, there would not have been any effect on time study results for these data entry errors.
- One instance in which service code 82A was not listed on the Standard Time report.

During our review of the time study process, we also noted the following deficiencies related to the agency's relative values table used to help determine the allocation of payroll costs for services provided by nurses, nurse practitioners and doctors to various federal programs. These were deficiencies communicated to agency management in the prior year when the relative values table was originally audited and remain uncorrected in the current year:

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

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

**CFDA/Finding
Number**

Finding and Recommendation

- One instance in which time for service code 15 was entered into the Relative Value Table for services that are no longer provided in the clinics and therefore should not be allocating PC03 time.
- Two instances in which the service codes 83B and 85A could not be traced to the Standard Time report and the Relative Value Table did not agree to auditor calculation of an average of the previous few years' Relative Value tables.

Our review of the time study process also identified a deficiency in internal control related to the annual review of the standard time value table. There was no annual review or documentation of review of the standard time value table to ensure that all values were still accurate and pertinent.

Our review of the time study process also identified a lack of adherence to cognizant agency policies over time study procedures. Current year time study procedures did not comply with all of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual requirements for conducting time studies. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. Testwork showed that the Department of Health collected data for the fourth week for two consecutive months and did not equally distribute the data collection weeks throughout the year.

Failure to: perform required reconciliations; make necessary quarterly adjustments based upon appropriate documentation supporting actual levels of effort; provide an adequate level of supervisory review over the reconciliations; modify inaccurate relative values data; and adhere to cognizant agency policies for time study procedures could result in the misallocation of federal funds and questioned costs. The agency may then be subject to repaying a portion of the grants, be levied fines and penalties, and potentially lose future grant awards.

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

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

**CFDA/Finding
 Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen internal controls to ensure time study reconciliations are properly designed, accurately and timely prepared, reviewed, and performed for all federal programs to ensure that federal programs have not been overcharged based upon actual distribution of effort. For programs which have been overcharged based on the results of the reconciliations, we recommend the agency ensure that adjustments are made in a timely manner. We further recommend that management strengthen internal controls to ensure sufficient monitoring and oversight of time study policies and procedures.

NOTE: See Management’s Response and Corrective Action Plan on page 129.

HUMAN SERVICES

ALLOWABLE COSTS/COST PRINCIPLES

Material Noncompliance

Material Weakness

93.575

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF 2011

G1202MSTANF 2012

G1201MSCCDF 2012

G1302MSTANF 2013

G1301MSCCDF 2013

Questioned Costs: \$731

2013-009

Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements

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

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

CFDA/Finding
Number

Finding and Recommendation

Finding:

The *Code of Federal Regulations* (45 CFR 98) regulates expenditures of funds under the Child Care and Development Block Grant (CCDF), including the identification of allowable costs for CCDF expended through the child care certificate program. The Mississippi Department of Human Services' Division of Early Childhood Care and Development (DECCD) has published the *Mississippi Child Care Payment Program Policy Manual*, based on the CCDF State Plan, which incorporates applicable federal regulations and establishes allowable costs for child care certificate payments under the CCDF program. Specifically, Section 103.02 of this manual addresses co-payment fees and Section 104.04 addresses child care certificate rates.

In performing allowable costs testwork related to certificate rates and co-pays during fiscal year 2013, we noted seven instances out of 60 tested at year-end in which a school-aged child (who would participate in child care on a part-time basis) was issued a child care certificate that provided for only full-time attendance rates and co-pays to be paid to a child care provider. This resulted in payment of full-time rates and co-pays for part-time attendance. These seven instances resulted in known questioned costs of approximately \$730 out of total year-end certificate payments of approximately \$29,524,000, and projected questioned costs of approximately \$1,443,500.

Failure of DECCD to properly provide for the payment of part-time rates on the certificates for school-aged children results in improper payments to child care providers, which would cause questioned costs and the possibility of recoupment of funds by the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services' Division of Early Childhood Care and Development ensure compliance with the allowable costs requirements of the Child Care and Development Block Grant by strengthening control procedures to ensure child care certificate rates and copays are assigned in accordance with the requirements set forth in the *Code of Federal Regulations* and the *Mississippi Child Care Payment Program Policy Manual*.

NOTE: See Management's Response and Corrective Action Plan on page 132.

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

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

CFDA/Finding
Number

Finding and Recommendation

work component to meet specific participation hours to receive a TANF Work Transportation (J1) stipend. J1 stipends can be paid to TANF participants at the following levels: \$180 for working 20 to 25 hours a week, \$240 for working 26 to 31 hours a week, and \$300 for working 32 to 40 hours a week.

During testing of TANF benefits paid during the fiscal year 2013, we noted the following exceptions.

- Four out of 90 cases tested did not have a signed Personal Responsibility Contract on file.
- Eleven out of 90 cases did not have verification of immunization for a child not attending school.
- Sixteen out of 90 cases were not complying with Child Support Enforcement on a child for which benefits were being received.
- Thirteen out of 90 cases had Quarterly Wage Match Data on the WTPQ screen data prior to the initial determination, or before redetermination, which had not been reviewed by the case worker.
- One out of 90 cases receiving Transitional Work Transportation Assistance did not have a signed Transitional Service Application on file.

In performing testwork on 39 J1 stipends paid to participants during fiscal year 2013, we noted five instances in which payments made did not correspond with the required weekly hours to be worked per *Volume III, TANF Policy Manual*, resulting in a total known overpayment of \$840 in fiscal year 2013. The results of our testwork compared to the total of all J1 benefits paid in fiscal year 2013, indicates projected questioned costs of approximately \$684,000.

Failure to maintain supporting documentation for eligibility determination as well as not monitoring and reducing benefits to coincide with hours participated in TANF work component could result in questioned costs and recoupment of costs by the federal granting agency.

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

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

**CFDA/Finding
 Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services ensure compliance with Temporary Assistance for Needy Families (TANF) eligibility and benefit requirements by strengthening control procedures to ensure all supporting documentation is reviewed and maintained and benefits are paid in accordance with the *Volume III, TANF Policy Manual*.

NOTE: See Management’s Response and Corrective Action Plan on page 133.

HUMAN SERVICES

ELGIBILITY

Material Noncompliance

Material Weakness

93.575

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1001MSCCDF 2010	G1301MSCCDF 2013
G1101MSCCDF 2011	G1202MSTANF 2012
G1201MSCCDF 2012	G1302MSTANF 2013

Questioned Costs: \$868

2013-011

Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements

Finding:

The *Code of Federal Regulations* (45 CFR Part 98.20) sets forth the eligibility requirements for a child to receive child care services. The *Code of Federal Regulations* (45 CFR Part 98.50) further states how the Child Care and Development Block Grant (CCDF) funds should be expended for issuance of

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

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

CFDA/Finding
Number

Finding and Recommendation

child care certificates. The Mississippi Department of Human Services' Division of Early Childhood Care and Development (DECCD) has published the *Mississippi Child Care Payment Program Policy Manual*, based on the CCDF State Plan, which incorporates applicable federal regulations and establishes eligibility criteria to receive child care certificate payments under the CCDF program. Specifically, Chapter 1 of this manual addresses family and child eligibility requirements, including the requirement that an eligible child be less than 13 years of age, or 18 if Special Needs. This policy manual also provides for periodic re-determination of continuing eligibility.

In performing testwork related to a child's eligibility for a child care certificate based on child care provider payments made during fiscal year 2013, we noted the following weaknesses.

- Of the 60 child care certificate payments tested, there were 28 instances, or 46.7 percent, in which the child's eligibility for the child care certificate could not be verified due to a child care certificate application and supporting documentation not being maintained by DECCD. It was not feasible to determine or project questioned costs associated with this exception due to insufficient information and the lack of child care applications and supporting documents.
- Six instances of the 60 payments tested, or ten percent, were identified as being based on the initial determination of the child's eligibility for the child care certificate as a referral from the Division of Field Operations due to the parent/caretaker receiving basic TANF benefits or transitional TANF benefits, which is the first priority level for a child care certificate. However, based on auditor's review of the TANF case in MAVERICS and/or transitional TANF case in JAWS, the auditor determined that the parent/caretaker was no longer receiving any type of TANF benefits as of the child care certificate benefit date selected for testing, and therefore should not have been continuing to receive the child care certificate benefit at the TANF priority level. It was not feasible to determine or project questioned costs associated with this exception due to the possibility that the parent/caretaker may still be eligible to receive child care assistance at a different priority level based on reapplying.
- One instance out of the 60 payments tested was noted in which the child was not less than 13 years of age at the benefit date selected for testing. The child turned 13 years of age during the effective period for the child care certificate, but benefits continued for two months after the child turned 13

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

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

**CFDA/Finding
 Number**

Finding and Recommendation

years old. This resulted in known questioned costs of \$868.

- Six instances out of the 60 payments tested were noted in which there were improper copay amounts based on the priority level and number of children in the family with an active child care certificate.

Failure of DECCD to perform re-determination of a child’s eligibility to ensure a child care certificate is properly issued could result in improper payments to a child care provider representing questioned costs, and the possible recoupment of funds by the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services’ Division of Early Childhood Care and Development ensure compliance with the Child Care and Development Block Grant eligibility requirements by strengthening control procedures to ensure child care certificates are issued in accordance with eligibility requirements as set forth in the *Code of Federal Regulations* and *Mississippi Child Care Payment Program Policy Manual*.

NOTE: See Management’s Response and Corrective Action Plan on page 135.

HUMAN SERVICES

REPORTING

Material Noncompliance

Material Weakness

93.667

Social Services Block Grant

Federal Award Number and Year: G1201MSSOSR 2012
 G1301MSSOSR 2013

Questioned Costs: None

2013-012

Controls Should Be Strengthened over Compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements

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

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

CFDA/Finding
Number

Finding and Recommendation

Finding:

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

During testwork performed on reporting for the Transparency Act during fiscal year 2013, we noted the following weaknesses.

- Of the ten SSBG subawards awarded by the Division of Aging and Adult Services which met the FFATA reporting requirements, none of these subawards, totaling approximately \$5,627,000 have been reported in the FSRS system.
- Of the 20 SSBG subawards awarded by the Division of Youth Services which met the FFATA reporting requirements, 17 of these subawards, or 85 percent, totaling approximately \$1,008,000 have not been reported in the FSRS system. For the three subawards which were reported, the obligation dates were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in the three subawards not being reported in the FSRS system by the last day of the month following the obligation date.
- There were three SSBG subawards awarded by the Division of Social Services Block Grant which met the FFATA reporting requirements and were reported in the FSRS system. The obligation dates for these subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in these subawards not being reported in the FSRS system by the last day of the month following the obligation date.

Noncompliance with Transparency Act requirements could result in reduced funding for the program.

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

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

**CFDA/Finding
 Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services ensure compliance with the Federal Funding Accountability and Transparency Act requirements by strengthening control procedures to ensure all subawards are reported timely and obligation dates are reported accurately.

NOTE: See Management’s Response and Corrective Action Plan on page 137.

HUMAN SERVICES

REPORTING

*Immaterial Noncompliance
 Significant Deficiency*

93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:	G1202MSTANF 2012
	G1302MSTANF 2013
	G1201MSCCDF 2012
	G1301MSCCDF 2013

Questioned Costs: None

2013-014	<u>Controls Should Be Strengthened over Reporting of Subawards for Federal Funding Accountability and Transparency Act (FFATA) Requirement</u>
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Finding:

The *Code of Federal Regulations* (2 CFR Part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (Transparency Act). Direct recipients of grants who make first-tier subawards are required to report each subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds. Direct

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

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

**CFDA/Finding
Number**

Finding and Recommendation

recipients are required to use the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) to report qualifying subawards or amendments by the end of the month following the month in which the obligation was made.

During testwork performed on reporting for the Transparency Act during fiscal year 2013, we noted the following weaknesses.

- There were ten TANF subawards awarded by the Division of Field Operations which met the FFATA reporting requirement and were reported in the FSRS system. The obligation dates for these ten subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in the subawards not being reported in the FSRS system by the last day of the month following the obligation date.
- There were 20 TANF subawards awarded by the Division of Youth Services which met the FFATA reporting requirement and were reported in the FSRS system. The obligation dates for these 20 subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in the subawards not being reported in the FSRS system by the last day of the month following the obligation date.
- There were 19 CCDF subawards awarded by the Division of Early Childhood Care and Development which met the FFATA reporting requirement. One subaward had not been reported in the FSRS system prior to our testing. The obligation dates for the other 18 subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in the subawards not being reported in the FSRS system by the last day of the month following the obligation date.

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

Recommendation:

We recommend the Mississippi Department of Human Services ensure compliance with the Federal Funding Accountability and Transparency Act

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

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

CFDA/Finding
Number

Finding and Recommendation

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

During our verification of the completeness of the sample population, we noted six out of 180 contracts totaling approximately \$2,658,000 that were listed on the Subgrantee Summary Report (GM18) and had expenditures in FY2012 but were not included on the SFY2012 Subgrant Monitoring Tracking document; therefore, these contracts had not been subjected to on-site monitoring within the contract period or as of our testing date of October 1, 2013, which represents an average of 450 working days after the end of the contract dates.

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

Recommendation:

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen its existing procedures over compliance with on-site monitoring to ensure all active subgrantee contracts are monitored in accordance with the *Code of Federal Regulations* and OM's procedures.

NOTE: See Management's Response and Corrective Action Plan on page 139.

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

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

**CFDA/Finding
 Number**

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Material Weakness

93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year:

G1102MSTANF 2011	G1201MSCCDF 2012
G1202MSTANF 2012	G1001MSSOSR 2010
G1001MSCCDF 2010	G1101MSSOSR 2011
G1101MSCCDF 2011	G1201MSSOSR 2012

2013-015 Controls Should Be Strengthened over On-Site Monitoring

Finding:

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

We evaluated MDHS’s compliance with subrecipient monitoring requirements based on written policies and procedures designed by MDHS’s Division of Program Integrity – Office of Monitoring (OM) to satisfy during-the-award

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

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

**CFDA/Finding
Number**

Finding and Recommendation

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

During testwork performed on subrecipient on-site monitoring for 41 subgrant contracts during state fiscal year 2013, we noted the following weaknesses.

- Twenty subgrant contracts, or 48.8 percent, were monitored untimely an average of 107 working days after the expiration of the respective contracts.
- The Initial Report of Findings and Recommendations (IMR) for 21 subgrant contracts, or 51.2 percent, was issued untimely with an average of 55 working days passing between exit conference and report issuance.
- Questioned costs identified during monitoring for one subgrant contract had not been fully resolved based on a final decision letter issued by MDHS on March 29, 2013.
- The IMR was not included in the monitoring file for seven subgrant contracts, or 17.1 percent; therefore, the auditor could not verify IMR was issued within 30 working days of exit conference; if any questioned costs were identified and communicated based on the monitoring that occurred; or if Corrective Action was received from the subrecipient within 15 working days of the issuance of the IMR.
- The Fiscal Monitoring Tool was not completed and/or included in the monitoring file for one subgrant contract.
- The Corrective Action Plan provided by three subrecipients was not included in the subgrant monitoring file and could not be located by OM.
- Three subgrant monitoring files did not have evidence of a clearance letter stating that questioned costs were fully resolved.

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

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

CFDA/Finding
Number

Finding and Recommendation

- The Monitoring Supervisor Review Checklist for three subgrant monitoring files was not signed by the monitoring supervisor prior to the issuance of the Initial Monitoring Report.
- There was no indication that a Dun and Bradstreet Date Universal Numbering System (DUNS) number was obtained as part of the subaward application or before the subaward was awarded.

During our verification of the completeness of the sample population, we noted six out of 180 contracts that were not included on the SFY2012 Subgrant Monitoring Tracking document, therefore, these contracts had not been subjected to on-site monitoring within the contract period.

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

Recommendation:

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

NOTE: See Management's Response and Corrective Action Plan on page 140.

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

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

**CFDA/Finding
Number**

Finding and Recommendation

HUMAN SERVICES

SUBRECIPIENT MONITORING

Significant Deficiency

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year:

SNAP Letter of Credit	G0901MSCCD7 2009
G0902MSTANF 2009	G1001MSCCDF 2010
G1001MSTANF 2010	G1101MSCCDF 2011
G1001MSTAN2 2010	G0901MSSOS2 2009
G1002MSTANF 2010	G0901MSSOSR 2009
G1102MSTANF 2011	G1001MSSOSR 2010
G0901MSCCDF 2009	G1101MSSOSR 2011

2013-016	<u>Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits</u>
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Finding:

The Office of Management and Budget (OMB) *Circular A-133* states the pass-through entity is responsible for (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient’s audit period; (2) issuing a management decision on findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely

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

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

**CFDA/Finding
Number**

Finding and Recommendation

and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

During our audit of the Mississippi Department of Human Services (MDHS), we reviewed the Division of Program Integrity – Office of Monitoring (OM) audit files and Monitoring Tracking Document for MDHS Subgrantees for state fiscal year 2011. During our review, we noted the following problems.

- During testing for completeness, we noted two instances in which subrecipients were not included on the FY2011 tracking report but had expenditures in FY 2011 and should have been included for OMB A-133 tracking purposes.
- Of nine subgrantees tested on Attachment B of the Status Report, we noted eight instances in which OMB A-133 audits or Subgrantee Audit Information Forms (SAIF) for the subgrantees were not received by Office of Monitoring within nine months of the subgrantee’s fiscal year end. In each instance in which an audit was received, we noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee’s fiscal year end. While the auditor noted the Office of Monitoring sent an initial, reminder, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements, it appears no additional follow-up was made to obtain the OMB A-133 audit or SAIF form prior to the auditor’s request. Following the request, Office of Monitoring was able to obtain the required audits.
- Of nine subgrantees tested on Attachment B of the Status Report, we noted one instance in which the OMB A-133 audit or SAIF form for the subgrantee had not yet been received as of February 21, 2014. Per requirements, an OMB A-133 audit or SAIF form was to be received within nine months of the subgrantee’s fiscal year end. While the auditor noted the Office of Monitoring sent an initial letter, reminder letter and demand letter to the subgrantee regarding their OMB A-133 audit report requirements, it appears no additional follow-up was made to obtain the OMB A-133 audit or SAIF form prior to the auditor’s request.
- Of 21 subgrantees tested, we noted four instances in which neither a clearance letter from the funding division nor communications between the subgrantee and the funding division discussing corrective action could be located in the Office of Monitoring or from the funding division within the six month deadline for corrective action.

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

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

**CFDA/Finding
Number**

Finding and Recommendation

- Of 21 subgrantees tested, we noted four instances in which the OMB A-133 audit for the subgrantee was not received by Office of Monitoring within nine months of the subgrantee’s fiscal year end. We noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee’s fiscal year end. The auditor noted the Office of Monitoring sent an initial, reminder, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements. Subgrantee audit reports were received on average 145 days after the nine month deadline.

Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

Recommendation:

We recommend the Mississippi Department of Human Services’ Division of Program Integrity – Office of Monitoring (OM) strengthen controls over subrecipient monitoring for OMB A-133 audits to ensure recipients expending \$500,000 or more in Federal funds during their fiscal year are appropriately monitored and an OMB A-133 audit is obtained. We also recommend that the agency follow-up more frequently with the funding divisions to ensure corrective action was taken when a subgrantee’s audit report contains findings. We further recommend that OM should ensure all subrecipients are included on the tracking report and continue to follow-up to obtain an OMB A-133 audit or Subgrantee Audit Information Form after the demand letter is issued.

NOTE: See Management’s Response and Corrective Action Plan on page 142.

II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS



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STATE OF MISSISSIPPI

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Instructions to Management

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

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

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

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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

INDEX LISTED BY FINDING NUMBER

<u>FINDING NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>	<u>PAGE NUMBER</u>
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11-05	Health	111
12-01	Wildlife, Fisheries and Parks	119
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12-03	Human Services	113
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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

INDEX LISTED BY STATE GRANTEE AGENCY

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
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Human Services	12-03	113
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Human Services	12-06	114
Mississippi Development Authority	12-07	115
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Wildlife, Fisheries and Parks	12-01	119



PHIL BRYANT
GOVERNOR

SUMMARY SCHEDULE OF PIROR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013

January 30, 2014

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

Dear Mr. Pickering:

The Office of the Governor is providing the following summary schedule of prior audit findings for the federal audit completed in March 2013.

AUDIT FINDING:

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

11.557 Broadband Technology Opportunities Program (BTOP)

FULLY CORRECTED

If you have any questions or require additional information, please contact Thomas McElroy at 601.576.2808.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Smith".

Lucien Smith
Chief of Staff

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013

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

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

FULLY CORRECTED

Training has been provided to the appropriate Program Managers on how to access the website to report new programs so that now all program managers are able to go into the system and enter new programs. Training was provided by Internal Audit.

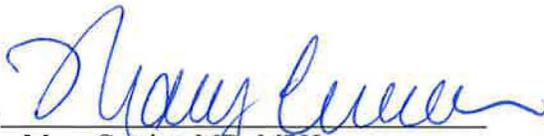
11-05 Controls over the Time Study Procedures Should Be Strengthened

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

PARTIALLY CORRECTED

MSDH has acquired a time and attendance program through Kronos for agency wide implementation. To accurately track resource time in each of these programs the vendor is working with each program area, Accounting and Finance, Human Resources, and MSDH Internal Audit to develop the code and ability to capture this unique information that meets the necessary requirements in an automated manner significantly reducing errors. Full implementation of this application is expected in July 2014.

Signed: _____


Mary Currier, MD, MPH
State Health Officer

Date: 02-26-14

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

January 24, 2014

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the prior year audit for the year ended June 30, 2013.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013

12-03 Controls over Minimum Targeted Funds Should Be Strengthened

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

FULLY CORRECTED

12-04 Controls over the Timely Identification of New Federal Reporting Requirements
Should Be Strengthened

93.558 Temporary Assistance for Needy Families (TANF) State Programs
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and
Development Fund

FULLY CORRECTED

12-05

Controls over On-Site Monitoring Should Be Strengthened

- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.713 ARRA - Child Care and Development Block Grant

PARTIALLY CORRECTED

Staff vacancies from the prior year were filled and training took place, however reducing employee turnover remains a significant challenge as new vacancies occurred in the current year. The Director of Office of Monitoring and the Director of the Division of Program Integrity met with each Planning and Development District (PDD) Director to foster understanding as to what causes questioned costs. The Director of Office of Monitoring has begun a revision of time requirements in our Standard Operating Procedures with emphasis on timeliness for reports and responses. We believe the foregoing actions have strengthened controls over our on-site monitoring.

To fully address our control weaknesses, we have restructured our monitoring teams by combining the PDD team and Catch-All team into one combined unit where any team member(s) can be assigned to monitor any type sub-recipient. While this will require more extensive training for all monitors, essentially it allows us optimum flexibility in keeping all of our resources full-employed, as they will not be limited to monitoring just certain type sub-recipients. Additionally, Childcare funding is no longer handled using sub-grants thus eliminating 30-40 sub-grants that were previously administered by the PDD's for MDHS and which required monitoring. All of these actions will give us more resources to apply to catching up and staying current on sub-recipient monitoring.

12-06

Agency Should Ensure Compliance with Transitional Work Transportation Benefit Requirements

- 93.558 Temporary Assistance for Needy Families
- 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program

FULLY CORRECTED

Signed: _____

Richard A. Berry, Executive Director

Date: _____

1/24/14



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

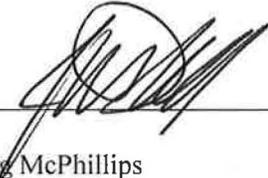
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013

12-07 Controls Should Be Strengthened Over Section 3 Reporting

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

FULLY CORRECTED

Signed: _____


J. Manning McPhillips
Chief Administrative Officer

January 27, 2014

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STATE OF MISSISSIPPI
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF HOMELAND SECURITY

PHIL BRYANT
GOVERNOR

ALBERT SANTA CRUZ
COMMISSIONER

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013

12-02 Payroll Distribution Procedures Should be implemented to Allow Allocation of Employee Time to Applicable Grants

97.001 Mississippi Interoperable Communications Grant

FULLY CORRECTED

Signed:


Everett L. (Rusty) Barnes Jr, Executive Director, Mississippi Office of Homeland Security

Date:

2-13-2014

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

Sam Polles, Ph.D.
Executive Director

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2013**

12-1 Controls Should Be Implemented to Ensure Compliance With Subrecipient Monitoring Requirements

CFDA No. 20.219 Recreational Trails Program

Fully Corrected

Signed: _____


Sam Polles, Ph.D.
Executive Director

Date: _____

1/27/14

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III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



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STATE OF MISSISSIPPI

**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED JUNE 30, 2013
Instructions to Management**

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

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

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

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

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

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MISSISSIPPI DEPARTMENT OF EDUCATION

Carey M. Wright, Ed.D.
State Superintendent of Education

March 21, 2014

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

Dear Mr. Pickering:

In accordance with your correspondence dated March 7, 2014, the Mississippi Department of Education is providing the following responses and corrective action plans for the single audit findings for the fiscal year ending June 30, 2013.

Single Audit Findings:

Activities Allowed/Unallowed
Allowable Costs/Cost Principles

Immaterial Noncompliance Control Deficiency

- 10.560 State Administrative Expenses for Child Nutrition
Federal Award Number and Year: 5MS300907; 2012, 2013
Questioned Costs: \$50,884
- 2013-002 Controls Should Be Strengthened over Employee Time Certifications

Response:

For both employees without current certifications, the Office of Child Nutrition (OCN) staff was aware of the issue and was seeking signed forms when the request was received from the Office of the State Auditor (OSA). Obtaining the certifications was delayed due to unplanned, extended absences by both employees. Certifications were received from both employees verifying all employee time was charged to the proper program.

Corrective Action Plan:

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

OCN has implemented a new tracking log to document that certifications have been completed, to note any exceptions, and to prompt staff for follow up on incomplete certifications.

B. Name of the contact person(s) responsible for correction action.

Scott Clements, Director of the Office of Child Nutrition

C. Anticipated completion date for correction action.

January, 2014

Procurement and Suspension and Debarment

Immaterial Noncompliance Control Deficiency

10.560 State Administrative Expenses for Child Nutrition
Federal Award Number and Year: 5MS300907; 2011
Questioned Costs: \$30,950

2013-003 Controls Should Be Strengthened over the Procurement Process Related
To the State Administrative Expenses for Child Nutrition Program

Response:

The Mississippi Department of Education (MDE) concurs that current ITS rules indicate a CP-1 is required for this contract.

Corrective Action Plan:

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

OCN has obtained the necessary documentation related to the contract and requested a CP-1 from ITS.

B. Name of the contact person(s) responsible for correction action.

Scott Clements, Director of the Office of Child Nutrition

C. Anticipated completion date for correction action.

January, 2014

Activities Allowed/Unallowed
Allowable Costs/Cost Principles

Significant Deficiency

10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.558 Child and Adult Care Food Program
10.559 Summer Food Service Program for Children
Federal Award Number and Year: 5MS300326; 2012, 2013
5MS300340; 2012, 2013

2013-004 Controls Should Be Strengthened over Payments Made to Child Nutrition and
Child and Adult Care Food Program Subrecipients

Response:

MDE concurs that in a small number of instances the contract status of subrecipient organizations was not reflected accurately in OCeaN. Of the 616 applications reviewed, OCeaN incorrectly reported the status of nine applications. However, there were no erroneous or invalid payments made to subrecipient organizations.

Corrective Action Plan:

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

The identified reporting and approval errors have been corrected by MIS. Additionally, MDE is working with the ITS to replace OCeaN with a newer system. The new system will provide vendor support, improved reporting and more stringent controls regarding payment approvals.

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

Scott Clements, Director, Office of Child Nutrition

C. Anticipated completion date for correction action.

January 2014

Subrecipient Monitoring

Significant Deficiency

- 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program
Federal Award Number and Year: 5MS300326; 2010, 2011, 2012
- 2013-005 Controls Should Be Strengthened Over Monitoring for OMB Circular A-133 Audits for Child Nutrition Subrecipients

Response:

OCN staff identified an error in A-133 reporting from the OCeaN claims and contract system. Summer Food Service Program funds were incorrectly identified in the OCeaN A-133 report.

Corrective Action Plan:

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

OCN staff met with MDE Management Information Systems (MIS) staff and identified the error. MIS, working with OCN contractors, has corrected the report so that all organizations requiring an A-133 audit will be included.

- B. Name of the contact person responsible for correction action.

Scott Clements, Director, Office of Child Nutrition

- C. Anticipated completion date for correction action.

January 2014

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

Sincerely,



Carey M. Wright, Ed.D.
State Superintendent of Education



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR
MARK HENRY
EXECUTIVE DIRECTOR

March 3, 2014

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

Dear Mr. Pickering:

The Mississippi Department of Employment Security (MDES) appreciates this opportunity to submit a response to the single audit finding for the year ended June 30, 2013.

Audit Findings:

Finding 2013-006: MDES personnel did not perform the required on-site monitoring reviews as required by OMB Circular A-133 and WIA Section 184(a)(4) for the WIA Cluster, CFDA Nos. 17.258, 17.259 and 17.278.

Response: MDES accepts this finding and agrees that on-site monitoring was not performed in a timely manner.

Corrective Action Plan: Due to the loss of personnel pertinent to the process of subrecipient monitoring, MDES was unaware the monitoring was not performed in its entirety. This responsibility has been taken over by the head of the department, and subrecipient monitoring for FY 2013 and FY 2014 has been completed.

Finding 2013-007: MDES did not have a process in place to ensure the FFATA reporting as required by OMB Circular A-133 and FFATA was completed.

Page 2
March 3, 2014

Response: MDES accepts this finding and agrees that FFATA reporting requirements were not met.

Corrective Action Plan - MDES will ensure new reporting requirements are documented and implemented on a timely basis. The FFATA report for FY 2013 has now been completed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Henry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mr. Mark Henry
Executive Director

JT:tp



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 21, 2014

SINGLE AUDIT FINDINGS

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

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Single Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2013.

AUDIT FINDINGS:

ALLOWABLE COSTS/PRINCIPLES

Significant Deficiency

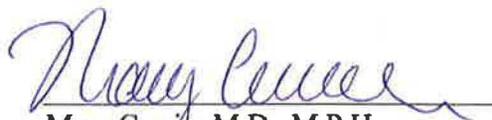
CFDA # 10.557	Special Supplemental Nutrition Program for Women, Infants, and Children-2012
CFDA # 93.069	Public Health Emergency Preparedness 2013
CFDA # 93.777	State Survey Certification of Health Care Providers and Suppliers (Title XVIII) Medicare 2013
CFDA # 93.889	National Bioterrorism Hospital Preparedness Program 2013

Controls Should Be Strengthened over the Allowable Costs/Costs Principles for the Time Study System

The agency concurs with this finding for the most part. The new Kronos Time Keeping should take care of a good portion when it becomes fully operational. It is to have a time study component in it. We will coordinate with the IT department so that we will have some type of

Page 2 of 2

standard time study form for every employee that is counted, instead of having to add lab employees under the PHEP grant from another report.

A handwritten signature in blue ink, appearing to read "Mary Currier", written over a horizontal line.

Mary Currier M.D., M.P.H.
State Health Officer



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

SINGLE AUDIT FINDINGS

March 21, 2014

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Findings in the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2013:

SINGLE AUDIT FINDINGS:

**CFDA/Finding
 Number**

Finding and Recommendation

ALLOWABLE COSTS

Material Noncompliance
Material Weakness

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

Federal Award Number and Year:

G1101MSCCDF	2011	G1202MSTANF	2012
G1201MSCCDF	2012	G1302MSTANF	2013
G1301MSCCDF	2013		

Questioned Costs: \$731

2013-010

Controls Should Be Strengthened over Compliance with Eligibility and Benefit Payment Requirements

Response:

The Mississippi Department of Human Services agrees that controls should be strengthened over compliance with eligibility and benefit payment requirements.

1. Relative to the Personal Responsibility Contract control issues, eligibility workers failed to obtain complete, accurate, and timely documentation, specifically Form MDHS-EA-312, during the application process. MDHS has policy of which eligibility workers should be aware that requires this documentation be obtained.
2. Relative to verification of immunization issues of children not attending school, eligibility workers for various reasons failed to obtain and record complete, accurate, and timely verification of immunization of children under the age of 18. MDHS has policy of which eligibility workers should be aware that requires this verification be performed.
3. Relative to cases of non-cooperation with the Division of Child Support Enforcement regarding assignment of support rights in cases where the child is receiving TANF, most of these cases were at some point of being resolved at the audit Y/E date and are now either resolved or the TANF case is closed.
4. Relative to cases that had Quarterly Wage Match Data (QWMD) dated previous to initial determination of eligibility or before the redetermination date that had not been worked, eligibility workers for reasons that are not apparent at this time did not complete the required process. MDHS has policy of which eligibility workers should be aware that requires that the QWMD be completed.

Corrective Action Plans:

1. Relative to the Personal Responsibility Contract control issues, in instances where the case is still open, the proper documentation has either been obtained or has been requested from the client. Eligibility workers will be instructed to be certain that they follow policy as outlined in the TANF Policy Manual regarding obtaining all required documentation during the application process.

2. Relative to verification of immunization, in the cases referred to in the current findings, the verifications have been documented. Eligibility workers will be instructed to be certain that they follow policy as outlined in the TANF Policy Manual regarding obtaining proof of immunization of children not attending school and who are under the age of 18.
3. Relative to not complying with Child Support Enforcement on a child for which TANF benefits are being received, where it is determined to be appropriate and depending on the facts and status of the cases at a particular point in time:
 - Complete, accurate, and timely referrals will be made between the Division of Field Operations' TANF program and Child Support Enforcement program so that there is coordination to prevent duplication of services and sufficient information that will allow for the support of children from the proper source, i.e. from TANF or the responsible parent's child support payment.
 - Regarding the cases that are the subject of the current audit findings, coordination issues between the TANF program and the Child Support Enforcement program have been resolved by making the proper referral or closing TANF cases where appropriate.
4. Relative to cases that had Quarterly Wage Match Data (QWMD) dated previous to initial determination of eligibility or before the redetermination date that had not been worked, counties have been notified to complete QWMD and process any claims, if necessary. In order to prevent failure to complete the process in the future, the following measures are being put into effect:
 - There will be a refresher training for Case Managers starting in March 2014.
 - A video conference will be conducted reiterating policies and procedures.

ELGIBILITY

Material Noncompliance

Material Weakness

93.575
93.596

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

Federal Award Number and Year:

G1001MSCCDF 2010	G1301MSCCDF 2013
G1101MSCCDF 2011	G1202MSTANF 2012
G1201MSCCDF 2012	G1302MSTANF 2013

Questioned Costs: \$868

2013-011

Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements

Response:

The Mississippi Department of Human Services agrees that controls should be strengthened to ensure compliance with eligibility requirements.

1. *Eligibility for child care certificates could not be verified for 28 children as child care applications were not available for auditor to review:*

The children identified in question were brought over during the conversion of the system (CCIS) from the subcontractor to MDHS/DECCD. In the first conversion, the records (applications and supporting documentation) did not come from the subcontractors to MDHS/DECCD and were unavailable to support the request from the auditor.

2. *Six instances where child care eligibility at benefit month cannot be verified because eligibility was initially determined through TANF/TCC referral but case was neither TANF nor TCC at benefit month per auditor's review of information in MAVERICS and JAWS:*

DECCD has compared the CCPS database to the MAVERICS database and found that we had not received some of the terminations that had occurred in MAVERICS. We have since terminated those cases that CCPS still had active that MAVERICS did not have active. Since CCPS receives referrals and terminations from MAVERICS through JAWS, this should not occur again. These cases were identified as coming over during the transition time before the interface from JAWS to CCPS.

3. ***One instance of a child care certificate payment for a child who was not less than 13 years of age at the benefit date and whose priority was not identified as Special Needs/Protective Services:***

This instance was a rollover issue at the beginning of the federal fiscal year. This child should not have been served past the day he turned 13 years old.

4. ***Instances where child care certificate reflected improper copay for i) case priority at benefit date as determined by auditor review of information in MAVERICS and/or JAWS or ii) the family's number of children with active child care certificates at benefit date as determined by auditor review of information in CCPS:***

In instances where copayments were calculated incorrectly for children based on case priority level and the number of children being served, DECCD will work through redetermination processes to correct these incorrect calculations.

Corrective Action Plan:

1. DECCD will conduct redetermination processes on all cases in the SFY 2014 to collect all eligibility documentation that is missing from current client files.
2. DECCD will conduct client file reconciliation on a monthly basis to make sure that all authorizations are issued appropriately.
3. CCPS has reports that will indicate on a monthly basis which children will be turning 13 and need to be terminated from the program. Staff will run the report monthly and generate correspondence through CCPS to give parents and providers a two week notice.
4. DECCD will collect all family information related to the calculation of authorizations to make sure that the information reflects the business rules built into the current CCPS.

REPORTING

Material Noncompliance
Material Weakness

93.667

Social Services Block Grant

Federal Award Number and Year: G1201MSSOSR 2012
G1301MSSOSR 2013

Questioned Costs: None

2013-012

Controls Should Be Strengthened over Compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements

Response:

The Mississippi Department of Human Services concurs that controls should be strengthened over compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements.

1. Regarding the ten SSBG sub-awards awarded by the Division of Aging and Adult Services, changes in programmatic division personnel and the resultant transfer of duties and lack of training resulted in failure to comply with FFATA reporting requirements.
2. Regarding the 20 SSBG sub-awards awarded by the Division of Youth Services, lack of training on FFATA reporting resulted in noncompliance with FFATA reporting requirements. While 3 of the sub-awards were reported, a misinterpretation of the "obligation" date caused the reporting to not be timely.
3. Regarding the three SSBG sub-awards awarded by the Division of Social Services Block Grant, these sub-awards were in fact reported, however it was the understanding of the Division that the obligation date was the same as the effective date of the sub grant. This understanding was incorrect per the State Auditor as the obligation date should be the date the sub grant is signed.

Corrective Action Plans:

1. The Division of Aging and Adult Services (DAAS) will ensure that sub-award data will be recorded in a timely manner for FFATA reporting within the required reporting period. The Division of Budgets and Accounting is working with DAAS to provide proper training on FFATA reporting to educate DAAS staff on the FRSR system. The DAAS Director with the assistance of the DAAS

Administrative Assistant implemented a tickler system to alert Division Planner to record federal awards in the required timeframe based on receipt of all applicable awards. The DAAS Division Planner with assistance from DAAS Director is in the process of recording outstanding grant awards.

2. All sub-awards awarded by the Division of Youth Services (DYS) which meet the FFATA reporting requirement have now been reported in the FSRS system. In reference to the incorrect Obligation Date being listed, DHS has been properly trained and ensures that the Obligation Date for all current (FFY2014) and future sub-awards will consider the signature date of the sub-award as the obligation date as stated in the Federal Funding Accountability and Transparency Act (FFATA) reference guide.
3. Relative to the current audit finding, the Social Services Block Grant Division respectfully submits that: the three sub-awards that met the FFATA reporting requirements were reported in the FSRS system; however, the three sub-awards reported the obligation date as the beginning effective date of the sub-award instead of the date the sub-award was signed. SSBG did not understand that the obligation date as defined by FSRS was the date the sub-award was signed. The Office of Subgrants and Procurement (OSP) Director has communicated with all OSP staff regarding the obligation date as the date the subaward is signed and not the beginning effective date of the subaward

SUBRECIPIENT MONITORING

Material Noncompliance

93.575
93.596

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

Federal Award Number and Year: GI001MSCCDF 2010
G1101MSCCDF 2011
G1201MSCCDF 2012

Questioned Costs: None

Due to lack of proper training and an expedited attempt to get into compliance with FFATA reporting, the Division of Field Operations, Division of Youth Services, and the Division of Early Childhood Care and Development misinterpreted the requirement that the obligation date of the subawards for FFATA reporting purposes should be the date the subawards are signed and not the beginning effective date of the subaward. This was an inadvertent error. The divisions actually reported the respective subawards but considered the wrong date, the beginning effective date of the subaward as the obligation date which caused the reporting not to be timely filed.

Corrective Action Plan:

Through re-training and advice from the Office of the State Auditor, respective employees in the various divisions who are now responsible for FFATA reporting have been made aware of and have been instructed to be certain to report subawards for FFATA purposes using the date the award is signed as the obligation date.

SUBRECIPIENT MONITORING

Material Weakness

- 93.558 Temporary Assistance for Needy Families (TANF) State Programs
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.667 Social Services Block Grant

Federal Award Number and Year:

G1102MSTANF 2011	G1201MSCCDF 2012
G1202MSTANF 2012	G1001MSSOSR 2010
G1001MSCCDF 2010	G1101MSSOSR 2011
G1101MSCCDF 2011	G1202MSSOSR 2012

2013-15

Controls Should Be Strengthened Over On-Site Monitoring

Response:

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

The Office of Monitoring (OM) experienced the loss of several key staff members during the audit period who were well trained and experienced monitors. Additionally, OM had to hire and train a new team supervisor and 4 new monitors. Further, the Community Services team operated with two members and a director for most of the fiscal year; this team was one

monitor short for most of the year which caused the team supervisor to have to be in the field with the regular monitors. This led to reports being issued late and caused lateness in the reviewing of reports and responses. Overall, lack of adequate resources in the Office of Monitoring resulted in the inability of the office to complete all work in a complete, accurate and timely manner. This is a continuing issue.

Corrective Action Plan:

The PDD team has been dissolved and merged with the Catch-All team. These team members will be cross-trained to handle a broader range of audits thereby providing greater flexibility in assigning resources to tasks. An additional monitor has been placed back on the Community Services team. This should facilitate the timeliness and correctness of all monitoring functions for the upcoming year. The Division of Program Integrity is in the process of amending the subgrant manual to include a requirement for the subrecipient DUNS number to be entered on the Subgrant Signature Sheet. This will help insure documentation of the DUNS numbers on subrecipients.

SUBRECIPIENT MONITORING

Significant Deficiency

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA — Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year:

SNAP Letter of Credit	G0901MSCCD7 2009
G0902MSTANF 2009	G1001MSCCDF 2010
G1001MSTANF 2010	G1101MSCCDF 2011
G1001MSTAN2 2010	G0901MSSOS2 2009
G1002MSTANF 2010	G0901MSSOSR 2009
G1102MSTANF 2011	G1001MSSOSR 2010
G0901MSCCDF 2009	G1101MSSOSR 2011

2013-016

Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits.

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring for OMB Circular A-133.

Corrective Action Plan:

The Office of Monitoring will put into place a program to help ensure subgrantees respond to initial, reminder and demand letters to stress the importance of timely reporting. Although there is not much the Office of Monitoring can do but to report violations to the funding divisions, an additional call and follow-up letter from the Director of Program Integrity should help the timeliness of receiving the reports. The Office of Monitoring will also use the State of Mississippi website to get audits of schools, counties, cities and other State entities that file audit reports with the Auditor's Office. The monitors from the Office of Monitoring will be instructed to get a copy of the subgrantees audits when completing their monitoring visits. Until the funding divisions hold subgrantees accountable for the timeliness of receiving these audit reports, the Office of Monitoring cannot do much more than to keep following up.

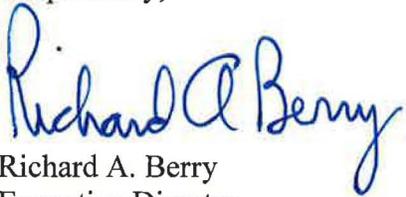
The funding divisions within MDHS will be given training to impress upon them the importance of responding to the corrective actions sent to them after a review of the A-133 Audits that is their responsibility. The Director of Program Integrity and the Director of Monitoring will also be following up by telephone and memo correspondence until a correction is received and resolved by the funding divisions.

Monthly tracking will be reviewed more closely to avoid missing any subgrantees that have expenditures and should file reports under the OMB Circular A-133.

Office of the State Auditor
March 21, 2014
Page 13

We appreciate the courtesy and professionalism demonstrated by Yolanda Campbell and her field staff throughout the audit. Should you have any questions regarding our responses or corrective action plans, please feel free to contact Earl D. Walker of the Division of Budgets and Accounting at 601-359-4665.

Respectfully,

A handwritten signature in blue ink that reads "Richard A. Berry". The signature is written in a cursive style with a large initial "R".

Richard A. Berry
Executive Director
RAB:EDW:pt

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

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OFFICE OF THE STATE TREASURER
LYNN FITCH
TREASURER

January 30, 2014

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

Dear Mr. Pickering:

We have reviewed the audit finding below in reference to our fiscal year 2013 audit. Listed below is our individual response and plan for corrective action:

AUDIT FINDING: Investment Ratios Should be Maintained in Accordance with State Law
2013-001

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

Corrective Action: Under the conservatorship put in place on September 7, 2008, FNMA and FHLMC are being run by the Federal Housing Finance Agency. The US Treasury's actions on September 7th included the institution of Preferred Stock Purchase Agreements, which are the foundation of the direct financial support of the US government to the agencies. The Treasury secretary's speech highlighted the additional security and clarity that these agreements provide to debt holders of FNMA and FHLMC. There were other steps that provided additional security to the debt holders through the provision of greater market stability, but the Purchase Agreements are, in our view, the most important and direct source of financial support. Because FNMA and FHLMC are congressionally chartered, only Congress can effect a permanent change in the status of the companies – either making them entirely public or entirely private. That is a matter that has yet to be

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

Treasury does not believe it is in the best interest of the taxpayers to liquidate FNMA and FHLMC holdings in favor of Treasuries to lower the allocation to Agencies due to the large losses in income to the portfolio that would result from such a rebalancing. The allocation to FNMA and FHLMC securities does not represent additional risk vis-à-vis Treasuries to the State or the taxpayers but does offer meaningfully higher yields. As FNMA and FHLMC holdings mature and/or are called, US Treasury holdings will be added to the portfolio as market rates and pricing are compelling compared to prevailing market rates of securities of similar maturities. Since March 2012, \$440 million of US Treasury securities have been added to the portfolio.

In the 2013 legislative session, the Office of the State Treasurer (OST) proposed revisions to amend Miss. Code Ann. § 27-105-33, including the removal of the fifty percent required allocation to Treasury securities. The revisions were introduced and passed by the House of Representatives, but later died in conference. The OST has introduced the same legislation in the 2014 legislative session.

Sincerely,



Lynn Fitch
State Treasurer



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

Auditor's note to the Response from Management

TREASURY

MATERIAL NONCOMPLIANCE

Finding Number

Finding Heading

2013-01

Investment Ratios Should Be Maintained in Accordance with State Law

Rebuttal to Agency Response:

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

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IV. INDICES



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STATE OF MISSISSIPPI

INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

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MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS (by State agency)

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STATE OF MISSISSIPPI

**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FEDERAL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2013**

1. U.S. Department of Agriculture: Page 65
2. U.S. Department of Commerce: None
3. U.S. Department of Defense: None
4. U.S. Department of Housing and Urban Development: None
5. U.S. Department of the Interior: None
6. U.S. Department of Justice: None
7. U.S. Department of Labor: Page 79
8. U.S. Department of Transportation: None
9. Appalachian Regional Commission: None
10. General Services Administration: None
11. National Foundation on the Arts and the Humanities: None
12. Small Business Administration: None
13. U.S. Department of Veterans Affairs: None
14. Environmental Protection Agency: None
15. U.S. Department of Energy: None
16. U.S. Department of Education: None
17. National Archives and Records Administration: None
18. U.S. Department of Health and Human Services: Page 83
19. Corporation for National and Community Service: None
20. Executive Office of the President: None
21. Social Security Administration: None
22. Department of Homeland Security: None

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STATE OF MISSISSIPPI

**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2013**

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Central Mississippi Residential Center: None
8. Corrections: None
9. Education: Page 65
10. Educational Television: None
11. Emergency Management: None
12. Employment Security: Page 79
13. Environmental Quality: None
14. Finance and Administration: None
15. Forestry Commission: None
16. Governor's Office: None
17. Health: Pages 71, 83
18. Human Services: Pages 76, 87
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: None
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: None
26. Narcotics: None
27. Oil and Gas Board: None
28. Port of Gulfport: None
29. Public Safety: None
30. Public Service Commission: None
31. Rehabilitation Services: None
32. Revenue: None
33. Secretary of State: None
34. Soil and Water Conservation Commission: None
35. State Fire Academy: None
36. Supreme Court: None
37. Transportation: None
38. Treasury: None
39. Veterans Affairs Board: None
40. Wildlife, Fisheries and Parks: None

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

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FINDING NUMBER
FOR THE YEAR ENDED JUNE 30, 2013

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2013-012	93	Human Services
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2013-014	95	Human Services
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2013-016	76, 102	Human Services

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STATE OF MISSISSIPPI

**INDEX OF MANAGEMENT RESPONSES TO FEDERAL AWARD FINDINGS
AND CORRECTIVE ACTION PLANS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2013**

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Central Mississippi Residential Center: None
8. Corrections: None
9. Education: Page 123
10. Educational Television: None
11. Emergency Management: None
12. Employment Security: Page 127
13. Environmental Quality: None
14. Finance and Administration: None
15. Forestry Commission: None
16. Governor's Office: None
17. Health: Page 129
18. Human Services: Page 131
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: None
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: None
26. Narcotics: None
27. Oil and Gas Board: None
28. Port of Gulfport: None
29. Public Safety: None
30. Public Service Commission: None
31. Rehabilitation Services: None
32. Revenue: None
33. Secretary of State: None
34. Soil and Water Conservation Commission: None
35. State Fire Academy: None
36. Supreme Court: None
37. Transportation: None
38. Treasury: None
39. Veterans Affairs Board: None
40. Wildlife, Fisheries and Parks: None

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V. ACKNOWLEDGMENTS



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ACKNOWLEDGMENTS

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

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