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**FINANCIAL STATEMENTS OF SELECTED FUNDS  
OF THE  
STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

Carey M. Wright, Ed.D.  
State Superintendent of Education  
Mississippi Department of Education  
Jackson, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the selected funds 5320100000 and 2223000000 of the Mississippi Department of Education (MDE), as of and for the year ended June 30, 2018, and the related notes to the financial statements. These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report (CAFR).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of funds 5320100000 and 2223000000 of MDE as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of funds 5320100000 and 2223000000 of MDE present only the financial position and changes in financial position of that portion of the governmental activities of the selected funds of MDE and the State of Mississippi that is attributable to the transactions of funds 5320100000 and 2223000000. They do not purport to, and do not, present fairly the financial position of MDE or the State of Mississippi as of June 30, 2018, or the changes in financial position of each entity for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matter***

Management has omitted the Management Discussion and Analysis and the Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by the missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2018, on our consideration of MDE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of MDE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDE's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 26, 2018

## **FINANCIAL STATEMENTS**

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
BALANCE SHEETS  
June 30, 2018**

	<b>Fund <u>5320100000</u></b>	<b>Fund <u>2223000000</u></b>
<b>Assets:</b>		
Cash	\$ 200	\$ -
Equity in State Treasury Funds	1,959,574	64,181
Accounts Recievable	648,049	-
Due From Federal Government	47,490,713	-
Due From Other State Funds	513,259	-
	<hr/>	<hr/>
Total Assets	<u>\$ 50,611,795</u>	<u>\$ 64,181</u>
 <b>Liabilities and Fund Balances:</b>		
Accounts payable	\$ 7,506,243	\$ 64,181
Warrants Payable	601,056	-
Due To Other Governments	33,785,224	-
Due To Other State Funds	2,607,596	-
Unearned revenue	2,150,332	-
	<hr/>	<hr/>
Total Liabilities	<u>46,650,451</u>	<u>64,181</u>
 <b>Fund Balances:</b>		
Restricted	<u>3,961,344</u>	<u>-</u>
 Total Liabilities and Fund Balance	<u><u>\$ 50,611,795</u></u>	<u><u>\$ 64,181</u></u>



**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
STATEMENTS OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Year Ended June 30, 2018**

	Fund 5320100000	Fund 222300000
<b>Revenues:</b>		
Federal grant	\$ 708,424,343	\$ -
Other income	304,964	-
Total Revenues	708,729,307	-
<b>Expenditures:</b>		
Subsidies	670,523,851	1,039,383
Subsidies - Adequate Education Funds	-	1,960,127,153
Salaries and Benefits	8,699,757	-
Travel	154,487	-
Contractual Services	13,281,000	316,399
Commodities	998,247	1,823
Total Expenditures	693,657,342	1,961,484,758
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	15,071,965	(1,961,484,758)
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	1,989,918,759
Transfers (out)	(1,004,969)	(28,434,001)
<b>Total Financing Sources (Uses)</b>	(1,004,969)	1,961,484,758
<b>Total Expenditures and Financing Sources (Uses)</b>	14,066,996	-
<b>Net Change in Fund Balances</b>	14,066,996	-
<b>Fund Balances, Beginning of Year</b>	(10,105,652)	-
<b>Fund Balances, End of Year</b>	\$ 3,961,344	\$ -

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Background Information**

Mississippi Department of Education (MDE) is a state department of the State of Mississippi. MDE provides resources and technical support to Mississippi's public school system. A nine-member board is appointed in accordance with Mississippi's constitution, which governs MDE. The Mississippi Board of Education is responsible for appointing the State Superintendent of Education, establishing public education policy and governing MDE.

MDE is the administrative arm of the Board and functions as a resource for federal education requirements and funding. MDE is responsible for implementing state and federal education laws, disbursing state and federal funds, holding schools and districts accountable for performance and licensing all educators.

**Financial Reporting Entity**

MDE is reported as a state agency in the State of Mississippi's Comprehensive Annual Financial Report. The selected governmental funds presented in these financial statements are part of the larger entity that in whole comprises the financial reporting entity of the Mississippi Department of Education. The selected funds are used to fund administrative and operating costs of federal and state educational programs for the 148 local school districts.

**Basis of Presentation**

The accompanying fund financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

**Cash and Cash Equivalents**

Cash and cash equivalents are defined by MDE as demand deposit accounts and equity in State Treasury Funds. Equity in State Treasury Funds consists of pooled cash held by the Treasurer of the State of Mississippi.

**Accounts Receivable**

Accounts receivable consist of amounts due from the Federal or State government in which the revenue was earned but not received by June 30, 2017. Accounts receivable is reported net of allowances for uncollectible accounts, where applicable. No allowance for uncollectible accounts was recorded at June 30, 2018.

**Account Classifications**

The account classifications used in the financial statements conform to the board classifications recommended in *Governmental Accounting, Auditing and Financial Reporting*, as issued by the Government Finance Officers Association.

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2018**

**Fund Accounting**

The financial activities of the funds audited are recorded in individual funds used to report financial position and changes in financial position. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

**Basis of Accounting/Measurement Focus**

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are considered to be available when they are both measurable and available to finance expenditures of the current period. Management considers revenue to be available if collected within 60 days. Expenditures are recorded when a liability is incurred, except for accumulated sick and vacation pay which are recorded when paid.

**Use of Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires MDE to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and other changes in fund balances during the period. Actual results could differ from those estimates.

**Revenue Recognition**

Grant revenue is recognized when the related and allowable liability is paid. Other revenues in the funds are generally recognized when the revenue is received or appropriated by the State of Mississippi Legislature.

**Unearned Revenue**

Unearned revenue represents grant revenue received prior to all eligibility requirements being met. Unearned revenue is reported as a liability until the eligibility requirements are met.

**Interfund Transfers**

Interfund transfers received from other funds are reported as an Other Financing Sources rather than revenue, and interfund transfers sent to other funds are recorded as Other Financing Uses. In the selected governmental funds financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures of the disbursing fund.

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2018**

As of June 30, 2018, Fund transfers consisted of:

**Fund 5320100000**

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Title I Funds to Other State Agencies	\$ -	\$ 321,222
IDEA Funds to Other State Agencies	-	196,880
Child Nutrition Funds to Other State Agencies	-	90,713
Child and Adult Food Care Programs		
Funds to Other State Agencies	-	92,621
Child Nutrition Funds to Other State Agencies		
School for the Blind and Deaf	-	109,068
Child Nutrition Funds to Other State Agencies		
School for the Arts	-	53,487
Transfer to other State Agencies	-	115,241
Transfer to other State Funds	-	25,737
Total	<u>\$ -</u>	<u>\$ 1,004,969</u>

**Fund 2223000000**

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
State appropriation from other state funds for		
Mississippi Adequate Education Program (MAEP)	\$ 1,989,918,759	\$ 232,220
Transfer to other state funds for debt service and		
related payments	-	28,076,338
Transfer to other state funds for School for the		
Blind and Deaf	-	125,443
Total	<u>\$ 1,989,918,759</u>	<u>\$ 28,434,001</u>

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2018**

**Fund Balances – Governmental Funds**

MDE presents defined fund balance categories to demonstrate the nature and extent of the constraint placed on the selected funds' fund balances. The classifications used in the selected governmental funds financial statements are based on the following methodology:

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications. The unassigned classification is also used to report a deficit balance resulting from overspending for specific purposes for which amount had been restricted, committed or assigned.

Nonspendable – This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that may only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – This classification includes amounts that can be used only for the specific purposes determined by enabling legislations by the State legislature.

MDE considers restricted amounts to have been spent when the expenditure is incurred for purposes determined for which both restricted and unrestricted fund balances are available.

**NOTE 2 – Cash and Other Deposits**

Custodial risk is the risk that in the event of bank failure, a government's deposits may not be returned. MDEs' deposit policy for protection of custodial risk is handled under a statewide collateral program. The collateral for public entities' deposits in financial institutions is held by the depository bank in the name of the State Treasurer under a program established by the State of Mississippi Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entities' funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

**STATE OF MISSISSIPPI  
DEPARTMENT OF EDUCATION  
SELECTED FUNDS  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2018**

**NOTE 3 –Due From and Due To Other Governments**

At June 30, 2018, due from and due to other governments balances consisted of:

<b><u>Fund 5320100000</u></b>	<b><u>Due From</u></b>
U.S. Department of Education	\$ 38,379,209
U.S. Department of Agriculture	8,527,031
Appalachian Regional Commission	429,752
U.S. Department of Health and Human Services	154,721
Total	<u><u>\$ 47,490,713</u></u>

All amounts due to MDE are expected to be collected in fiscal year 2019.

<b><u>Fund 5320100000</u></b>	<b><u>Due To</u></b>
Due to Other Governments	<u><u>\$ 33,785,224</u></u>
Due to Other State Funds	<u><u>\$ 2,607,596</u></u>

Amounts due to other governments and other state funds represent reimbursement requests of federal program costs paid by the school's districts and state agencies.

**NOTE 4 – Contingency and Commitments**

**Federal Grants**

MDE receives 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 the grant agreement and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance of program uses of funds may be a liability of MDE's.

**Litigation**

MDE is party to various legal proceedings that arise in the normal course of governmental operations. If an unfavorable outcome of the litigation is determined to be likely and probable, MDE will record a liability to reflect the estimated outcome of the litigation.

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

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi Board of Education  
Jackson, 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 funds 222300000 and 5320100000 of the Mississippi Department of Education (MDE), as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2018, which was unmodified for the selected funds. These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report (CAFR).

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MDE'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 MDE's internal control. Accordingly, we do not express an opinion on the effectiveness of MDE'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 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 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.

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi Board of Education

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MDE's financial statements are free from material misstatement, we 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 MDE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 26, 2018



Carey M. Wright, Ed.D.  
State Superintendent of Education and,  
Mississippi State Board of Education  
Jackson, Mississippi

We have audited the financial statements of the selected funds 5320100000 and 2223000000 of the Mississippi Department of Education (MDE) as of and for the year ended June 30, 2018, and have issued our report thereon dated October 26, 2018. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant audit findings**

### ***Qualitative aspects of accounting practices***

#### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MDE are described in Note 1 to the financial statements.

We noted no transactions entered into by MDE for the selected funds during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements for the selected funds in the proper period.

#### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements of the selected funds which were particularly sensitive or required substantial judgments by management.

#### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

### ***Corrected Misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures. The adjustments were the result of regular closing and reporting procedures.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated October 26, 2018.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to MDE's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

This communication is intended solely for the information and use of the Mississippi Board of Education and management of Mississippi Department of Education and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 26, 2018



## MISSISSIPPI DEPARTMENT OF EDUCATION

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

October 26, 2018

CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, MD 21093

This representation letter is provided in connection with your audits of the selected funds 5320100000 and 2223000000 (the funds) of the Mississippi Department of Education (MDE), which comprise the respective financial position of the funds as of June 30, 2018, and the respective changes in financial position, and the related notes to the financial statements, for the purpose of expressing opinions on whether the selected funds are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report (CAFR).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of , the following representations made to you during your audit of selected funds 5320100000 and 2223000000 as of and for the year ended June 30, 2018.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit contract for professional services dated June 22, 2018, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

5. We have not identified or been notified of any corrected or uncorrected material financial statement misstatements.
6. You have proposed adjusting journal entries that have been posted to the selected fund's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
7. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
8. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
9. Receivables recorded in the financial statements of the selected funds represent valid claims against state or federal government for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

**Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit of the selected funds.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees for the selected funds.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices for the selected funds.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements for the selected funds.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources of the federal program selected by the Office of the State Auditor.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards of the federal programs selected by the Office of the State Auditor.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or suspected fraud for the selected funds.
4. We have disclosed any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have disclosed all known instances of any allegations of fraud, or suspected fraud, affecting the funds financial statements communicated by employees, former employees, grantors, regulators, or others for the selected funds.
6. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse whose effects should be considered when preparing financial statements for the selected funds and federal programs selected by the Office of the State Auditor.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements for the selected funds.
8. There are no other known material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP for the selected funds.
9. We have disclosed to you the identity of the fund's related parties and all the related party relationships and transactions of which we are aware for the selected fund.
10. We have taken timely and appropriate steps to remedy fraud, illegal acts, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us for the selected funds and federal programs selected by the Office of the State Auditor.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to MDE, and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds for the selected funds and federal programs selected by the Office of the State Auditor.
15. There are no known violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance for the federal programs selected by the Office of the State Auditor.
16. The MDE has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance for the selected funds.
17. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
18. The financial statements properly classify all activities for the selected funds.
19. Expenses have been appropriately classified in or allocated to functions and programs of the funds in the statement of revenue, expenditures and changes in funds balance and allocations have been made on a reasonable basis for the selected funds.
20. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported for the selected funds.
21. We have appropriately disclosed the MDE's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy for the selected funds.
22. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards for the selected funds and federal programs selected by the Office of the State Auditor.
23. With respect to federal award programs selected for audit by the Office of the State Auditor:
  - a. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance.



- b. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- c. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- d. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- e. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- f. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

Signature:  Title: Chief Operations Officer

Signature:  Title: State Superintendent of Education

**REPORTS ON FEDERAL PROGRAMS OF THE  
MISSISSIPPI DEPARTMENT OF EDUCATION  
SELECTED BY THE  
OFFICE OF THE STATE AUDITOR**

**YEAR ENDED JUNE 30, 2018**



**FEDERAL PROGRAMS OF THE MISSISSIPPI DEPARTMENT OF EDUCATION  
SELECTED BY THE OFFICE OF THE STATE AUDITOR  
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi Board of Education  
Jackson, 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 funds 222300000 and 5320100000 of the Mississippi Department of Education (MDE), as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2019, which was unmodified for the selected funds. These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report (CAFR).

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MDE'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 MDE's internal control. Accordingly, we do not express an opinion on the effectiveness of MDE'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 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 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MDE's financial statements are free from material misstatement, we 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 MDE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
March 20, 2019



**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS FOR FEDERAL PROGRAMS  
SELECTED BY THE OFFICE OF THE STATE AUDITOR**

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi State Board of Education  
Jackson, Mississippi

**Report on the Schedule of Expenditures of Federal Awards**

We have audited the accompanying Schedule of Expenditures of Federal Awards for programs selected by the Office of the State Auditor for those programs of the Mississippi Department of Education (MDE), for the year ended June 30, 2018, and the notes (the financial statement).

***Management's Responsibility for the Schedule of Expenditures of Federal Awards Programs Selected for Audit.***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi Board of Education

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards for the programs selected by the Office of the State Auditor of MDE for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
March 20, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAMS SELECTED BY THE OFFICE OF THE STATE  
AUDITOR AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi State Board of Education  
Jackson, Mississippi

**Report on Compliance for Each Major Federal Program  
Selected by the Office of the State Auditor**

We have audited Mississippi Department of Education's (MDE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs selected by the Office of the State Auditor for the year ended June 30, 2018. MDE's major federal programs, as selected by the Office of the State Auditor, are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to the federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of MDE's major federal programs selected by the Office of the State Auditor based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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 MDE's major federal programs selected by the Office of the State Auditor compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the MDE's major federal programs selected by the Office of the State Auditor. However, our audit does not provide a legal determination of MDE's major federal programs selected by the Office of the State Auditor compliance.

### ***Opinion on Each Major Federal Programs***

In our opinion, MDE major federal programs selected by the Office of the State Auditor, 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 auditors' results section of the accompany schedule of findings and questioned costs for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major programs as selected by the Office of the State Auditor is not modified with respect to these matters.

MDE's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. MDE's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### ***Report on Internal Control Over Compliance***

Management of MDE 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 considered MDE's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program selected by the Office of the State Auditor 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 selected by the Office of the State Auditor and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 MDE's internal control over compliance.

*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. 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.

Carey M. Wright, Ed.D.  
State Superintendent of Education and  
Mississippi Board of Education

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses and therefore, material weaknesses and significant deficiencies may exist that have not been identified. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

MDE's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. MDE's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
March 20, 2019



**MISSISSIPPI DEPARTMENT OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FEDERAL PROGRAMS SELECTED BY THE OFFICE  
OF THE STATE AUDITOR  
YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor, Program, or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Subrecipient Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Child Nutrition Cluster:			
USDA: Noncash Commodities	10.555	\$ 21,001,675	\$ 21,001,675
National School Lunch Program	10.555	172,027,557	172,027,557
		<u>193,029,232</u>	<u>193,029,232</u>
School Breakfast	10.553	64,377,574	64,377,574
Special Milk Program	10.556	3,891	3,891
Summer Food Service Program	10.559	6,950,483	6,950,483
Total Child Nutrition Cluster		<u>264,361,180</u>	<u>71,331,948</u>
Child and Adult Care Food Program	10.558	49,915,114	49,915,114
<b>Total U.S. Department of Agriculture</b>		<b><u>314,276,294</u></b>	
<b>Total Federal Expenditures</b>		<b><u>\$ 314,276,294</u></b>	

**MISSISSIPPI DEPARTMENT OF EDUCATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FEDERAL PROGRAMS SELECTED BY  
THE OFFICE OF THE STATE AUDITOR  
JUNE 30, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards for Federal Programs Selected by the Office of the State Auditor includes the federal grant activity for federal programs reported in the schedule. These programs were selected for audit by the Office of the State Auditor and do not represent all of the federal expenditures of Mississippi Department of Education (MDE). The Schedule is presented on an accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*.

The information in this Schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Expenditures of selected federal award grant funds are made for the purposes specified by the grantor, and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of MDE.

**NOTE 2 INDIRECT COST**

MDE did not elect to use the 10% de minimis cost rate for indirect costs.

**MISSISSIPPI DEPARTMENT OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**Financial Statement Section**

	<u><b>Yes</b></u>	<u><b>None Reported</b></u>
Type of auditors' report issued:	<b>Unmodified</b>	
Internal control over financial reporting:		
Material weakness(es) identified?		X
Were significant deficiency(ies) identified not considered to be a material weakness(es)?		X
Noncompliance material to basic financial statements noted?		X

**Federal Awards Section**

	<u><b>Yes</b></u>	<u><b>None Reported</b></u>
Material weakness(es) identified?		X
Significant deficiency(ies) identified not considered to be material weaknesses?	X	
Type of auditors' report on compliance for major programs:		See below
	<u><b>Yes</b></u>	<u><b>None Reported</b></u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 510 (a)	X	

Identification of major programs:

<u><b>CFDA Number(s)</b></u>	<u><b>Name of Federal Program or Cluster</b></u>	
10.553, 10.555, 10.559	Child Nutrition Cluster	Unmodified
10.558	Child and Adult Food Program	Unmodified

**MISSISSIPPI DEPARTMENT OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**Audit Requirements**

**Noncompliance**

**Significant deficiency internal controls**

<b>2018-0001</b>	<u>Procedures over issuing subrecipient program review letter should be strengthened to ensure that the letters are issued within the 30-day program requirement.</u>
<b>CFDA Number</b>	Child Nutrition Cluster- 10.553, 10.555, 10.556, 10.559
<b>Federal Award</b>	All grant awards related to the major programs
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-through Entity</b>	N/A
<b>Questioned Costs</b>	Undetermined
<b>Criteria</b>	<p>Control: 2 CFR 200 <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements</i> (the Uniform Guidance) requires non-Federal entities to establish and maintain effective internal controls over Federal awards so that they provide reasonable assurance that the non-Federal entity is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards per 2 CFR section 200.303(a).</p> <p>Compliance: The state will provide the school with a letter within 30 days of the exit conference. This letter will notify the school of their status.</p>
<b>Condition</b>	<p>During our review of the Department's subrecipient monitoring activities, we noted that 5 administrative review letters were not sent to the subrecipient within the 30 days after the exit conference. The administrative letter formally notifies the subrecipient of the review results, identifies findings, and any required follow-up action on the part of the subrecipient. We noted that the letters for 5 reviews completed during May 2016 through May 2018 were issued (approximately) 15 – 60 days in excess of the 30- day requirement. USDA allows subrecipient monitoring to be performed (at least) every 3 years; therefore, subrecipient reviews completed within the last 3 years are subject to be audited in the year under audit.</p>
<b>Context</b>	5 out of 18 administrative review letters were not issued in accordance with the program requirements.

**MISSISSIPPI DEPARTMENT OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

<b>Cause</b>	Due to change in personnel, the Department was temporary short staffed and did not issue the letters within the 30-day timeframe.
<b>Effect</b>	The Department is not compliant with the grantor requirements. Subrecipients are not formally notified of noncompliance in a timely manner with timely follow-up or other remediation performed by the Department.
<b>Recommendation:</b>	The Department should review current procedures for issuing subrecipient administrative review letters to ensure that the staff complies with the 30-day requirement.
<b>Repeat Finding</b>	No
<b>Statistically Valid</b>	Yes
<b>Views of responsible officials</b>	Management agrees with the finding.



## MISSISSIPPI DEPARTMENT OF EDUCATION

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

March 20, 2019

The Honorable Shad White  
State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205-0956

Dear Mr. White;

The Mississippi Department of Education (MDE) is providing the following response and corrective action plan for the single audit findings for the fiscal year ending June 30, 2018.

2018-001     Procedures over issuing sub recipient program review letter should be strengthened to ensure that the letters are issued within the 30-day program requirement.

Response:

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

The MDE will continue to strengthen the sub recipient program review by revising the Standard Operating procedures to advise staff of the process to document when an extension is needed for the program review letter. These procedures will follow the regulations allowance when extenuating circumstances exist. After the procedures are revised, existing staff will receive training and the procedures will be added to the training curriculum for new staff. .

B. Name of the contact person responsible for corrective action.  
Scott Clements – Director of Child Nutrition and Healthy Schools

C. Anticipated completion date for corrective action:  
June 30, 2019

Sincerely,

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