

**State of Mississippi Institutions
of Higher Learning**

**Financial Statements with
Additional Information and Reports
Required by OMB Circular A-133**

Year Ended June 30, 2007

State of Mississippi Institutions of Higher Learning

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Financial Audit Report

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION**

Board of Trustees
State of Mississippi Institutions of Higher Learning
3825 Ridgewood Road
Jackson, MS 39211-6463

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2007, which collectively comprise the IHL System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the IHL System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements and schedules of:

the University of Mississippi Medical Center Educational Building Corporation, a component unit of the University of Mississippi Medical Center, which statements reflect total assets of \$148,752,755 as of June 30, 2007, and total revenues of \$6,993,607 for the year then ended;

the University of Mississippi Educational Building Corporation, a component unit of the University of Mississippi, which statements reflect total assets of \$110,206,941 as of June 30, 2007, and total revenues of \$3,537,584 for the year then ended;

the University Hospitals and Clinics, a division of the University of Mississippi Medical Center, which schedules reflect total net patient accounts receivable and amounts due from third-party payors as of June 30, 2007, of \$65,811,862 and \$44,622,514, respectively, and net patient service revenue of \$463,933,432 for the year then ended;

the University of Mississippi Medical Center Tort Claims Fund, which statements reflect total assets of \$30,888,074 as of June 30, 2007, and total revenues of \$6,616,467 for the year then ended;

the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, which statements reflect total assets of \$6,785,691 as of June 30, 2007, and total revenues of \$290,727 for the year then ended;

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the State Institutions of Higher Learning Tort Liability Fund, which statements reflect total assets of \$8,763,401 as of June 30, 2007, and total revenues of \$3,512,919 for the year then ended; and

the discretely presented component units consisting of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation, which represent 100% of the assets and revenues of the discretely presented component units.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements and schedules of the blended and discretely presented component units audited by other auditors, as described above, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the IHL System, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2008, on our consideration of the IHL System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 9 through 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the IHL System's basic financial statements. The accompanying individual

university financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented as supplemental information for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Carver Rogers & Ingram, LLC

Ridgeland, Mississippi
February 25, 2008

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Management's Discussion and Analysis

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State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
June 30, 2007



Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Mississippi Institutions of Higher Learning (the "IHL System") for the year ended June 30, 2007. The annual report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board Statement Nos. 34 and 35, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto which follow this section.

The State of Mississippi Institutions of Higher Learning System office was created in 1943 for the purpose of overseeing and directing Mississippi's eight public universities, as well as the University of Mississippi Medical Center, various off-campus centers and multiple research institutes located throughout Mississippi. These campuses serve a student population of approximately 71,000 and employ approximately 24,200 individuals, including more than 5,200 faculty.

All but one of the public universities has established its own educational building corporation (EBC) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The main purpose of these corporations is for the acquisition, construction and equipping of facilities and land for the various universities. In accordance with Governmental Accounting Standards Board Statements No.'s 14 and 39, the EBC's are deemed component units of the IHL System and are included as blended component units in their general-purpose financial statements.

In addition to the EBC's, the IHL System had three additional component units that were deemed significant. These three units consisted of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation. Their audited financial statements are discretely presented behind the IHL System's financial statements.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
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The following is a list of abbreviations used throughout this financial report for the member universities of the IHL System:

▪ ASU	--	Alcorn State University
▪ DSU	--	Delta State University
▪ JSU	--	Jackson State University
▪ MSU	--	Mississippi State University
▪ MUW	--	Mississippi University for Women
▪ MVSU	--	Mississippi Valley State University
▪ UM	--	University of Mississippi
▪ USM	--	University of Southern Mississippi
▪ UMMC	--	University of Mississippi Medical Center
▪ IHL System Office	--	Institutions of Higher Learning – Executive Office
▪ SYSTEM	--	(Summary of all of the above)

Financial Highlights

The financial position of the IHL System continued to improve during fiscal year 2007. This fact is illustrated by the \$219.2 million increase net assets (assets minus liabilities). Large portions of this improvement were due to increases in capital assets, net of related debt, and unrestricted net assets. The first category of net assets represents the IHL System's equity in property, plant and equipment which it owns. Unrestricted net assets represent funds that are generally available to the IHL System for any lawful expenditure purpose.

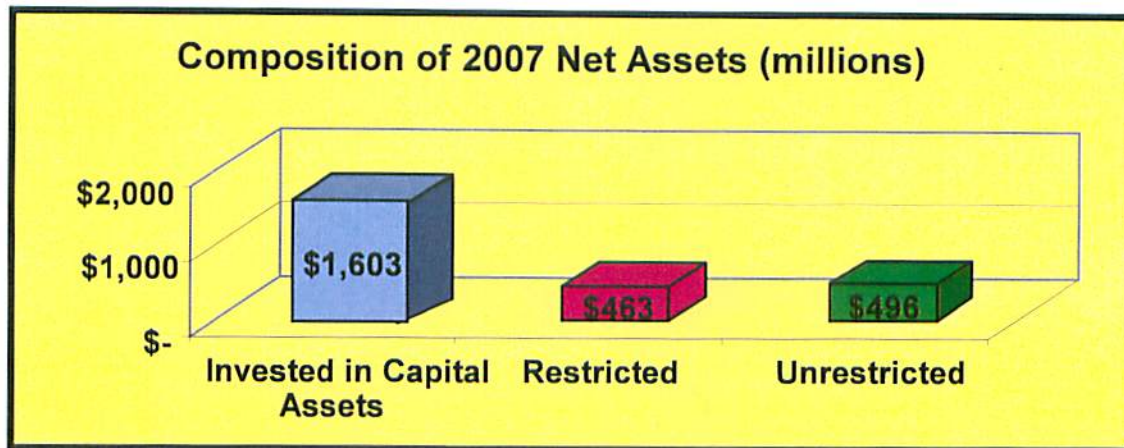
Despite tuition increases, enrollment has continued to increase for the IHL System each year since 1994. IHL management believes that this increase is indicative of the strong demand for a quality educational product at a reasonable price. Other revenue sources such as federal, state and private grants and contracts have remained stable at some institutions and increased at most. Fiscal year 2007 also saw continued improvements in equity markets and investment returns. The IHL System's efforts to create self-generated funds, control costs, and eliminate expenditures on some non-core essential activities allowed the institutions to generate sufficient resources to meet and sometimes even exceed budgeted goals.

Total operating revenues increased from the prior fiscal year by \$58.9 million, while operating expenses increased by \$131.0 million. Overall, the IHL System had an operating loss of \$682.4 million at June 30, 2007. This represented a \$72.1 million increase in the net operating loss over the prior year. Non-operating and other revenues and expenses netted out to a gain of \$901.8 million. Of course this included \$682.1 million of state appropriation revenues which are considered non-operating per GASB guidance. Overall, the IHL System experienced a net gain of \$219.4 million for fiscal year 2007. This current year net increase represented an \$82.3 million increase over the prior year's overall net gain.

Net assets, which represent the residual interest in the IHL System's assets after liabilities are deducted, increased by \$219.2 million (9.4%) from the prior fiscal year to \$2.56 billion. Shown on the next page is a chart illustrating the composition of the IHL System's net assets as of June 30, 2007.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
June 30, 2007



Unrestricted net assets are reflected at \$496.0 million. The major components of this total are the University of Mississippi Medical Center with \$150.0 million, the University of Mississippi with \$139.5 million, Mississippi State University with \$101.1 million, and the University of Southern Mississippi with \$66.6 million.

Overview of the Financial Statements

The IHL System's financial report consists of two sections- Management's Discussion and Analysis, which is required supplementary information (this section), and the basic financial statements including the notes to the financial statements. The basic financial statements consist of the **Statement of Net Assets**, the **Statement of Revenues, Expenses, and Changes in Net Assets**, and the **Statement of Cash Flows**.

Basic Financial Statements

The basic financial statements present information for the IHL System as a whole. **The Statement of Net Assets** presents the financial position of the IHL System at the end of the fiscal year and includes all assets and liabilities for all institutions within the IHL System. The difference between total assets and total liabilities is one measure of the IHL System's financial health or position, while the change in net assets is a useful indicator of whether the financial condition of the IHL System is improving or deteriorating. Over time, increases or decreases in the IHL System's net assets can be useful in assessing whether its financial health is improving.

The **Statement of Revenues, Expenses and Changes in Net Assets** presents the operating results of the IHL System, as well as non-operating revenues and expenses. In general terms, operating revenues are received for providing goods and services to the various customers and constituencies of the IHL System. Operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues. Non-operating revenues are those received for which goods and services are not provided as an exchange transaction. For example, state appropriation revenues are classified as non-operating because the State

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis

June 30, 2007

Legislature provides them, without the Legislature receiving commensurate goods or services in return. Due to this classification treatment, the IHL System's financial statements typically depict an overall operating loss. Other revenue sources include gifts, grants and appropriations restricted for capital purposes.

The **Statement of Cash Flows** provides another perspective on the IHL System's results of operations. This statement provides detailed information about the cash sources and uses of the IHL System. Additional details concerning this statement are explained later in this report.

Other non-financial factors such as enrollment trends and the condition of the physical plant are also useful in evaluating the overall financial health of the IHL System.

Statement of Net Assets

Net assets are divided into three major categories:

- **Invested in capital assets, net of debt** – represents the IHL System's equity in property, plant and equipment which it owns.
- **Restricted net assets** – represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements.
- **Unrestricted net assets** – represent those assets that are available to the IHL System for any lawful purpose.

From the data presented, readers of the Statement of Net Assets are able to determine the following:

- the assets available to continue the operations of the IHL System
- the liabilities of the IHL System which include the amount owed vendors and lending institutions, and
- the net assets that are available for future expenditure by the IHL System

Current assets total \$677.9 million and consist primarily of cash and cash equivalents, short-term investments and net receivables. Current assets increased a total of \$21.1 million, or 3.2% over the prior year-end. Cash, cash equivalents, and short-term investments constitute 47% of current assets, while receivables constitute 40% of current assets. Approximately 51% of these net receivables are amounts due from contracts and grants and the State for appropriations.

Current liabilities total \$219.6 million and consist primarily of accounts payable and accrued liabilities, and deferred revenues. Deferred revenues include advance receipts for athletic ticket sales, summer tuition, fees, and student housing. Current liabilities increased \$6.8 million, or 3.2% over the prior year-end.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis June 30, 2007

Non-current assets total \$2.85 billion and include depreciated capital assets of \$2.16 billion. Other non-current assets include cash and investments that are restricted externally by endowment arrangements or specific grant and contract arrangements (\$575.5 million). One other significant non-current asset of the IHL System was student note receivables which equaled \$105.8 million at June 30, 2007. In comparison to the prior year-end, non-current assets increased by \$296.0 million (11.6%) at June 30, 2007. The majority of this increase was seen in the area of capital assets (\$208.6 million). Specifically, the IHL System's buildings inventory increased in value by a total of \$111.9 million in Fiscal Year 2007. Additionally, the IHL System's capitalized construction-in-progress assets increased \$77.6 million in 2007 (see the Capital Asset and Debt Administration section of this report for additional information).

Non-current liabilities are those liabilities due and payable more than twelve months from June 30, 2007, the date of the Statement of Net Assets. Non-current liabilities total \$742.1 million. The largest component includes principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year (\$568.6 million). Total bonded liabilities experienced a \$67.1 million increase due to in large part to several significant new bond issuances at JSU (\$12.0 million), MVSU (\$19.0 million), UM (\$21.4 million) and USM (\$27.2 million). (see the Capital Asset and Debt Administration section of this report for additional information) Other non-current liabilities of significance include estimated amounts for accrued compensated absences that will not be paid within the next fiscal year (\$68.2 million), the non-current portion of unpaid claim liabilities relative to its self-insured programs (\$49.2 million), and government advance refundable obligations relative to the federal government's Perkins loan program in the event of termination.

Restricted non-expendable net assets total \$103.8 million and consist of endowment and similar type funds, which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained intact and invested for the purpose of producing income that may either be expended or added to principal.

Restricted expendable net assets total \$359.0 million and include resources that the IHL System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis June 30, 2007

A summarized listing of the IHL System's assets, liabilities and net assets at June 30, 2006 and June 30, 2007, is shown below.

Statement of Net Assets				
	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 656,833,584	\$ 677,907,934	\$ 21,074,350	3.2%
Capital assets, net	\$ 1,956,083,827	\$ 2,164,689,010	\$ 208,605,183	10.7%
Other net assets	\$ 594,167,506	\$ 681,560,513	\$ 87,393,007	14.7%
Total assets	\$ 3,207,084,917	\$ 3,524,157,457	\$ 317,072,540	9.9%
Liabilities				
Current liabilities	\$ 212,749,407	\$ 219,585,811	\$ 6,836,404	3.2%
Non-current liabilities	\$ 651,113,360	\$ 742,100,293	\$ 90,986,933	14.0%
Total liabilities	\$ 863,862,767	\$ 961,686,104	\$ 97,823,337	11.3%
Net Assets				
Invested in capital assets, net of debt	\$ 1,448,783,468	\$ 1,603,201,893	\$ 154,418,425	10.7%
Restricted - nonexpendable	\$ 93,962,884	\$ 103,785,399	\$ 9,822,515	10.5%
Restricted - expendable	\$ 368,727,858	\$ 359,041,200	\$ (9,686,658)	-2.6%
Unrestricted	\$ 431,747,940	\$ 496,442,864	\$ 64,694,924	15.0%
Total net assets	\$ 2,343,222,150	\$ 2,562,471,356	\$ 219,249,206	9.4%

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets (SRECNA) displays information on how the IHL System's assets changed as a result of current year operations. This statement presents the IHL System's revenues received and expenses incurred, as well as any other gains or losses for the fiscal year. Operating revenues and expenses for fiscal year 2006 have been revised to give effect for certain eliminations approximating \$40.6 million relating to inter-campus transactions among the IHL System institutions.

The IHL System's consolidated SRECNA at June 30, 2007 indicates a net operating loss of \$768.3 million. The fiscal year 2007 loss represents an increase in the net operating loss from the prior year by \$132.8 million. The net loss does not include the 2007 effects of non-operating items such as state appropriations, gifts, or net investment earnings.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
June 30, 2007

Statement of Revenues, Expenses and Changes in Net Assets

	For the year ending:		Change	Percent Change
	June 30, 2006	June 30, 2007		
Operating revenues	\$ 1,535,958,288	\$ 1,635,466,960	\$ 99,508,672	6.5%
Operating expenses	\$ 2,146,296,843	\$ 2,317,879,985	\$ 171,583,142	8.0%
Operating income (loss)	\$ (610,338,555)	\$ (682,413,025)	\$ (72,074,470)	11.8%
Non-operating revenues (expenses)	\$ 635,534,145	\$ 768,345,145	\$ 132,811,000	20.9%
Income (loss) before other revenues, expenses, gains or losses	\$ 25,195,590	\$ 85,932,120	\$ 60,736,530	241.1%
Other revenues, expenses, gains or losses	\$ 111,882,717	\$ 133,458,312	\$ 21,575,595	19.3%
Increase in net assets	\$ 137,078,307	\$ 219,390,432	\$ 82,312,125	60.0%
Net assets at beginning of the year - restated	\$ 2,206,143,843	\$ 2,343,080,924	\$ 136,937,081	6.2%
Net assets at the end of the year	\$ 2,343,222,150	\$ 2,562,471,356	\$ 219,249,206	9.4%

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
June 30, 2007

Operating Revenues

Operating revenues for the IHL System totaled \$1.64 billion for fiscal year 2007. Major components of operating revenues are UMMC patient care revenues (28.4%), grants and contracts (37.3%), net tuition and fees (18.4%), and sales and service revenues from auxiliary activities (9.1%). The following table summarizes the IHL System's operating revenues for fiscal year 2007.

	For the year ending:			Percent Change
	June 30, 2006	June 30, 2007	Change	
Tuition and Fees (net)	\$ 276,721,475	\$ 301,259,978	\$ 24,538,503	8.9%
Grants and contracts	\$ 570,972,468	\$ 610,761,418	\$ 39,788,950	7.0%
Federal Appropriations	\$ 12,982,886	\$ 14,166,595	\$ 1,183,709	9.1%
Sales and Services of educational departments	\$ 43,090,805	\$ 48,249,402	\$ 5,158,597	12.0%
Auxiliary Enterprises (net)	\$ 138,367,909	\$ 149,003,518	\$ 10,635,609	7.7%
Patient Care revenues	\$ 435,228,333	\$ 463,933,432	\$ 28,705,099	6.6%
Other	\$ 58,594,412	\$ 48,092,617	\$ (10,501,795)	-17.9%
Total Operating revenues	\$ 1,535,958,288	\$ 1,635,466,960	\$ 99,508,672	6.5%

Net tuition and fee revenues increased \$24.5 million in fiscal year 2007 (8.9% increase). A closer examination of these numbers shows a \$26.3 million increase in gross tuition revenues, but only a \$1.8 million increase in scholarship allowances (which are netted against gross tuition revenues). During fiscal year 2007, the IHL System's institutions raised their general tuition rates an average 6.4% over 2006 rates.

Grants and contract revenues increased \$39.8 million during 2007 (7.0% increase). The increase reflected a general overall increase in support received through awarded federal, state and private grant sources.

Auxiliary enterprise revenues increase \$10.6 million in fiscal year 2007 (7.7%). This too was a result of rate hikes implemented by the IHL System's institutions during the year for student housing and food service plans. During 2007, student housing rates increased an average of 6.3%, while the average food service plan rate increased an average of 5.6%.

The University of Mississippi Medical Center's net patient care revenues increased \$28.7 million in fiscal year 2007 (6.6% increase). A large reason for this increase was the receipt by UMMC of \$23.1 million in additional funds through the Medicaid program for patient claims as a result of Hurricane Katrina.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
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Operating Expenses

Total operating expenses for the IHL System amounted to \$2.32 billion for fiscal year 2007. Personnel costs represented 55.2% of all operating expenses and were the largest component. Other major components were contractual service expenses (19.5%), commodities (10.2%), and scholarships and fellowship expenses (6.3%). Shown in the table below is a summary of the IHL System's operating expenses (by major object category) for the fiscal year 2007.

By Major Object Category	For the year ending:			Percent Change
	June 30, 2006	June 30, 2007	Change	
Salaries and wages	\$ 924,632,581	\$ 1,006,872,216	\$ 82,239,635	8.9%
Fringe benefits	\$ 242,620,116	\$ 272,960,209	\$ 30,340,093	12.5%
Travel	\$ 38,518,473	\$ 42,949,694	\$ 4,431,221	11.5%
Contractual services	\$ 418,668,618	\$ 452,992,054	\$ 34,323,436	8.2%
Utilities	\$ 74,780,624	\$ 61,251,067	\$ (13,529,557)	-18.1%
Scholarships and fellowships	\$ 139,718,666	\$ 145,090,826	\$ 5,372,160	3.8%
Commodities	\$ 216,370,655	\$ 237,401,569	\$ 21,030,914	9.7%
Depreciation	\$ 86,381,413	\$ 92,264,119	\$ 5,882,706	6.8%
Other	\$ 4,605,697	\$ 6,098,231	\$ 1,492,534	32.4%
Total Operating expenses	\$ 2,146,296,843	\$ 2,317,879,985	\$ 171,583,142	8.0%

IHL System personnel costs (salaries, wages and fringe benefits) increased \$112.6 million during fiscal year 2007. Each institution issued 5% general salary increases for most their employees during the year. This was the first salary increase for most of the IHL System's employees since fiscal year 2002. IHL System contractual services increased \$34.3 million in 2007. At most of the IHL System's institutions continued concerns about deferred maintenance issues prompted schools to spend increasing amounts of funds towards repairs and renovation on campus buildings and infrastructure. Increased fuel and delivery costs affected the prices paid by institutions for their many types of office and general supplies. This is reflected in the \$21.0 million increase in the IHL System's commodities expense during 2007.

As an alternative presentation model, the IHL System's fiscal year 2007 operating expenses are shown below by major function category. Functional classifications are the traditional categories that universities have used. They represent the type of programs and services that the universities provide. For example, funds utilized to compensate a classroom professor or provide classroom materials would be classified as instruction.

State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis
June 30, 2007

Operating Expenses				
By Function	For the year ending:			Percent Change
	June 30, 2006	June 30, 2007	Change	
Instruction	\$ 444,826,517	\$ 507,529,876	\$ 62,703,359	14.1%
Research	\$ 282,439,348	\$ 311,389,546	\$ 28,950,198	10.3%
Public service	\$ 119,447,105	\$ 133,675,962	\$ 14,228,857	11.9%
Academic support	\$ 106,967,895	\$ 113,057,687	\$ 6,089,792	5.7%
Student services	\$ 57,923,571	\$ 63,504,418	\$ 5,580,847	9.6%
Institutional support	\$ 210,706,209	\$ 230,120,691	\$ 19,414,482	9.2%
Operations & Maintenance of Plant	\$ 122,838,408	\$ 145,780,837	\$ 22,942,429	18.7%
Student aid	\$ 181,032,614	\$ 193,624,849	\$ 12,592,235	7.0%
Auxiliary enterprises	\$ 147,058,926	\$ 154,637,244	\$ 7,578,318	5.2%
Depreciation	\$ 86,095,781	\$ 75,599,349	\$ (10,496,432)	-12.2%
Hospital	\$ 407,973,740	\$ 447,078,823	\$ 39,105,083	9.6%
Other	\$ 19,562,095	\$ 2,359,089	\$ (17,203,006)	
Eliminations	\$ (40,575,366)	\$ (60,478,386)	\$ (19,903,020)	49.1%
Total Operating expenses	\$ 2,146,296,843	\$ 2,317,879,985	\$ 171,583,142	8.0%

The Instruction, Research and Public Service functions are typically analyzed together as they represent an institution's core service. The combination of these three functions equaled \$952.6 million in fiscal year 2007. This figure represented a \$105.9 million increase from the prior year (12.5% increase). The chief reason for this increase was the 5% general salary increases received by IHL System faculty and staff working within these three core services.

Institutional support costs included executive management, general administration and logistical support services, computing, public relations and development. These costs increased \$19.4 million in fiscal year 2007 (9.2% increase). Institutional support employees also received 5% average salary increase during the year.

Operations and Maintenance of Plant costs are typically those associated with the physical plant. Examples would include campus utilities and fire and security services. For fiscal year 2007, these expenditures increased \$22.9 million (18.7% increase). As mentioned earlier, significant repair and renovation cost increases were incurred on most campuses. This was a result of management decisions to address deferred maintenance issues affecting every campus. This increases level of spending still pales in comparison with the IHL System's projected unmet deferred maintenance need which exceeds \$1.0 billion.

Auxiliary enterprise costs include all expenditures associated with departments that primarily exist to furnish goods or services to students, faculty, or staff and that charge a fee directly related to, although not necessarily equal to, the cost of the goods and services. Auxiliary departments are required to be essentially self-supporting activities. Examples are (1) Student housing, (2) Food

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Services, (3) Bookstores, and (4) Intercollegiate Athletics that are essentially self-supporting. These auxiliary expenditures increased \$7.6 million (5.2% increase) in fiscal year 2007.

During 2007, the IHL System identified approximately \$60.5 million of inter-campus transactions among the institutions that required elimination for financial statement presentation purposes. Examples of such operations would be student financial aid funds administered by the IHL Executive Office and the campuses, as well as grant agreements between one or more IHL System institutions where one campus served as primary recipient and another campus would act as a sub-recipient to that same grant agreement. The elimination entries were primarily flowed through the scholarships and fellowships line-item as presented by major object code category. The 2006 summarized financial information has been revised to give effect to the elimination of inter-campus transactions which occurred during fiscal year 2006 and approximated \$40.6 million.

Capital Asset and Debt Administration

At June 30, 2007, the IHL System had nearly \$2.17 billion invested in a broad range of capital assets. These assets are comprised of land, buildings and improvements, equipment, and library books. They are stated net of accumulated depreciation. See the following table:

Capital Asset Summary				
	June 30, 2006	June 30, 2007	Change	Percent Change
Capital assets not being depreciated	\$ 347,936,160	\$ 428,062,911	\$ 80,126,751	23.0%
Depreciable capital assets:				
Improvements other than buildings	\$ 169,796,865	\$ 187,879,399	\$ 18,082,534	10.6%
Buildings	\$ 1,695,919,837	\$ 1,841,101,867	\$ 145,182,030	8.6%
Equipment	\$ 472,319,886	\$ 497,883,741	\$ 25,563,855	5.4%
Library Books	\$ 266,744,457	\$ 284,626,802	\$ 17,882,345	6.7%
Total depreciable capital assets	\$ 2,604,781,045	\$ 2,811,491,809	\$ 206,710,764	7.9%
Total cost of capital assets	\$ 2,952,717,205	\$ 3,239,554,720	\$ 286,837,515	9.7%
Less accumulated depreciation	\$ (996,633,378)	\$ (1,074,865,710)	\$ (78,232,332)	7.8%
Capital assets, net	\$ 1,956,083,827	\$ 2,164,689,010	\$ 208,605,183	10.7%

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Non-depreciated capital assets totaled \$428.1 million and principally consisted of land and construction in progress.

Significant capital asset additions in fiscal year 2007 were for the following:

- Continued construction in progress towards a new dining facility at ASU
- Continued construction in progress on the student union and other facilities on the DSU campus
- Completion of the new Campbell College Suites at JSU
- Continued construction in progress towards a new residence hall and renovations of Colvard student union and McCool Hall at MSU
- Completion of the Pohl building and Stark Recreation Center at MUW
- Continued construction in progress towards new residence halls at MVSU
- Completion of renovation projects of several campus facilities, including Bryant Center; Faser Hall and Starnes Field House at UM
- Continued construction in progress on several campus projects, including the Village; the Trent Lott Center for Economic Development; and Reed Green Coliseum renovations at USM
- Continued construction in progress toward the Guyton Building expansion, as well as expansion of the Adult Hospital facilities at UMMC

At June 30, 2007, the IHL System had \$596.2 in bonded debt, notes payable and capital lease obligations. This represented a \$57.4 increase over the prior year-end. See the following table:

Debt Summary				
	June 30, 2006	June 30, 2007	Change	Percent Change
Bonds Payable	\$ 513,704,237	\$ 565,181,030	\$ 51,476,793	10.0%
Notes Payable	\$ 4,045,302	\$ 3,678,102	\$ (367,200)	-9.1%
Capital Lease Obligations	\$ 20,981,400	\$ 27,310,137	\$ 6,328,737	30.2%
Total debt	\$ 538,730,939	\$ 596,169,269	\$ 57,438,330	10.7%

Bonded debt increased \$51.5 million as of June 30, 2007. The increase was due to several significant new bond issuances, at JSU (\$12.0 million), MVSU (\$19.0 million), UM (\$21.4 million) and USM (\$27.2 million). In addition, UMMC entered into several new capital leases during fiscal year 2007, including a \$4.6 million lease to purchase medical equipment and supplies.

Statement of Cash Flows

The final statement presented by the IHL System is the Statement of Cash Flows. This statement presents detailed information about the cash activities of the institution during the year. The statement is divided into five parts. The first part entitled "Cash Flows Activities from Operating" shows the net cash used by the operating activities of the IHL System. The second section is

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Management's Discussion and Analysis June 30, 2007

entitled "Cash Flows Activities from Non-capital Financing". The primary source of these activities includes State Appropriations. The third section, entitled "Cash Flows Activities from Capital and Related Financing" shows cash flows from the acquisition and construction of capital and related items. The fourth section is entitled "Cash Flows Activities from Investing". This section reflects cash flows from investing activities and shows purchases, proceeds, and interest received from investing activities. The final section contains a reconciliation of net cash provided (used) to the operating income (loss) reflected on the SRECNA. A condensed Statement of Cash Flows is presented below.

	For the year ending:		Change	Percent Change
	June 30, 2006	June 30, 2007		
Cash flows activities from:				
Operating	\$ (537,077,896)	\$ (629,414,944)	\$ (92,337,048)	17.2%
Non-capital financing	\$ 646,636,668	\$ 746,508,580	\$ 99,871,912	15.4%
Capital and related financing	\$ (133,353,844)	\$ (122,194,735)	\$ 11,159,109	-8.4%
Investing	\$ 71,474,059	\$ 13,388,293	\$ (58,085,766)	-81.3%
Net increase (decrease) in cash and cash equivalents	\$ 47,678,987	\$ 8,287,194	\$ (39,391,793)	-82.6%
Cash and cash equivalents - Beginning of Year	\$ 236,402,387	\$ 284,081,374	\$ 47,678,987	20.2%
Cash and cash equivalents - End of Year	\$ 284,081,374	\$ 292,368,568	\$ 8,287,194	2.9%
Cash and cash equivalents classified as:				
Current assets	\$ 190,967,697	\$ 165,628,453	\$ (25,339,244)	-13.3%
Non-current assets	\$ 93,113,677	\$ 126,740,115	\$ 33,626,438	36.1%
Total cash and cash equivalents	\$ 284,081,374	\$ 292,368,568	\$ 8,287,194	2.9%

Major sources of funds included in operating activities for fiscal year 2007, were student tuition and fees (\$302.6 million), grants and contracts (\$599.0 million), patient care services (\$421.2 million), and auxiliary enterprises (\$150.0 million). Major uses of funds included in operating activities were payments for employees' salaries and benefits (\$1.27 billion), and to suppliers (\$712.3 million).

Major sources of funds included in the non-capital financing activities for fiscal year 2007 include state appropriations (\$682.2 million) and gifts and grants received for purposes other than capital endeavors (\$51.4 million).

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Major sources of funds included in the capital and related financing activities section for fiscal year 2007 include proceeds from capital debt issuances (\$80.5 million), and state appropriations and grants and contract funding designated for capital projects (\$35.4 million). Major uses of funds in this section include direct cash payments made for capital assets (\$201.2 million), and principal and interest payments made to retire capital debt (\$58.2 million).

Additionally, capital assets were impacted by non-cash activities including state appropriations (\$79.4 million) and acquisitions financed by capital lease obligations (\$13.3 million).

Economic Outlook

The overall financial position of the IHL System strengthened during fiscal year 2007. As the state continues its recovery from the devastating impact of Hurricane Katrina, revenue streams remain secure and steady. Management at each institution has adapted to this economic environment and continues to search for new opportunities to compliment state support. The IHL System's goal, as always, is to deliver extraordinary services to their customers and constituents while maintaining financial integrity. It is believed that the current economic conditions will continue to present a challenge to higher education across the nation and it is a challenge the institutions are prepared to meet.

Basic Financial Statements

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State of Mississippi Institutions of Higher Learning

Statement of Net Assets

As of June 30, 2007

Assets	
Current assets:	
Cash and cash equivalents	\$ 165,628,453
Short-term investments	150,225,395
Accounts receivable, net	272,169,929
Student notes receivable, net	12,699,135
Inventories	21,729,776
Prepaid expenses	9,697,387
Other current assets	45,757,862
Total current assets	677,907,937
Noncurrent assets:	
Restricted cash and cash equivalents	126,740,115
Restricted short-term investments	33,266,629
Endowment investments	188,756,639
Other long-term investments	226,704,761
Student notes receivable, net	105,752,184
Capital assets, net	2,164,689,010
Other noncurrent assets	340,185
Total non-current assets	2,846,249,523
Total assets	\$ 3,524,157,460
Liabilities and Net Assets	
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 127,304,468
Deferred revenues	40,123,684
Accrued leave liabilities - current portion	7,110,982
Long-term liabilities - current portion	37,252,534
Other current liabilities	7,794,143
Total current liabilities	219,585,811
Noncurrent liabilities:	
Deposits refundable	2,047,652
Accrued leave liabilities	68,162,994
Long-term liabilities	568,589,001
Other long-term liabilities	103,300,646
Total noncurrent liabilities	742,100,293
Total liabilities	961,686,104
Commitments and contingencies (Notes 3, 7, 8, 10, 14, 15, 16, and 17)	
Net Assets	
Invested in capital assets, net of related debt	1,603,201,893
Restricted for:	
Nonexpendable:	
Scholarships and fellowships	25,965,249
Research	5,505,283
Other purposes	72,314,867
Expendable:	
Scholarships and fellowships	56,951,324
Research	44,207,943
Capital projects	121,427,829
Debt service	8,771,841
Loans	35,121,813
Other purposes	92,560,450
Unrestricted	496,442,864
Total net assets	2,562,471,356
Total liabilities and net assets	\$ 3,524,157,460

See accompanying notes to financial statements.

Mississippi State University Foundation, Inc.

Statement of Financial Position

As of June 30, 2007

Assets	
Cash	\$ 1,662,744
Accrued interest, other receivables and prepaid assets	967,095
Receivable from MSU Alumni Foundation	19,064
Receivable from MSU Alumni Association	32,067
Notes receivable	539,915
Pledges receivable, net	22,990,666
Investments	237,644,310
Present value of amounts due from externally managed trusts	34,750,023
Unamortized bond issuance costs	55,982
Land, buildings and equipment	10,873,877
Total assets	\$ 309,535,743
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued liabilities	\$ 3,317,761
Payable to MSU Alumni Association	201,250
Annuities payable	3,004,877
Liability for amounts held for others	2,053,215
Long-term debt	4,851,195
Total liabilities	13,428,298
Net Assets	
Unrestricted	24,698,523
Temporarily restricted	68,373,735
Permanently restricted	203,035,187
Total net assets	296,107,445
Commitments	
Total liabilities and net assets	\$ 309,535,743

See accompanying notes to financial statements.

The University of Mississippi Foundation

Statement of Financial Position

As of June 30, 2007

Assets	
Cash and cash equivalents	\$ 3,066,873
Pledges receivable, less allowance for doubtful pledges of \$2,705,849	26,503,327
Investments	316,754,395
Property and equipment, net	2,929,893
Beneficial interests in remainder trusts	3,211,401
Other assets	1,574,873

Total assets	\$ 354,040,762
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Liabilities and Net Assets

Liabilities	
Funds held in trust for others	\$ 18,862,647
Liabilities under remainder trusts	4,321,700
Other liabilities	12,234,974

Total liabilities	35,419,321
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Net Assets	
Unrestricted	9,206,732
Temporarily restricted	182,023,785
Permanently restricted	127,390,924

Total net assets	318,621,441
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Total liabilities and net assets	\$ 354,040,762
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See accompanying notes to financial statements.

The University of Southern Mississippi Foundation

Statement of Financial Position

As of June 30, 2007

Assets	
Cash and cash equivalents	\$ 6,847,832
Accrued interest	206,268
Prepaid assets and other receivables	102,417
Advances to University of Southern Mississippi	149,419
Pledges receivable, net	11,034,989
Investments	59,036,982
Present value of amounts due from externally managed trusts	4,995,540
Furniture and equipment, net	26,509
Total assets	\$ 82,399,956
Liabilities and Net Assets	
Liabilities	
Accounts payable	\$ 396,751
Amounts due to brokers	195,900
Gift annuities payable	443,771
Liability for amounts held for others	74,581
Total liabilities	1,111,003
Net Assets	
Unrestricted	4,187,152
Temporarily restricted	34,845,568
Permanently restricted	42,256,233
Total net assets	81,288,953
Commitments	
Total liabilities and net assets	\$ 82,399,956

See accompanying notes to financial statements.

State of Mississippi Institutions of Higher Learning

Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2007

Operating Revenues	
Tuition and fees	\$ 404,170,268
Less: Scholarship allowances	(102,910,290)
Net tuition and fees	301,259,978
Federal appropriations	14,166,595
Federal grants and contracts	495,084,696
State grants and contracts	42,764,356
Nongovernmental grants and contracts	72,912,366
Sales and services of educational departments	48,249,402
Auxiliary enterprises:	
Student housing	51,563,167
Food services	22,556,002
Bookstore	7,144,644
Athletics	54,062,846
Other auxiliary revenues	27,017,674
Less: Auxiliary enterprise scholarship allowances	(13,340,815)
Interest earned on loans to students	1,189,102
Patient care revenues	463,933,432
Other operating revenues	46,903,515
Total operating revenues	1,635,466,960
Operating Expenses	
Salaries and wages	1,006,872,216
Fringe benefits	272,960,209
Travel	42,949,694
Contractual services	452,992,054
Utilities	61,251,067
Scholarships and fellowships	145,090,826
Commodities	237,401,569
Depreciation	92,264,119
Other operating expenses	6,098,231
Total operating expenses	2,317,879,985
Operating income (loss)	(682,413,025)
Nonoperating Revenues (Expenses)	
State appropriations	682,054,162
Gifts and grants	54,966,111
Investment income, net of investment expense	58,993,272
Interest expense on capital asset-related debt	(23,274,424)
Other nonoperating revenues	16,787,310
Other nonoperating expenses	(21,181,286)
Total net nonoperating revenues (expenses)	768,345,145
Income (loss) before other revenues, expenses, gains and losses	85,932,120
Other Revenues, Expenses, Gains and Losses	
Capital grants and gifts	42,993,876
State appropriations restricted for capital purposes	90,170,138
Additions to permanent endowments	3,917,515
Other additions	3,953,387
Other deletions	(7,576,604)
Change in net assets	219,390,432
Net assets - beginning of year, as originally reported	2,343,222,150
Prior period adjustments	(141,226)
Net assets - beginning of year, as restated	2,343,080,924
Net assets - end of year	\$ 2,562,471,356

See accompanying notes to financial statements.

Mississippi State University Foundation, Inc.

Statement of Activities

<i>For the year ended June 30, 2007</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support				
Contributions	\$ 7,323,813	\$ 7,315,406	\$ 17,719,486	\$ 32,358,705
Net investment income	6,451,180	25,790,340	507,801	32,749,321
Change in value of split interest agreements	-	(2,234,450)	(7,224,749)	(9,459,199)
Other	1,920,356	1,171,959	-	3,092,315
Net assets released from restrictions	28,400,337	(29,169,107)	768,770	-
Total revenues and support	44,095,686	2,874,148	11,771,308	58,741,142
Expenditures				
Program services:				
Contributions and support for Mississippi State University	36,163,370	-	-	36,163,370
Contributions and support for Mississippi State University Alumni Association	683,397	-	-	683,397
Total program services	36,846,767	-	-	36,846,767
Supporting services:				
General and administrative	2,891,380	-	-	2,891,380
Fund raising	2,849,262	-	-	2,849,262
Total supporting services	5,740,642	-	-	5,740,642
Total expenditures	42,587,409	-	-	42,587,409
Increase in net assets	1,508,277	2,874,148	11,771,308	16,153,733
Net assets at beginning of year	23,190,246	65,499,587	191,263,879	279,953,712
Net assets at end of year	\$ 24,698,523	\$ 68,373,735	\$ 203,035,187	\$ 296,107,445

See accompanying notes to financial statements.

The University of Mississippi Foundation

Statement of Activities

<i>For the year ended June 30, 2007</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support				
Contributions, gifts and bequests		\$ 20,703,499	\$ 4,973,711	\$ 25,677,210
Investment income and other	\$ 1,248,351	9,599,228	-	10,847,579
Net unrealized and realized gains on investments	661,963	29,488,645	-	30,150,608
Change in value of split interest agreements	-	1,552,317	(262,988)	1,289,329
Transfer from UMMC Alumni Association	-	6,838,640	3,157,523	9,996,163
Other income	1,613,735	1,480,953	94,169	3,188,857
Total revenues and support	3,524,049	69,663,282	7,962,415	81,149,746
Net assets released from restrictions	30,944,193	(32,185,897)	1,241,704	-
Expenditures				
Support for University activities	29,834,848	-	-	29,834,848
General and administrative expenses	1,935,296	-	-	1,935,296
Fundraising expenses	1,387,192	-	-	1,387,192
Total expenses	33,157,336	-	-	33,157,336
Changes in net assets	1,310,906	37,477,385	9,204,119	47,992,410
Net assets at beginning of year, as restated (Note 13)	7,895,826	144,546,400	118,186,805	270,629,031
Net assets at end of year	\$ 9,206,732	\$ 182,023,785	\$ 127,390,924	\$ 318,621,441

See accompanying notes to financial statements.

The University of Southern Mississippi Foundation

Statement of Activities

<i>For the year ended June 30, 2007</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support				
Contributions	\$ 1,693,737	\$ 4,651,288	\$ 2,187,114	\$ 8,532,139
Net investment income	1,498,726	7,494,469	42,451	9,035,646
Change in value of split interest agreements	-	11,660	951,357	963,017
Other	6,555	25,540	59,864	91,959
Change in restriction by donor	(24,177)	526,040	(501,863)	-
Net assets released from restrictions	6,594,706	(6,594,706)	-	-
Total revenues and support	9,769,547	6,114,291	2,738,923	18,622,761
Expenditures				
Program services:				
Contributions and support for The University of Southern Mississippi	6,761,738	-	-	6,761,738
Total program services	6,761,738	-	-	6,761,738
Supporting services:				
General and administrative	1,270,032	-	-	1,270,032
Fund raising	907,152	-	-	907,152
Total supporting services	2,177,184	-	-	2,177,184
Total expenditures	8,938,922	-	-	8,938,922
Increase in net assets	830,625	6,114,291	2,738,923	9,683,839
Net assets at beginning of year	3,356,527	28,731,277	39,517,310	71,605,114
Net assets at end of year	\$ 4,187,152	\$ 34,845,568	\$ 42,256,233	\$ 81,288,953

See accompanying notes to financial statements.

State of Mississippi Institutions of Higher Learning

Statement of Cash Flows

For the year ended June 30, 2007

Operating Activities	
Tuition and fees	\$ 302,635,248
Grants and contracts	598,997,550
Sales and services of educational departments	47,755,391
Payments to suppliers	(712,346,974)
Payments to employees for salaries and benefits	(1,265,547,318)
Payments for utilities	(62,879,458)
Payment for scholarships and fellowships	(143,357,084)
Loans issued to students and employees	(26,947,503)
Collections of loans to students and employees	16,949,694
Auxiliary enterprise charges:	
Student housing	44,370,090
Food services	22,270,618
Bookstore	6,972,631
Athletics	52,433,383
Other auxiliary enterprises	23,989,653
Patient care services	421,181,020
Interest earned on loans to students	1,054,705
Other receipts	55,585,043
Other payments	(12,531,633)
Net cash used in operating activities	(629,414,944)
Noncapital Financing Activities	
State appropriations	682,182,701
Gifts and grants for other than capital purposes	51,442,771
Private gifts for endowment purposes	3,917,347
Federal loan program receipts	292,833,864
Federal loan program disbursements	(294,779,140)
Other sources	21,546,008
Other uses	(10,634,971)
Net cash provided by noncapital financing activities	746,508,580
Capital and Related Financing Activities	
Proceeds from capital debt	80,469,971
Cash paid for capital assets	(201,167,138)
Capital grants and contracts received	35,394,450
Proceeds from sales of capital assets	3,955,723
Principal paid on capital debt and leases	(36,179,400)
Interest paid on capital debt and leases	(21,992,222)
Other sources	22,998,501
Other uses	(5,674,620)
Net cash used in capital and related financing activities	(122,194,735)
Investing Activities	
Proceeds from sales and maturities of investments	224,406,499
Interest received on investments	36,999,217
Purchases of investments	(248,017,423)
Net cash provided by investing activities	13,388,293
Net increase in cash and cash equivalents	8,287,194
Cash and cash equivalents - beginning of year	284,081,374
Cash and cash equivalents - end of the year	\$ 292,368,568

See accompanying notes to financial statements.

State of Mississippi Institutions of Higher Learning

Statement of Cash Flows

For the year ended June 30, 2007

Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities

Operating income (loss)	\$ (682,413,025)
Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Depreciation expense	92,264,119
Other	20,605,531
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Receivables, net	(41,082,128)
Inventories	(662,636)
Prepaid expenses	3,184,792
Other assets	(35,606,217)
(Increase) decrease in liabilities:	
Accounts payable and accrued liabilities	25,223,285
Deferred revenue	(1,939,630)
Deposits refundable	(752,491)
Accrued leave liability	3,253,792
Loans to students and employees	(1,297,836)
Other liabilities	(10,192,500)
Total adjustments	52,998,081
Net cash used in operating activities	\$ (629,414,944)

Reconciliation of Cash and Cash Equivalents:

Current assets - cash and cash equivalents	\$ 165,628,453
Non-current assets - restricted cash and cash equivalents	126,740,115
Cash and cash equivalents - end of year	\$ 292,368,568

Non-cash Capital Related Financing and Investing Activities:

Assets acquired through capital lease obligations	\$ 13,319,296
Capital assets appropriated by the State of Mississippi	\$ 79,390,607

See accompanying notes to financial statements.

Mississippi State University Foundation, Inc.

Statement of Cash Flows

For the year ended June 30, 2007

Operating Activities	
Increase in net assets	\$ 16,153,733
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Depreciation and amortization	978,766
Realized and unrealized gains on investments, net	(25,349,015)
Present value adjustments to annuities	313,506
Fair value of donated assets	(4,553,114)
Change in accrued interest, other receivables and prepaid assets	162,487
Change in pledges receivable, net	4,665,123
Change in externally managed trusts	15,473,958
Change in accounts payable and accrued liabilities	2,194,304
Change in liability for amounts held for others	95,001
Change in receivable from MSU Alumni Association	510,190
Change in payable from MSU Alumni Association	32,435
Permanently restricted investment dividends and interest	(1,205)
Permanently restricted contributions	(17,719,486)
Net cash provided by operating activities	(7,043,317)
Investing Activities	
Purchases of land, buildings, and equipment	(115,247)
Purchases of investments	(9,400,000)
Proceeds from sales and maturities of investments	63,141
Advances on notes receivable	(122,033)
Payments on notes receivable	20,149
Net cash used by investing activities	(9,553,990)
Financing Activities	
Principal payments of long-term debt	(1,645,567)
Permanently restricted investment dividends and interest	1,205
Permanently restricted contributions	17,719,486
Investments subject to annuity agreements	117,302
Principal payments on capital lease obligations	(28,750)
Annuity payments	(496,321)
Net cash provided by financing activities	15,667,355
Net increase (decrease) in cash	(929,952)
Cash at beginning of year	2,592,696
Cash at end of year	\$ 1,662,744
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	\$ 128,407
Capital lease obligation for equipment	\$ 230,000

See accompanying notes to financial statements.

The University of Mississippi Foundation

Statement of Cash Flows

For the year ended June 30, 2007

Operating Activities	\$ 47,992,410
Increase in net assets	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	197,012
Permanently restricted contributions	(4,973,711)
Contributions of real estate	(1,700,000)
Non-cash investment transfer to University	911,555
Transfer from UMMC Alumni Association	(9,996,163)
Net realized and unrealized gain on investments	(30,150,608)
Changes in operating assets and liabilities:	
Other assets	309,816
Pledges receivable	(856,635)
Funds held for others	1,293,744
Beneficial interest in remainder trusts	(1,552,317)
Liabilities under remainder trust agreements	293,130
Other liabilities	8,379,066
Net cash used in operating activities	10,147,299
Investing Activities	
Purchase of property and equipment	(16,353)
Purchase of Foundation investments	(35,722,730)
Proceeds from sales and maturities of Foundation investments	17,006,860
Net cash used in investing activities	(18,732,223)
Financing Activities	
Permanently restricted contributions	5,053,789
Receipts under split interest agreements	374,453
Payments to beneficiaries under remainder trusts	(276,009)
Net cash provided by financing activities	5,152,233
Net decrease in cash and cash equivalents	(3,432,691)
Cash and cash equivalents at beginning of year	6,499,564
Cash and cash equivalents at end of year	\$ 3,066,873

See accompanying notes to financial statements.

The University of Southern Mississippi Foundation

Statement of Cash Flows

For the year ended June 30, 2007

Operating Activities

Increase in net assets	\$ 9,683,839
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation and amortization	9,667
Realized and unrealized gains on investments, net	(7,909,712)
Gain on disposal of furniture and equipment	(1,700)
Permanently restricted contributions	(1,819,167)
Permanently restricted dividends and interest	(29,465)
Change in externally managed trusts	(1,050,067)
Change in gift annuities and pooled income fund	(69,316)
Present value adjustments to annuities	41,370
Changes in operating assets and liabilities:	
Accrued interest	(42,108)
Prepaid assets and other receivables	(42,197)
Advances to University of Southern Mississippi	(149,419)
Pledges receivable, net	1,883,152
Accounts payable	(753,727)
Liability for amounts held for others	7,379
Net cash used in operating activities	(241,471)

Investing Activities

Purchase of furniture and equipment	(8,606)
Proceeds from the sale of furniture and equipment	3,000
Change in cash surrender value of life insurance	(91,855)
Purchase of investments	(31,582,541)
Change in amounts due to brokers	(517,940)
Proceeds from sales and maturities of investments	30,536,789
Net cash used in investing activities	(1,661,153)

Financing Activities

Permanently restricted contributions	1,819,167
Permanently restricted dividends and interest	29,465
Annuity payments	(55,876)
Net cash provided by financing activities	1,792,756

Net decrease in cash and cash equivalents	(109,868)
Cash and cash equivalents at beginning of year	6,957,700
Cash and cash equivalents at end of year	\$ 6,847,832

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State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Mississippi Constitution was amended in 1943 to create a Board of Trustees of State Institutions of Higher Learning (Board). This constitutional Board provides management and control of Mississippi's system of universities. The Board meets monthly and oversees the eight public universities, the University of Mississippi Medical Center and various off-campus centers and locations throughout the state.

The current twelve Board members were appointed by the Governor and approved by the Senate for twelve year terms as follows: one from each of the seven congressional districts, one from each of the three Supreme Court Districts, and two appointed from the state-at-large. The Mississippi Constitution was amended in 2003 to change the length of terms and appointment districts for Board members. New appointments will occur from the three current Supreme Court districts for terms of nine years. The amendment provides for these new appointments and tenures to be gradually implemented. Full implementation occurs in 2012.

Each of the eight universities and the University of Mississippi Medical Center has established its own educational building corporation (a nonprofit corporation incorporated in the State of Mississippi) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The purpose of these corporations is for the acquisition, construction and equipping of facilities and land for the various universities. In accordance with Governmental Accounting Standards Board Statement Number 14, these educational building corporations are deemed component units of the State of Mississippi Institutions of Higher Learning and are included as blended component units in the general purpose financial statements.

The following is a list of abbreviations used throughout the report for the member universities of the State of Mississippi Institutions of Higher Learning (collectively "the IHL System"):

ASU	Alcorn State University
DSU	Delta State University
JSU	Jackson State University
MSU	Mississippi State University
MUW	Mississippi University for Women
MVSU	Mississippi Valley State University
UM	University of Mississippi
USM	University of Southern Mississippi
UMMC	University of Mississippi Medical Center
IHL Board Office	Institutions of Higher Learning - System Office

The IHL System is considered a component unit of the State of Mississippi reporting entity.

The IHL System reports the following discretely presented component units:

Mississippi State University Foundation, Inc.

The Mississippi State University Foundation is a legally separate, tax-exempt not for profit entity established to solicit and manage funds for the benefit of Mississippi State University.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

University of Mississippi Foundation

The University of Mississippi Foundation is a legally separate, tax exempt not for profit non-stock corporation formed for the benefit of the University of Mississippi.

University of Southern Mississippi Foundation

The University of Southern Mississippi Foundation is a not for profit entity formed to provide support to the University of Southern Mississippi and its students.

Although these universities do not control the timing or amount of receipts they receive from these foundations, the majority of the resources or income thereon that these foundations hold and invest are restricted to the activities of their respective universities by the donors.

The Mississippi State University Foundation, Inc., the University of Mississippi Foundation, and the University of Southern Mississippi Foundation each make distributions to their respective Universities for support. During the year ended June 30, 2007, support distributions were as follows:

For the year ended June 30, 2007

Mississippi State University Foundation, Inc.	\$	36,163,370
University of Mississippi Foundation	\$	29,834,848
University of Southern Mississippi Foundation	\$	6,761,738

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - of Public Colleges and Universities*, issued in June and November, 1999, respectively.

Basis of Accounting

The financial statements of the IHL System have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable effective statements of the GASB and all statements of the Financial Accounting Standards Board through November 30, 1989, using the economic measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant transactions among departments, campuses and auxiliary units of the IHL System have been eliminated.

Cash Equivalents

For purposes of the statements of cash flows, the IHL System considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management 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

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The IHL System's investments are invested in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the IHL System's financial statements.

Significant estimates also include the determination of the allowances for uncollectible accounts and contractual adjustments and estimated third-party payor settlements, included as other current assets, relating to the IHL System's patient services. In addition, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates associated with these programs could change by a material amount in the near term.

Included in other long-term liabilities are unpaid claim liabilities relating to the IHL System's self-insured workers' compensation fund, self-funded unemployment trust fund, its tort liability fund and the University of Mississippi Medical Center tort claims fund. The liabilities for these unpaid claims and loss adjustment expenses are determined using both evaluations of each claim and statistical analyses and represent the estimated ultimate net cost of all claims and expenses incurred through the end of the reporting period. The determinations of claims payable include estimates that are particularly susceptible to change in the near term. Management believes that liabilities established for these unpaid claims at June 30, 2007 are adequate to cover the ultimate net cost of claims and contractual adjustments, but these liabilities are necessarily based upon estimates and, accordingly, the amount ultimately paid will be more or less than such estimates. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in operations currently.

Short-term Investments

Short-term investments are investments that are not cash equivalents but mature within the next fiscal year.

Accounts Receivables, net

Accounts receivables consist of tuition and fee charges to students and patient accounts receivables at UMMC. Accounts receivables also include amounts due from federal and state governments, and from non-governmental sources, in connection with reimbursement of allowable expenses made pursuant to the universities' grants and contracts. Accounts receivables are recorded net of an allowance for doubtful accounts.

Student Notes Receivables, net

Student notes receivables consist of federal, state and institutional loans made to students for the purpose of paying tuition and fee charges. Loan balances expected to be paid during the next fiscal year are presented on the statement of net assets as current assets. Those balances that are either in deferment status or expected to be paid back beyond the next fiscal year are presented as noncurrent assets on the statement of net assets.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories consist of bookstore, physical plant, agriculture, printing and food service supplies. These inventories are generally valued at the lower of cost or market, on either the first-in, first-out ("FIFO") basis or the average cost basis.

Restricted Cash and Cash Equivalents and Restricted Short-term Investments

Cash, cash equivalents and short-term investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net assets.

Endowment Investments

Endowment investments are generally subject to the restrictions of donor gift instruments. They include true endowment funds, which are funds received from a donor with the restrictions that only the income is to be utilized; term endowment funds, which are funds for which the donor has stipulated that the principal may be expended after a stated period or on the occurrence of a certain event and quasi-endowment funds, which are funds established by the governing board to function like an endowment fund but may be totally expended at any time at the discretion of the governing board.

Other Long-term Investments

The IHL System accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or, if donated, at fair market value at the date of donation. Livestock for educational purposes is adjusted at year-end to reflect market price. Renovations to buildings and improvements other than buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expenditure categories. See Note 6 for additional details concerning useful lives, salvage values and capitalization thresholds. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose, if material. Restricted cash and investments include certain maintenance and replacement reserves that have been established to fund costs relating to residences and other auxiliary activity facilities.

Deferred Revenues

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Government Advances Refundable

The IHL System participates in the Federal Perkins Loan and Nursing Loan Programs, which are funded through a combination of Federal and institutional resources. The portion of these programs

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

that has been funded with Federal funds is ultimately refundable to the U.S. Government upon the termination of IHL System's participation in the programs. The portion that would be refundable if the programs were terminated has been presented as other long-term liabilities and approximated \$64,292,000 as of June 30, 2007.

Compensated Absences

Twelve-month employees earn annual personal leave at a rate of 12 hours per month for zero to three years of service; 14 hours per month for three to eight years of service; 16 hours per month for eight to 15 years of service; and for 15 years of service and over, 18 hours per month are earned. There is no requirement that annual leave be taken, and there is no maximum accumulation. At termination, these employees are paid for up to 240 hours of accumulated annual leave.

Nine-month employees earn major medical leave at a rate of 13 1/3 hours per month for one month to three years of service; 14 1/5 hours per month for three to eight years of service; 15 2/5 hours per month for eight to 15 years of service; and for 15 years of service and over, 16 hours per month are earned. There is no limit on the accumulation of sick leave. At retirement, these employees are paid for up to 240 hours of accumulated major medical leave.

Classification of Revenues

The IHL System has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending, is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as scholarship allowances, which reduce revenues, or as operating expenses. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a university basis by

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

Net Assets

Net assets are classified according to external donor restrictions or availability of assets for satisfaction of university obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and institutional funds used for federal loan programs.

The unrestricted net assets of the IHL System include certain amounts which have been designated for financial resource utilization in future periods. Amounts designated as of June 30, 2007, were as follows:

As of June 30, 2007

Academic programs and research	\$ 34,081,146
Auxiliary operations, renewals and replacements	31,601,904
Capital projects	56,808,727
Debt services	1,910,892
Designated projects	70,776,546
Encumbrances	42,747,316
Quasi-endowments	11,314,380
Repairs and maintenance	12,212,039
Remaining	234,989,914
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	\$ 496,442,864

Future Accounting Pronouncements

In June 2004, the GASB issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition and display of other post-employment benefits expense and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports of state and local governmental employers. GASB No. 45 is effective for the IHL System for the fiscal year beginning July 1, 2007.

In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. This statement requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits, and significant methods and assumptions used to determine termination benefit liabilities. The provisions of this statement should be implemented simultaneously with Statement No. 45 discussed above.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra- Entity Transfers of Assets and Future Revenues*. This statement establishes criteria to determine whether a payment in exchange for a pledge of receivables or future revenues should be reported as a revenue or as a liability of the transferor governmental entity. The criteria should be used to determine the extent to which a government either retains or relinquishes control over the receivables or future revenues through its continuing involvement with those receivables

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

or future revenues. GASB No. 48 is effective for the IHL System for the fiscal year beginning July 1, 2007.

In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement addresses accounting and financial reporting standards for pollution remediation obligations. This statement requires governments to disclose factors, such as the nature and source of pollution remediation obligations, the amount of the estimated liability, and the methods and assumptions used for the estimate. It also requires a government to determine whether outlays for the remediation obligations should be accrued as a liability or capitalized when goods and services are acquired. GASB No. 49 is effective for the IHL System for the fiscal year beginning July 1, 2008.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27*. This Statement enhances information disclosed in notes to financial statements or presented as required supplementary information by pension plans and by employers that provide pension benefits. GASB No. 50 is effective for the IHL System for the fiscal year beginning July 1, 2007.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting of Intangible Assets*. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in recognition, measurement, and amortization of intangible assets. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This statement provides guidance on determining the useful life of an intangible asset or if the intangible asset should be considered to have an indefinite useful life, and therefore should not be amortized. GASB No. 51 is effective for the IHL System for the fiscal year beginning July 1, 2009.

Management has not completed its evaluations to determine the effect, if any, the adoption of these future statements will have on the IHL System's financial condition or results of operations.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

For the year ended June 30, 2007, the IHL System recorded prior period adjustments which reduced net assets, as previously reported, by \$141,226. These prior period adjustments resulted from corrections of errors as follows:

Adjustments to capital assets	\$	5,977,560
Adjustments to state sponsored assistance lending programs		16,277,790
Adjustments to UMMC tort claim liability		(25,722,000)
Other corrections		3,325,424
Total	\$	(141,226)

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 3 – CASH AND INVESTMENTS

Cash, Cash Equivalents and Short-term Investments

Investment policies as set forth by Board of Trustees policy and state statute authorize the universities to invest in demand deposits and interest-bearing time deposits such as savings accounts, certificates of deposit, money market funds, U.S. Treasury bills and notes, and repurchase agreements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of the failure of a financial institution, the IHL System will not be able to recover deposits or collateral securities that are in the possession of an outside party. The IHL System does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages risk on behalf of the IHL System. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the IHL System.

The collateral for public entities' deposits in financial institutions is held under a program governed by Section 27-105-5 of the Mississippi Code Annotated (1972). Under this program, the IHL System's 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 these 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 Depository Insurance Corporation.

Investments

Investment policies as set forth by Board policy as authorized by Section 37-101-15, Mississippi Code Annotated (1972), authorizes the universities to invest in equity securities, bonds and other securities. Investments are reported at fair value (market).

The following table summarizes the fair values of the IHL System's investments as of June 30, 2007:

As of June 30, 2007

Short-term investments - current assets	\$ 150,225,395
Noncurrent assets:	
Restricted short-term investments	33,266,629
Endowment investments	188,756,639
Other long-term investments	226,704,761
Total	\$ 598,953,424

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 3 – CASH AND INVESTMENTS (Continued)

The following table presents the fair value of investments by type at June 30, 2007:

As of June 30, 2007

U.S. Government agency obligations	\$ 217,479,515
U.S. Treasury obligations	42,511,820
Certificates of deposit	119,170,627
Corporate bonds	3,178,915
Commercial mortgage and asset backed securities	2,533,266
Collateralized mortgage obligations	5,853,841
Municipal bonds	5,926,343
Money market funds	1,106,444
Bond mutual funds	18,394,261
Equity securities	41,865,604
Guaranteed investment contract	35,041,976
International equity mutual funds	14,237,982
Land grant obligations	1,340,068
International fixed income mutual funds	3,679,616
Domestic equity mutual funds	66,108,689
Fixed income mutual funds	9,026,002
Equity hedge fund	6,617,816
External investment pool	4,880,639
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Total	\$ 598,953,424

Custodial Credit Risk

Per GASB Statement No. 40, custodial credit risk is defined as the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The IHL System does not presently have a formal policy for custodial credit risk. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered with securities held by the counterparty's trust department or agent, but not held in the government's name. At June 30, 2007 \$23,200,579 of investments were exposed to custodial credit risk.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 3 – CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Per GASB Statement No. 40, interest rate risk is defined as the risk a government may face should interest rate variances adversely affect the fair value of investments. The IHL System does not presently have a formal policy that addresses interest rate risk. As of June 30, 2007, the IHL System had the following investments subject to interest rate risk:

As of June 30, 2007

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Government agency obligations	\$217,479,515	\$ 69,743,003	\$ 113,289,243	\$32,336,131	\$ 2,111,138
U.S. Treasury obligations	42,511,820	15,531,837	23,936,744	433,524	2,609,715
Commercial mortgage and asset backed securities	2,533,266	-	2,055,602	-	477,664
Collateralized mortgage obligations	5,853,841	-	195,444	-	5,658,397
Municipal bonds	5,926,343	1,113,647	755,445	3,409,052	648,199
Bond mutual funds	18,394,261	2,508,943	9,195,795	5,984,967	704,556
Certificate of deposits	119,170,627	83,560,797	35,609,830	-	-
International fixed income mutual funds	3,679,616	44,849	3,634,767	-	-
Guaranteed investment contract	35,041,976	-	35,041,976	-	-
Corporate bonds and notes	3,178,915	1,000,310	2,156,595	17,178	4,832
Total	\$453,770,180	\$ 173,503,386	\$ 225,871,441	\$42,180,852	\$12,214,501

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 3 – CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The IHL System does not presently have a formal policy that addresses credit risk. As of June 30, 2007, the IHL System had the following exposure to investment credit risk:

	<u>Fair Value</u>
Aaa	\$ 36,655,659
AAA	235,105,399
Aa3	399,484
AA	2,828,407
A1	3,903
A2	458,579
A3	656,428
A	1,485,058
A-	7,987
Baa	21,661
Baa1	7,954
BBB	741,220
BB	1,365,951
B	1,552,141
Rating not available	172,480,349
Total	\$ 453,770,180

The credit risk ratings listed above are issued upon standards set by Standards and Poor's or Moody's Ratings Services.

Concentration of Credit Risk

Per GASB Statement No. 40, concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The IHL System does not presently have a formal policy that addresses concentration of credit risk. The IHL System had the following investments that represent more than 5 percent of net investments as of June 30, 2007:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage</u>
Federal Home Loan Bank notes	\$ 93,858,313	15.67%
Federal Home Loan Mortgage Corporation notes	58,705,762	9.80%
U.S. Treasury obligations	52,904,921	8.83%
Federal National Mortgage Association notes	38,005,199	6.35%
AmSouth Bank	31,628,208	5.28%

Foreign Currency Risk

Per GASB Statement No. 40, the foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The IHL System does not presently have a formal policy that addresses foreign currency risk. The IHL System's exposure to foreign currency risk is limited to investments in pooled international fixed income mutual funds and global or pooled non-U.S. equity funds. At June 30, 2007, these funds approximated \$3,679,616 and \$14,237,982, respectively.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable of the IHL System consisted of the following at June 30, 2007:

Student tuition	\$	55,029,236
Auxiliary enterprises and other operating activities		16,121,659
Contributions and gifts		18,900,960
Federal, state, and private grants and contracts		126,236,032
State appropriations		12,279,652
Accrued interest		3,628,712
Patient income		1,637,548,233
Other		10,472,008
Total account receivable		1,880,216,492
Less allowance for doubtful accounts		(1,608,046,563)
Net accounts receivable		\$ 272,169,929

NOTE 5 – NOTES RECEIVABLE FROM STUDENTS

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to twelve months from the date of separation from one of the IHL System's institutions. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the IHL System as of June 30, 2007:

	Interest Rates	June 30, 2007	Current Portion	Non-current Portion
Perkins student loans	3% to 5%	\$ 71,278,428	\$ 9,655,433	\$ 61,622,995
Nursing student loans	3% to 9%	563,973	83,257	480,716
Other federal loans	3% to 9%	2,920,604	1,695,780	1,224,824
Institutional loans	3% to 9%	58,477,749	5,029,951	53,447,798
Medical student loans	3% to 9%	307,966	58,917	249,049
Dental student loans	3% to 9%	266,084	18,129	247,955
Total notes receivable		133,814,804	16,541,467	117,273,337
Less allowance for doubtful accounts		(15,363,485)	(3,842,332)	(11,521,153)
Net notes receivable		\$ 118,451,319	\$ 12,699,135	\$ 105,752,184

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets of the IHL System for the year ended June 30, 2007, is presented as follows:

	Beginning Balance	Additions	Deletions	Prior Period Adjustments	Ending Balance
Nondepreciable capital assets					
Land	\$ 49,007,944	\$ 2,967,932	\$ 531,720	\$ -	\$ 51,444,156
Construction in progress	297,268,020	227,300,356	120,406,137	(29,259,505)	374,902,734
Livestock	1,660,196	214,317	158,492	-	1,716,021
Total nondepreciable capital assets	347,936,160	230,482,605	121,096,349	(29,259,505)	428,062,911
Depreciable capital assets					
Improvements other than buildings	169,796,865	16,585,059	2,309,723	3,807,198	187,879,399
Buildings	1,695,919,837	111,631,554	1,344,619	34,895,095	1,841,101,867
Equipment	472,319,886	48,807,868	19,896,908	(3,347,105)	497,883,741
Library books	266,744,457	16,022,852	324,671	2,184,164	284,626,802
Total depreciable assets	2,604,781,045	193,047,333	23,875,921	37,539,352	2,811,491,809
Less accumulated depreciation					
Improvements other than buildings	49,202,919	6,575,309	1,084,704	(131,439)	54,562,085
Buildings	438,064,661	33,407,269	712,904	562,800	471,321,826
Equipment	305,354,337	39,591,074	15,346,475	197,009	329,795,945
Library books	204,011,461	13,825,147	324,671	1,673,917	219,185,854
Total accumulated depreciation	996,633,378	93,398,799	17,468,754	2,302,287	1,074,865,710
Total depreciable capital assets	1,608,147,667	99,648,534	6,407,167	35,237,065	1,736,626,099
Capital assets, net	\$ 1,956,083,827	\$ 330,131,139	\$ 127,503,516	\$ 5,977,560	\$ 2,164,689,010

As of June 30, 2007, capital assets included assets under capital leases with an original cost of \$44,296,743 and accumulated depreciation of \$10,272,234.

Prior period adjustments were recorded to correct prior years errors in recording construction in progress, capital assets and accumulated depreciation.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation is computed on a straight-line basis with the exception of the library books category, which is computed using a composite method. The following useful lives, salvage values and capitalization thresholds are used to compute depreciation:

	Estimated Useful Lives	Salvage Value	Capitalization Threshold
Buildings	40 years	20%	\$ 50,000
Improvements other than buildings	20 years	20%	25,000
Equipment	3 - 15 years	1 -10%	5,000
Library books	10 years	0%	-

NOTE 7 – LONG-TERM LIABILITIES

Long-term liabilities of the IHL System consists of notes and bonds payable, capital lease obligations and certain other liabilities that are expected to be liquidated at least one year from June 30, 2007. The various leases cover a period not to exceed five years. The IHL System has the option to prepay all outstanding obligations less any unearned interest to fully satisfy the obligation. There is also a fiscal funding addendum stating that if funds are not appropriated for periodic payment for any future fiscal period, the lessee will not be obligated to pay the remainder of the total payments due beyond the end of the current fiscal period.

Information regarding original issue amounts, interest rates and maturity dates for bonds, notes and capital leases relative to the long-term liabilities for each of the universities within the IHL System as of June 30, 2007, is listed in the following schedule.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>ALCORN STATE UNIVERSITY</u>								
Bonded Debt								
1996 Nursing Dormitory Bonds	\$ 680,000	4.5 - 6.5%	2011	\$ 335,000	\$ -	\$ 50,000	\$ 285,000	\$ 50,000
1997 President's Home Bonds	950,000	6.55%	2007	125,608	-	124,415	1,193	1,193
Total bonded debt				460,608	-	174,415	286,193	51,193
Other long-term liabilities								
Accrued leave liabilities				2,112,262	-	500,940	1,611,322	789,547
Deposits refundable				539,014	20,611	-	559,625	-
Total other long-term liabilities				2,651,276	20,611	500,940	2,170,947	789,547
Total				<u>\$3,111,884</u>	<u>\$ 20,611</u>	<u>\$ 675,355</u>	<u>\$ 2,457,140</u>	<u>\$ 840,740</u>
Due within one year							<u>840,740</u>	
Total long-term liabilities								<u>\$ 1,616,400</u>

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>DELTA STATE UNIVERSITY</u>								
Bonded Debt								
Student Housing Bonds, 1991 Series	\$ 2,259,631	5.00%	2011	\$ 368,629	\$ -	\$ 73,792	\$ 294,837	\$ 68,388
Student Housing Bonds, 1998 Series	3,900,000	3.40 - 5.00%	2018	3,335,000	-	95,000	3,240,000	100,000
Student Housing Bonds, 2003 Series	2,475,000	3.00 - 4.25%	2023	2,380,000	-	95,000	2,285,000	100,000
Total bonded debt				6,083,629	-	263,792	5,819,837	268,388
Capital Leases								
Various equipment				1,883,382	-	689,054	1,194,328	603,990
Total capital leases				1,883,382	-	689,054	1,194,328	603,990
Other long-term liabilities and notes payable								
Accrued leave liabilities	1,450,850			118,968	-	-	1,569,818	196,997
Deposit refundable	311,545			1,219,322	1,317,811	-	213,056	19,703
Notes payable - CIOS Foundation	50,424			-	-	15,605	34,819	15,605
Total other long-term liabilities and notes payable				1,812,819	1,338,290	1,333,416	1,817,693	232,305
Total				\$ 9,779,830	\$ 1,338,290	\$ 2,286,262	\$ 8,831,858	\$ 1,104,683
Due within one year							<u>1,104,683</u>	
Total long-term liabilities								<u>\$ 7,727,175</u>

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>JACKSON STATE UNIVERSITY</u>								
Bonded Debt								
Alexander Hall West Revenue Bonds	\$ 1,250,000	0% - 3.00%	2007	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
McAllister / Whiteside Revenue Bonds	4,000,000	1.00% - 3.00%	2020	2,130,000	-	115,000	2,015,000	115,000
Honors Dormitory Revenue Bonds	6,965,000	4.24% - 7.00%	2013	3,175,000	-	380,000	2,795,000	405,000
Student Life Center Revenue Bonds	12,000,000	3.00% - 5.13%	2027	10,835,000		315,000	10,520,000	330,000
Campus Facilities Bond 2004 A	40,065,000	2.952%	2034	39,695,000	-	760,000	38,935,000	780,000
Campus Facilities Bond 2004 B	25,925,000	4.2%	2034	25,550,000		675,000	24,875,000	550,000
Campus Facilities Bond 2006 A	12,000,000	3.50% - 4.25%	2031	-	12,000,000	-	12,000,000	-
Total bonded debt				81,435,000	12,000,000	2,295,000	91,140,000	2,180,000
Other long-term liabilities and notes payable								
Accrued leave liabilities				3,797,335	-	744,227	3,053,108	195,190
Deposits refundable				32,493	1,594	-	34,087	-
Notes payable				1,353,855	-	72,673	1,281,182	74,869
Other				-	1,528,688	-	1,528,688	-
Total other long-term liabilities and notes payable				5,183,683	1,530,282	816,900	5,897,065	270,059
Total				\$ 86,618,683	\$ 13,530,282	\$ 3,111,900	\$ 97,037,065	\$ 2,450,059
Due within one year							<u>2,450,059</u>	
Total long-term liabilities								<u>\$ 94,587,006</u>

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>MISSISSIPPI STATE UNIVERSITY</u>								
Bonded Debt								
Dormitory System Revenue Bonds	\$ 2,250,000	3.00%	2020	\$ 1,165,000		\$ 65,000	\$ 1,100,000	\$ 65,000
Student Apartment Bonds	2,038,000	3.00%	2021	1,145,000		55,000	1,090,000	60,000
EBC - Revenue Bonds	11,920,000	3.70% to 5.00%	2016	7,990,000		7,410,000	580,000	580,000
EBC - Revenue Bonds	31,865,000	3.75% to 5.25%	2024	26,575,000		935,000	25,640,000	980,000
EBC - Revenue Bonds	16,920,000	4.00% to 5.50%	2026	14,115,000		775,000	13,340,000	805,000
EBC - Revenue Bonds	17,000,000	2.00% to 5.00%	2028	16,280,000		480,000	15,800,000	490,000
EBC - Revenue Bonds	28,790,000	2.00% to 5.00%	2030	27,890,000		925,000	26,965,000	950,000
EBC - Revenue Bonds	58,965,000	4.00% to 5.00%	2035	58,965,000		895,000	58,070,000	1,335,000
Total bonded debt				154,125,000	-	11,540,000	142,585,000	5,265,000
Capital Leases								
Various equipment				3,625,668	547,108	1,445,253	2,727,523	1,233,611
Total capital leases				3,625,668	547,108	1,445,253	2,727,523	1,233,611
Other long-term liabilities								
Accrued leave liabilities				17,564,141	1,604,521		19,168,662	1,403,690
Deposits refundable				86,620		1,130	85,490	-
Other				15,229,509	105,625		15,335,134	-
Total other long-term liabilities				32,880,270	1,710,146	1,130	34,589,286	1,403,690
Total				\$ 190,630,938	\$ 2,257,254	\$ 12,986,383	179,901,809	\$ 7,902,301
Due within one year							<u>7,902,301</u>	
Total long-term liabilities								<u>\$ 171,999,508</u>

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>MISSISSIPPI UNIVERSITY FOR WOMEN</u>						
Capital Leases						
Various equipment		\$ 347,169	\$ 678,727	\$ 188,451	\$ 837,445	\$ 222,480
Total capital leases		347,169	678,727	188,451	837,445	222,480
Other long-term liabilities						
Accrued leave liabilities		933,077	51,484	-	984,561	54,325
Other		1,748,495		46,034	1,702,461	-
Total other long-term liabilities		2,681,572	51,484	46,034	2,687,022	54,325
Total		\$ 3,028,741	\$ 730,211	\$ 234,485	\$ 3,524,467	\$ 276,805
Due within one year					276,805	
Total long-term liabilities					<u>\$ 3,247,662</u>	

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>MISSISSIPPI VALLEY STATE UNIVERSITY</u>								
Bonded Debt								
Housing Bonds - 1968A	\$ 300,000	3.0%	2008	\$ 30,000	-	\$ 10,000	\$ 20,000	\$ 10,000
EBC Bonds, 2000 Series	2,400,000	4.5% to 5.30%	2021	2,160,000	-	2,160,000	-	-
EBC Bonds, 2007 Series	19,015,000	4.0% to 4.50%	2037	-	19,015,000	-	19,015,000	110,000
Total bonded debt				2,190,000	19,015,000	2,170,000	19,035,000	120,000
Other long-term liabilities								
Accrued leave liabilities				2,057,606	234,446		2,292,052	179,673
Deposits refundable				181,210	41,306	17,975	204,541	-
Other				41,561	29,240	47,264	23,537	-
Total other long-term liabilities				2,280,377	304,992	65,239	2,520,130	179,673
Total				\$ 4,470,377	\$ 19,319,992	\$ 2,235,239	21,555,130	\$ 299,673
Due within one year							299,673	
Total long-term liabilities							\$ 21,255,457	

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
<u>UNIVERSITY OF MISSISSIPPI</u>								
Bonded Debt								
Housing Revenue Bonds of								
1968, Series E	\$ 3,000,000	3.00%	2008	\$ 315,000	\$ -	\$ 120,000	\$ 195,000	\$ 125,000
Series 1997A	11,135,000	3.80% to 5.50%	2027	480,000	-	235,000	245,000	245,000
Series 1999	12,220,000	4.50% to 5.25%	2018	2,295,000	-	535,000	1,760,000	560,000
Series 2000A	34,700,000	2.35%	2020	29,695,000	-	1,400,000	28,295,000	1,470,000
Series 2002	13,090,000	3.00% to 5.00%	2017	9,660,000	-	915,000	8,745,000	950,000
Series 2005	10,968,000	3.00% to 4.375%	2027	10,880,000	-	295,000	10,585,000	300,000
Series 2006A	17,985,000	4.00% to 5.00%	2025	17,985,000	-	745,000	17,240,000	585,000
Series 2006B-1	17,290,000	3.00% to 5.00%	2026	-	17,290,000	-	17,290,000	595,000
Series 2006B-2	4,075,000	3.77%	2026	-	4,075,000	-	4,075,000	-
Total bonded debt				71,310,000	21,365,000	4,245,000	88,430,000	4,830,000
Capital Leases								
Various equipment				64,051	-	64,051	-	-
Total capital leases				64,051	-	64,051	-	-
Other long-term liabilities and notes payable								
Accrued leave liabilities				9,083,918	2,062,399	912,793	10,233,524	908,000
Deposits refundable				720,885	169,613	87,050	803,448	-
Notes payable				2,126,023	-	118,922	2,007,101	123,978
Other				9,020,100	154,300	-	9,174,400	-
Total other long-term liabilities and notes payable				20,950,926	2,386,312	1,118,765	22,218,473	1,031,978
Total				\$ 92,324,977	\$ 23,751,312	\$ 5,427,816	110,648,473	\$ 5,861,978
Due within one year							5,861,978	
Total long-term liabilities							\$ 104,786,495	

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
UNIVERSITY OF SOUTHERN MISSISSIPPI								
Bonded Debt								
Housing System Revenue Bonds	\$ 2,681,000	3.00%	2016	\$ 1,325,000	\$ -	\$ 1,325,000	\$ -	\$ -
Payne Center Bonds	5,117,877	4.75% to 6.00%	2015	3,335,000	-	265,000	3,070,000	280,000
Dormitory Construction Bonds	13,120,000	4.75% to 6.00%	2027	635,000	-	310,000	325,000	325,000
Technology Improvement Bonds	1,970,000	3.50% to 5.75%	2021	410,000	-	75,000	335,000	80,000
University Improvements	3,040,000	3.50% to 5.5%	2021	630,000	-	115,000	515,000	120,000
Student Life Center & International Educ. Center	17,285,000	3.00% to 5.38%	2022	4,380,000	-	685,000	3,715,000	685,000
The Village	18,725,000	3.625% to 5.0%	2032	18,725,000	-	-	18,725,000	525,000
EBC Refunding Bond	24,855,000	3.625% to 5.0%	2027	24,855,000	-	420,000	24,435,000	60,000
Athletic Improvements	27,190,000	4.00% to 5.00%	2034	-	27,190,000	-	27,190,000	-
Total bonded debt				54,295,000	27,190,000	3,175,000	78,310,000	2,075,000
Capital Leases								
Various equipment				672,595	196,950	278,627	590,918	181,892
Total capital leases				672,595	196,950	278,627	590,918	181,892
Other long-term liabilities and notes payable								
Accrued leave liabilities				8,491,845	273,430	-	8,765,275	1,100,000
Deposits refundable				175,686	-	8,579	167,107	-
Notes payable				515,000	-	160,000	355,000	170,000
Other				28,433,083	306,176	-	28,739,259	-
Total other long-term liabilities and notes payable				37,615,614	579,606	168,579	38,026,641	1,270,000
Total				\$ 92,583,209	\$ 27,966,556	\$ 3,622,206	116,927,559	\$ 3,526,892
Due within one year								3,526,892
Total long-term liabilities								\$ 113,400,667

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
UNIVERSITY OF MISSISSIPPI MEDICAL CENTER								
Bonded Debt								
General Revenue Bonds								
Series 1993	\$ 60,000,000	3.88% to 5.90%	2009	\$ 6,795,000	\$ -	\$ 1,560,000	\$ 5,235,000	\$ 1,650,000
Series 1998A	9,380,000	4.30% to 5.75%	2011	6,060,000	-	890,000	5,170,000	935,000
Series 1998B	41,075,000	3.85% to 5.50%	2023	40,595,000	-	80,000	40,515,000	85,000
Series 2002	4,500,000	3.40% to 5.00%	2012	2,930,000	-	435,000	2,495,000	455,000
Variable Rate Demand Bonds								
Series 2001	45,000,000	3.66%	2031	44,135,000	-	900,000	43,235,000	930,000
Series 2004	44,000,000	.29% to 3.197%	2034	43,290,000	-	365,000	42,925,000	375,000
Total bonded debt				143,805,000	-	4,230,000	139,575,000	4,430,000
Capital Leases								
Various equipment				14,381,389	12,640,569	5,065,677	21,956,281	5,730,620
Total capital leases				14,381,389	12,640,569	5,065,677	21,956,281	5,730,620
Other long-term liabilities								
Accrued leave liabilities				24,157,507	4,911,413	2,133,102	26,935,818	2,240,606
Deposits refundable				788,518		788,518	-	-
Other				8,089,864	25,910,741	624,875	33,375,730	3,838,000
Total other long-term liabilities				33,035,889	30,822,154	3,546,495	60,311,548	6,078,606
Total				\$ 191,222,278	\$ 43,462,723	\$ 12,842,172	221,842,829	\$ 16,239,226
Due within one year							16,239,226	
Total long-term liabilities							\$ 205,603,603	

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Balance June 30, 2007	Due Within One Year
IHL BOARD OFFICE								
Capital Leases				7,146	-	3,504	\$ 3,642	\$ 3,642
Various equipment				7,146	-	3,504	3,642	3,642
Total capital leases								
Other long-term liabilities				618,946	40,891		659,837	42,954
Accrued leave liabilities				21,289,000	1,785,000	-	23,074,000	5,814,563
Other								
Total other long-term liabilities				21,907,946	1,825,891	-	23,733,837	5,857,517
Total				\$ 21,915,092	\$ 1,825,891	\$ 3,504	\$ 23,737,479	\$ 5,861,159
Due within one year							5,861,159	
Total long-term liabilities							<u>\$ 17,876,320</u>	
STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING - TOTAL								
Total bonded debt				\$ 513,704,237	\$ 79,570,000	\$ 28,093,207	\$ 565,181,030	\$ 19,219,581
Total capital leases				20,981,400	14,063,354	7,734,617	27,310,137	7,976,235
Other long-term liabilities and notes payable								
Accrued leave liability				70,267,487	9,297,552	4,291,062	75,273,977	7,110,982
Deposits refundable				2,835,971	1,452,446	2,221,063	2,067,354	19,703
Notes payable				4,045,302	-	367,200	3,678,102	384,452
Other				83,851,612	29,819,770	718,173	112,953,209	9,652,563
Total other long-term liabilities				161,000,372	40,569,768	7,597,498	193,972,642	17,167,700
Total long-term liabilities				\$ 695,686,009	\$ 134,203,122	\$ 43,425,322	\$ 786,463,809	\$ 44,363,516

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

The annual debt services requirements for the outstanding debt as of June 30, 2007 for each of the respective universities within the IHL System are as follows:

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>Alcorn State University</u>					
2008	\$ 51,193	\$ -	\$ -	\$ 16,440	\$ 67,633
2009	55,000	-	-	13,235	68,235
2010	55,000	-	-	9,798	64,798
2011	60,000	-	-	6,145	66,145
2012	65,000	-	-	2,112	67,112
Totals	\$ 286,193	\$ -	\$ -	\$ 47,730	\$ 333,923

Delta State University

2008	\$ 268,388	\$ 603,990	\$ 15,605	\$ 411,224	\$1,299,207
2009	263,320	590,338	19,214	385,578	1,258,450
2010	265,001			373,529	638,530
2011	273,634			366,941	640,575
2012	274,494			366,458	640,952
2013 - 2017	2,465,000			751,240	3,216,240
2018 - 2022	1,650,000			217,013	1,867,013
2023 - 2027	360,000			23,162	383,162
Totals	\$5,819,837	\$1,194,328	\$ 34,819	\$2,895,145	\$9,944,129

Jackson State University

2008	\$ 2,180,000	\$ 74,869	\$ 3,894,587	\$ 6,149,456
2009	2,670,000	77,132	3,743,895	6,491,027
2010	2,715,000	79,463	3,710,914	6,505,377
2011	2,890,000	81,865	3,538,828	6,510,693
2012	2,930,000	84,339	3,489,099	6,503,438
2013 - 2017	14,330,000	461,509	15,462,210	30,253,719
2018 - 2022	16,725,000	422,005	12,277,124	29,424,129
2023 - 2027	19,865,000		8,427,711	28,292,711
2028-2032	19,260,000		4,102,317	23,362,317
2033-2037	7,575,000		479,908	8,054,908
Totals	\$ 91,140,000	\$ -	\$ 1,281,182	\$ 59,126,593

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>Mississippi State University</u>					
2008	\$ 5,265,000	\$ 1,233,611		\$ 6,732,614	\$ 13,231,225
2009	5,430,000	927,484		6,474,254	12,831,738
2010	5,365,000	455,748		6,230,645	12,051,393
2011	5,560,000	98,427		5,980,190	11,638,617
2012	5,770,000	12,253		5,725,498	11,507,751
2013 - 2017	32,915,000			24,032,841	56,947,841
2018 - 2022	30,170,000			16,356,464	46,526,464
2023 - 2027	28,385,000			8,909,948	37,294,948
2028-2032	14,695,000			3,776,690	18,471,690
2033-2037	9,030,000			931,250	9,961,250
Totals	\$ 142,585,000	\$ 2,727,523	\$ -	\$ 85,150,394	\$ 230,462,917

Mississippi University for Women

2008	\$ -	\$ 222,480		\$ 31,443	\$ 253,923
2009	-	215,048		22,537	237,585
2010	-	184,975		14,004	198,979
2011	-	134,807		7,599	142,406
2012	-	80,135		1,919	82,054
Totals	\$ -	\$ 837,445	\$ -	\$ 77,502	\$ 914,947

Mississippi Valley State University

2008	\$ 120,000			\$ 758,013	\$ 878,013
2009	115,000			814,425	929,425
2010	135,000			810,225	945,225
2011	165,000			804,825	969,825
2012	195,000			798,225	993,225
2013 - 2017	1,495,000			3,846,925	5,341,925
2018 - 2022	2,545,000			3,468,925	6,013,925
2023 - 2027	2,875,000			2,929,869	5,804,869
2028 - 2032	4,550,000			2,182,075	6,732,075
2033 - 2037	6,840,000			970,650	7,810,650
Totals	\$ 19,035,000	\$ -	\$ -	\$ 17,384,157	\$ 36,419,157

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>University of Mississippi</u>					
2008	\$ 4,830,000		\$ 123,978	\$ 3,670,435	\$ 8,624,413
2009	5,150,000		129,259	3,469,251	8,748,510
2010	5,295,000		251,778	3,250,380	8,797,158
2011	4,765,000		140,545	3,020,958	7,926,503
2012	4,985,000		146,573	2,831,329	7,962,902
2013 - 2017	27,485,000		622,708	10,775,024	38,882,732
2018 - 2022	20,815,000		436,495	5,270,915	26,522,410
2023 - 2027	14,415,000		155,765	2,119,573	16,690,338
2028-2032	690,000	-		15,094	705,094
Totals	\$ 88,430,000	\$ -	\$ 2,007,101	\$ 34,422,959	\$ 124,860,060

University of Southern Mississippi

2008	\$ 2,075,000	\$ 181,892	\$ 170,000	\$ 3,471,392	\$ 5,898,284
2009	1,990,000	156,932	185,000	3,555,551	5,887,483
2010	2,110,000	124,356		3,460,507	5,694,863
2011	2,255,000	93,118		3,364,677	5,712,795
2012	2,395,000	34,620		3,264,759	5,694,379
2013 - 2017	14,255,000			14,629,974	28,884,974
2018 - 2022	17,595,000			11,097,119	28,692,119
2023 - 2027	14,710,000			7,326,675	22,036,675
2028 - 2032	16,615,000			3,684,500	20,299,500
2033 - 2037	4,310,000			326,000	4,636,000
Totals	\$ 78,310,000	\$ 590,918	\$ 355,000	\$ 54,181,154	\$ 133,437,072

University of Mississippi Medical Center

2008	\$ 4,430,000	\$ 5,730,620		\$ 6,410,696	\$ 16,571,316
2009	4,655,000	5,379,530		6,008,819	16,043,349
2010	4,880,000	4,570,940		5,622,129	15,073,069
2011	5,110,000	4,673,425		5,251,078	15,034,503
2012	6,090,000	1,601,766		4,865,078	12,556,844
2013 - 2017	25,240,000			21,629,590	46,869,590
2018 - 2022	31,855,000			15,464,246	47,319,246
2023 - 2027	27,470,000			8,127,543	35,597,543
2028 - 2032	24,750,000			3,563,829	28,313,829
2033 - 2037	5,095,000			191,629	5,286,629
Totals	\$ 139,575,000	\$ 21,956,281	\$ -	\$ 77,134,637	\$ 238,665,918

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>IHL Board Office</u>					
2008	\$ -	\$ 3,642	\$ -	\$ 76	\$ 3,718
Totals	\$ -	\$ 3,642	\$ -	\$ 76	\$ 3,718
<u>State of Mississippi - Institutions of Higher Learning</u>					
2008	\$ 19,219,581	\$ 7,976,235	\$ 384,452	\$ 25,396,920	\$ 52,977,188
2009	20,328,320	7,269,332	410,605	24,487,545	52,495,802
2010	20,820,001	5,336,019	331,241	23,482,131	49,969,392
2011	21,078,634	4,999,777	222,410	22,341,241	48,642,062
2012	22,704,494	1,728,774	230,912	21,344,477	46,008,657
2013 - 2017	118,185,000	-	1,084,217	91,127,804	210,397,021
2018 - 2022	121,355,000	-	858,500	64,151,806	186,365,306
2023 - 2027	108,080,000	-	155,765	37,864,481	146,100,246
2028 - 2032	80,560,000	-	-	17,324,505	97,884,505
2033 - 2037	32,850,000	-	-	2,899,437	35,749,437
Totals	\$565,181,030	\$27,310,137	\$3,678,102	\$330,420,347	\$926,589,616

Advance and Current Refundings

During the fiscal year 2007, the IHL System issued \$2,080,000 of revenue refunding bonds to advance refund and defease a portion of one issue. Net proceeds of the refunding was deposited into an irrevocable trust to provide all future debt service payments of the refunded debt. The refunding was undertaken to reduce debt service payments over the next 15 years and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bond) of approximately \$90,000.

Defeased Bonds

In prior years, the IHL System defeased certain outstanding bonds by depositing the new proceeds of refunding bonds and additional monies from debt service funds in irrevocable trusts to be used solely for satisfying all remaining principal and interest payments on defeased bonds. Accordingly, for financial reporting purposed the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 2007, approximately \$88,709,000, of outstanding bonds (including prior years' refundings) are considered defeased.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Interest Rate Exchange Agreements (Swap)

University of Mississippi EBC, Series 2000A, Swap Agreement

As a means to lower exposure to rising interest rates, the University of Mississippi EBC entered into an interest rate swap agreement in connection with the \$34.7 million UMEBC, Series 2000A variable-rate issue. The intention of the swap was to effectively change the interest rate on \$20 million of bonds originally issued to a fixed rate of 3.314%. The university subsequently entered into a basis swap agreement which overlays the original interest swap agreement. The basis swap agreement exchanges 70% of one month average London Interbank Offered Rate (LIBOR) basis for a new basis of 63.03% of five year average LIBOR. The intention of the basis swap agreement was to further enhance the probability of reducing the exposure to interest rate fluctuations over the remaining term of the original notational amount.

Terms

The bonds and related swap agreements mature in October 2020. The notional amount of the swaps was \$16.88 million at June 30, 2007. The remaining portion of the \$11.415 million continues as variable-rate debt. Under the interest rate swap agreement, the university pays the counterparty a fixed payment of 3.314% and receives a variable payment computed at 70% of the one month average LIBOR. The variable-rate coupons of the bonds are based on the variable Bond Market Association Municipal Swap Index TM (BMA). Under the basis swap agreement, the university pays the counterparty a variable payment computed at 70% of one month average LIBOR and receives a variable payment computed at 63.03% of the five year average LIBOR.

Fair Value

The June 30, 2007, calculated fair value of the interest rate swap agreement was an asset of approximately \$590,000 and the fair value of the basis swap agreement was a liability of approximately \$216,000, for a net fair value of approximately \$374,000. The swap agreements' fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating a lower synthetic interest rate. Because the coupons on the university's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value of the swap agreements were calculated by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Credit Risk

The university is exposed to credit risk in the amount of the net fair value of the swap agreements of approximately \$374,000. To mitigate the potential for credit risk, the interest rate swap agreement includes provisions for collateral thresholds and transfer amounts that correspond to the credit rating of the swap counterparty's senior unsecured debt. The debt of the counterparty was rated Aa2 by Moody's Investors Service and AA- by Standard & Poor's as of June 30, 2007. Any required collateralizations will be in the form of U.S. government securities and posted with a third-party custodian.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Basis Risk

The interest rate swap agreement exposes the university to basis risk as the relationship between LIBOR and BMA converges, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (3.314%) and the actual synthetic rate as of June 30, 2007 (3.36%). As of June 30, 2007, the BMA rate was 3.77% and 70% of the one-month average LIBOR was 3.724% as calculated for swap transactions.

The basis rate swap agreement exposes the university to basis risk as the relationship between one-month LIBOR and five-year LIBOR diverges, changing the net interest rate. The effect of this difference in basis is indicated by the difference between one-month LIBOR (3.724%) and five-year LIBOR (3.27502%) for an interest rate increase of .44898%. The overall result was a net increase in the effective interest rate to 3.80898% on the underlying notational amount.

Termination Risk

The university or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The initial swap agreement may be terminated by the university if the counterparty's credit quality rating falls below "BBB-" as issued by Standard and Poor's or "Baa3" as issued by Moody's Investors Service. The basis rate swap agreement may be terminated by the university if the counterparty's credit quality rating falls below "A-" as issued by Standard and Poor's or "A3" as issued by Moody's Investors Service. If the swap is terminated, the variable-rate bond would not longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the university would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Payments and Associated Debt

Using rates as of June 30, 2007, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for their term, were as follows:

Fiscal Year Ending June 30,	Variable-Rate Bonds		Interest Rate Swap, Net	Basis Swap Overlay, Net	Total
	Principal	Interest			
2008	\$ 880,000	\$ 611,494	\$ (66,502)	\$ 72,825	\$ 1,497,817
2009	920,000	577,187	(62,771)	68,739	1,503,155
2010	960,000	541,372	(58,876)	64,474	1,506,970
2011	1,000,000	504,049	(54,817)	60,029	1,509,261
2012	1,060,000	464,653	(50,533)	55,337	1,529,457
2013 - 2017	6,080,000	1,663,701	(180,933)	198,135	7,760,903
2018 - 2022	5,980,000	407,725	(44,341)	48,555	6,391,939
Total	\$ 16,880,000	\$ 4,770,181	\$ (518,773)	\$ 568,094	\$ 21,699,502

As rates vary, variable-rate bond interest payments and net swap payments will vary.

University of Mississippi Medical Center EBC Swap Agreements

To lower exposure to rising interest rates, the University of Mississippi Medical Center EBC (Corporation) entered into interest rate swap agreements. There is an initial swap and a secondary

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

swap for the \$45 million series 2001 variable-rate issue and one swap for the \$44 million series 2004 variable-rate issue. The intention of these interest rate swaps is to effectively change the Corporation's interest rate on these two issues to synthetic fixed rates of 3.285% for the \$45 million series 2001 variable-rate issue and 3.197% for the \$44 million series 2004 variable-rate issue.

Terms

The \$45 million series 2001 bonds mature July 1, 2031 and the related swaps settle monthly and mature July 1, 2014. The notional amount on both the initial and secondary swaps was \$43,235,000 at June 30, 2007. Under the first interest rate swap agreement, the Corporation pays the counterparty a fixed payment of 3.285% and receives a variable payment computed at 67% of the one month average LIBOR. On March 1, 2007, the Corporation entered into a secondary swap agreement that was tied to a different index. Under the secondary swap agreement, the Corporation pays the counterparty 67% of the one month average LIBOR. This Corporation payment back to the counterparty in effect eliminates the initial swap. Under the secondary swap the counterparty pays the Corporation 61.52% of the five year LIBOR. The results of the transactions of the secondary swap are to create a swap indexed to five year LIBOR, rather than one month LIBOR. The secondary swap agreement continues to settle monthly and matures on July 1, 2014. The \$44 million series 2004 bonds mature June 1, 2034 and the related swap settles monthly and matures June 1, 2014. The swap's notional amount was \$42,925,000 at June 30, 2007. Under the interest rate swap agreement, the Corporation pays the counterparty a fixed payment of 3.197% and receives a variable payment computed at 67% of the one month average LIBOR. The variable-rate coupons of the bonds for both series are based on the variable Bond Market Association Municipal Swap Index™ (BMA).

Fair Values

The June 30, 2007, calculated fair values of the interest rate swaps for the \$45 million series 2001 are an asset approximating \$904,000 for the initial swap agreement and a liability approximating \$120,000 for the secondary swap agreement, for a net fair value of approximately \$784,000. The calculated fair value of the \$44 million series 2004 swap agreement is an asset approximating \$1,161,000 as of June 30, 2007. The fair value of the swap agreements were calculated by the counterparty using systems derived from both proprietary models as of a given date based on certain assumptions regarding past, present and future market conditions and certain financial information from sources that the counterparty believes to be reliable.

Credit Risk

The Corporation is exposed to credit risk in the amount of the swaps' net fair values of \$784,000 for the \$45 million series 2001 and \$1,161,000 for the \$44 million series 2004. To mitigate the potential for credit risk, the interest rate swap agreements include provisions for collateral thresholds and transfer amounts that correspond to the credit rating of the counterparty's long-term unsecured and unsubordinated debt. Collateral is required when triggered by rating from both Standard and Poor's and Moody's of the counterparty's unsecured debt that are less than the Corporation's debt rating by Standard and Poor's and Moody's. Any required collateralization shall be cash, U.S. treasuries or GNMA certificates.

Basis Risk

The interest rate swaps expose the Corporation to basis risk as the relationship between LIBOR and BMA converges, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate of 3.285% and the actual synthetic

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

rate at June 30, 2007 of 3.620% for the \$45 million series 2001 secondary swap and the difference between the intended synthetic rate of 3.197% and the actual synthetic rate at June 30, 2007 of 3.334% for the \$44 million series 2004 swap. As of June 30, 2007, the BMA rate was 3.73% and 67% of one-month average LIBOR was 3.5644% as calculated for the swap transactions. As of June 30, 2007, 61.52% of five year LIBOR was 3.38735%.

Rollover Risk

The swaps terminate July 1, 2014, for the \$45 million series 2001 and June 1, 2014, for the \$44 million series 2004. The \$45 million series 2001 variable-rate bonds mature July 1, 2031, while the \$44 million series 2004 variable-rate bonds mature June 1, 2034. When the swaps mature, the remaining bond interest payments revert back to the variable rates which could be higher than the synthetic rates imposed by the swaps.

Termination Risk

The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, the swap has a negative fair value, the Corporation would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Payments and Associated Debt

Using rates as of June 30, 2007, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for their term were as follows for the \$45 million Series 2001:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ 930,000	\$ 1,643,811	\$ (196,111)	\$ 2,377,700
2009	970,000	1,642,319	(195,934)	2,416,385
2010	1,010,000	1,640,827	(165,755)	2,485,072
2011	1,050,000	1,639,335	(195,578)	2,493,757
2012	1,095,000	1,637,656	(195,377)	2,537,279
2013 - 2017	6,275,000	7,198,434	(390,087)	13,083,347
2018 - 2022	8,030,000	5,479,370	-	13,509,370
2023 - 2027	10,380,000	3,748,091	-	14,128,091
2028 - 2032	13,495,000	1,533,869	-	15,028,869
Total	\$ 43,235,000	\$ 26,163,712	\$ (1,338,842)	\$ 68,059,870

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Swap Payments and Associated Debt

Using rates as of June 30, 2007, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for their term were as follows for the \$44 million Series 2004:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ 375,000	\$ 1,613,784	\$ (230,602)	\$ 1,758,182
2009	390,000	1,613,225	(230,523)	1,772,702
2010	405,000	1,612,666	(230,442)	1,787,224
2011	420,000	1,612,106	(230,363)	1,801,743
2012	1,175,000	1,583,944	(226,338)	2,532,606
2013 - 2017	6,565,000	7,153,674	(451,931)	13,266,743
2018 - 2022	7,845,000	5,580,826	-	13,425,826
2023 - 2027	9,400,000	3,951,002	-	13,351,002
2028 - 2032	11,255,000	2,029,959	-	13,284,959
2033 - 2034	5,095,000	191,629	-	5,286,629
Total	\$ 42,925,000	\$ 26,942,815	\$ (1,600,199)	\$ 68,267,616

NOTE 8 – OPERATING LEASES

Leased property under operating leases is composed of office rent, land, computer software and equipment. The following is a schedule by years of the future minimum rental payments required under those operating leases:

<i>Year ending June 30,</i>	
2008	\$ 12,028,000
2009	11,216,000
2010	10,083,000
2011	9,396,000
2012	8,788,000
Thereafter	14,340,000
Total minimum payments required	\$ 65,851,000

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the fiscal year ending June 30, 2007 approximated \$11,926,000.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 9 – NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The IHL System's operating expenses by functional classification were as follows for the year ended June 30, 2007:

Functional Classification	Scholarships & Fellowships											Total
	Salaries & Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Fellowships	Commodities	Depreciation Expense	Other			
Instruction	\$ 348,271,333	\$ 91,314,295	\$ 10,635,008	\$ 37,346,845	\$ 426,258	\$ 1,172,415	\$ 17,849,734		\$ 513,988		\$ 507,529,876	
Research	138,175,387	36,196,609	9,218,228	91,830,928	2,835,208	1,649,557	31,138,820		344,809		311,389,546	
Public service	67,184,669	18,866,401	5,269,730	30,947,317	2,069,881	485,474	8,932,765		(80,275)		133,675,962	
Academic support	59,029,153	15,714,293	2,545,396	24,097,882	520,382	480,273	10,191,398		478,910		113,057,687	
Student services	32,999,324	9,343,880	4,081,516	10,156,695	205,193	479,032	6,082,954		155,824		63,504,418	
Institutional support	99,301,173	25,582,048	3,444,090	77,009,345	(59,980)	1,138,686	20,709,216	\$ 276,957	2,719,156		230,120,691	
Operation of plant	40,602,967	13,715,973	190,621	32,439,957	43,609,972	20,040	9,678,167	5,432,020	91,120		145,780,837	
Student aid	4,702,546	2,652,142	33,181	12,804,309	-	173,139,946	282,894	-	9,831		193,624,849	
Auxiliary enterprises	47,382,616	12,346,356	7,407,794	47,397,300	11,644,153	10,139,219	18,286,103	4,618	29,085		154,637,244	
Depreciation	-	-	-	-	-	-	273,430	75,325,919	-		75,599,349	
Hospital	169,223,048	47,228,212	124,130	105,813,387	-	-	113,465,441	11,224,605	-		447,078,823	
Loan fund expenses	-	-	-	12,659	-	-	783	-	1,531,912		1,545,354	
Other	-	-	-	-	-	-	509,864	-	303,871		813,735	
	1,006,872,216	272,960,209	42,949,694	469,856,624	61,251,067	188,704,642	237,401,569	92,264,119	6,098,231		2,378,358,371	
Elimination entries				(16,864,570)		(43,613,816)					(60,478,386)	
Total operating expenses	\$ 1,006,872,216	\$ 272,960,209	\$ 42,949,694	\$ 452,992,054	\$ 61,251,067	\$ 145,090,826	\$ 237,401,569	\$ 92,264,119	\$ 6,098,231		\$ 2,317,879,985	

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 10 – CONSTRUCTION COMMITMENTS AND FINANCING

The IHL System has contracted for various construction projects as of June 30, 2007. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

As of June 30, 2007

	Total Costs to Complete	Funded by			
		Federal Sources	State Sources	Institutional Sources	Other
Alcorn State University	\$ 14,060,830	\$ -	\$ 14,060,830	\$ -	\$ -
Delta State University	14,183,335	-	14,183,335	-	-
Jackson State University	28,456,726	-	18,537,468	9,919,258	-
Mississippi State University	222,705,406	10,876,054	58,086,586	106,720,256	47,022,510
Mississippi University for Women	1,321,327	-	1,321,327	-	-
Mississippi Valley State University	41,354,499	-	26,442,674	14,911,825	-
University of Mississippi	220,174,000	52,156,000	29,213,000	92,662,000	46,143,000
University of Southern Mississippi	87,070,339	9,195,580	46,680,272	31,194,487	-
University of Mississippi Medical Center	31,668,042	-	5,024,291	3,276,310	23,367,441
Totals	\$ 660,994,504	\$ 72,227,634	\$ 213,549,783	\$ 258,684,136	\$ 116,532,951

NOTE 11 – DONOR RESTRICTED ENDOWMENTS

The net appreciation on investments of donor restricted endowments that is available for authorization for expenditures approximated \$36,560,000 as of June 30, 2007. This amount is included on the statement of net assets as a component of the expendable net assets for scholarships and/or other purposes.

Most endowments operate on the total-return concept as permitted by the Uniform Management of Institutional Funds Act (Sections 79-11-601 through 79-11-617, Miss. Code Ann. 1972) as enacted in 1998. The annual spending rate for these endowments is 5% of the three-year moving average market value.

NOTE 12 – PENSION PLAN

Plan Description

The IHL System participates in either the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan or the Optional Retirement Plan (ORP), a multiple-employer defined contribution plan established in 1990. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 12 – PENSION PLAN (Continued)

only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Vesting period

In 2007, the Mississippi Legislature amended the PERS Plan to change the vesting period from four to eight years for members who entered the System after July 1, 2007. A member who entered the IHL System prior to July 1, 2007 is still subject to the four year vesting period provided that the member does not subsequently refund their account balance.

Funding policy

PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The actuarially determined rate was 11.30% of annual covered payroll as of July 1, 2006 and increased to 11.85% effective July 1, 2007. For fiscal years 2006 and 2005 the actuarially determined rate was 10.75% and 9.75%, respectively. However, during fiscal year 2006 the Mississippi Legislature provided funds to cover approximately 89% of the increase for that year. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The IHL System's contributions to PERS for the year ending June 30, 2007, 2006 and 2005 were \$81,068,513, \$68,138,351, and \$58,399,257, respectively. Such contributions equaled the required contributions for each respective year.

The membership of the ORP is composed of teachers and administrators of the institutions of higher learning appointed or employed on or after July 1, 1990, who elect to participate in ORP and reject membership in PERS. Membership in ORP is offered as a recruitment tool for the IHL System's universities. The IHL System's contributions to ORP for the year ending June 30, 2007, 2006 and 2005 were \$21,884,296, \$18,070,231, and \$15,170,489, respectively, which equaled its required contributions for the respective year.

Title 25, Article 11 of the Mississippi Code states that the Board of Trustees of the System will provide for the administration of the ORP program. ORP participants direct the investment of their funds among three investment vendors. Benefits payable to plan participants are not obligations of the State of Mississippi. Such benefits and other rights of participants or their beneficiaries are the liability of the vendors and are governed solely by the terms of the annuity contracts issued by them. As such, ORP is not considered part of the IHL System's reporting entity for financial reporting purposes.

NOTE 13 – IMPAIRMENT OF CAPITAL ASSETS AND INSURANCE RECOVERIES

During 2006, the IHL System incurred certain capital asset impairments as a result of damages sustained from Hurricane Katrina. For the year ended June 30, 2007, nonoperating revenues include approximately \$10,794,000 of insurance recoveries related to these damages.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 14 – SELF-INSURED WORKER'S COMPENSATION FUND

The IHL System participates in the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund (the WC Fund). The WC Fund exists in order to provide a mechanism for the IHL System to fund and budget for the costs of providing workers' compensation benefits to eligible employees. The WC Fund does not pay benefits directly to employees. Rather, funds are set-aside in trust, and a third party administrator is utilized to distribute the benefits to eligible employees. Total assets and liabilities of the WC Fund approximated \$6,786,000 and \$14,188,000 at June 20, 2007, respectively.

A professionally licensed actuarial firm was contracted to establish a liability for both reported and unreported insured events, which includes estimates of future payments of losses. The difference between the assets and liabilities of the fund is not expected to impact the WC Fund's ability to pay claims.

In order to minimize the amount of risk and in accordance with self-insurance general practices, the WC Fund purchases excess loss insurance to cover risks exceeding \$1,000,000 per occurrence. Excess loss insurance premiums for the year ended June 30, 2007 were approximately \$344,000, and are netted against program assessments on the statement of revenues, expenses and changes in net assets. Excess loss insurance does not discharge the WC Fund from its primary liability to cover the IHL System's claims. Consequently, failure of the insurer to honor its obligation could result in losses to the WC Fund.

The following represents changes in the unpaid claims liabilities for the WC Fund for the year ended June 30, 2007:

<i>Year ended June 30, 2007</i>	
Accrued claims at beginning of year	\$ 13,737,000
Incurring Claims	
Provision for insured events of the current year	6,877,000
Increase (decrease) in provision for insured events of prior years	(1,014,000)
Total incurred claims and claims adjustment expenses	5,863,000
Claim Payments	
Claims attributable to insured events of the current year	1,439,000
Claims attributable to insured events of prior years	4,165,000
Total payments	5,604,000
Total accrued claims at end of year	\$ 13,996,000

At June 30, 2007, total accrued claims are presented at their present value using a discount rate of 4.5%, which approximated \$2,683,000.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 15 – UNEMPLOYMENT TRUST FUND

The IHL System participates in a self-funded Unemployment Trust Fund (the Unemployment Fund). The Unemployment Fund exists in order to provide a mechanism for the IHL System to fund and budget for the costs of providing unemployment benefits to eligible former employees. The Unemployment Fund does not pay benefits directly to former employees. Rather, it reimburses the Mississippi Department of Employment Security for benefits it pays directly to former IHL System employees. The assets and liabilities of the Unemployment Fund approximated \$2,031,000 and \$1,736,000 at June 30, 2007, respectively.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the Unemployment Fund as of June 30, 2007. The actuarial firm determined the recommended funding requirement, as of June 30, 2007, ranged from \$1.6 million to \$2.2 million. Furthermore, they concluded that the actual assets of the Unemployment Fund, which approximated \$2,031,000 at June 30, 2007, is reasonable and is adequately funded with a margin of conservatism.

NOTE 16 – TORT LIABILITY FUND AND OTHER CONTINGENCIES

The IHL System participates in the State Institutions of Higher Learning Tort Liability Fund (the IHL Tort Fund). In accordance with Section 11-46-1, et seq., Mississippi Code Annotated (1972), the Mississippi Tort Claims Board has authorized the Board of Trustees of State Institutions of Higher Learning (IHL Board) to establish a fund in order to self-insure a certain portion of its liability under the Mississippi Tort Claims Act. The IHL Board established the IHL Tort Fund to provide self-insurance.

Effective July 1, 1993, Mississippi statute permitted tort claims to be filed against the IHL System. A maximum limit of liability of \$500,000 per occurrence is currently permissible.

In a prior year, the IHL System Board decided to not renew or reacquire a commercial insurance policy to fund its professional liability which is a component of the Fund's tort liability, as had been authorized by the Board in prior years. Accordingly, the IHL Tort Fund currently funds and intends to fund in the future professional liability claims of the IHL System. As a result these claim liabilities are component of the IHL Tort Fund's actuarially computed claim liabilities.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the IHL Tort Fund as of June 30, 2007. Total assets and liabilities of the IHL Tort Fund approximated \$8,763,000 and \$7,264,000 at June 30, 2007, respectively.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 16 – TORT LIABILITY FUND (Continued)

The following represents changes in the unpaid claims liabilities for the IHL Tort Fund during the period ended June 30, 2007:

As of June 30, 2007

Accrued claims at beginning of year	\$ 6,052,000
Incurred Claims	
Provision for insured events of the current year	1,792,000
Increase in provision for insured events of prior years	319,000
Total incurred claims and claims adjustment expense	2,111,000
Claims Paid	
Claims attributable to insured events of the current year	27,000
Claims attributable to insured events of prior years	901,000
Total payments	928,000
Total accrued claims at end of year	\$ 7,235,000

At June 30, 2007, total accrued claims are presented at their present value using a discount rate of 3.5%, which approximated \$956,000.

In addition to claims covered by the IHL Tort Fund and the UMMC Tort Fund (described more fully below), the IHL System is defendant in various other legal matters occurring in the normal course of business activities. Management, with the advice of legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse impact on the IHL System's financial statements.

NOTE 17 – UNIVERSITY OF MISSISSIPPI MEDICAL CENTER TORT CLAIMS FUND

The University of Mississippi Medical center participates in the University of Mississippi Medical Center Tort Claims Fund (UMMC Tort Claims Fund). In accordance with Section 11-46-1, et seq., Mississippi Code Annotated (1972), the Mississippi Tort Claims Board has authorized the Board of Trustees of the IHL System to establish a fund in order to self-insure a certain portion of its liability under the Mississippi Tort Claims Act.

Effective July 1, 1993, Mississippi statute permitted tort claims to be filed against the State Institutions of Higher Learning. A maximum limit of liability of \$500,000 per occurrence is currently permissible.

The Board of Trustees of the IHL System has established a UMMC Tort Claims Fund to pay claims up to the maximum liability limits described above. Losses from professional and tort liability claims of the University of Mississippi Medical Center are the responsibility of the UMMC Tort Claims Fund.

Total assets and liabilities of the UMMC Tort Claims Fund approximated \$30,888,000 and \$25,587,000 at June 30, 2007, respectively.

State of Mississippi Institutions of Higher Learning

Notes to Financial Statements

NOTE 17 – UNIVERSITY OF MISSISSIPPI MEDICAL CENTER TORT CLAIMS FUND (Continued)

A professionally licensed actuarial firm was contracted to perform an actuarial analysis to establish a liability for both reported and unreported insured events, which includes estimates of future payments of losses.

The following represents changes in the unpaid claims liabilities for the UMMC Tort Claims Fund for the year ended June 30, 2007:

As of June 30, 2007

Accrued claims at beginning of year	\$ 25,722,000
Incurring Claims	
Provision for insured events of the current year	6,686,000
Decrease in provision for insured events of prior years	(1,118,000)
Total incurred claims	5,568,000
Payments	
Claims attributable to insured events of the current year	64,000
Claims attributable to insured events of prior years	5,639,000
Total payments	5,703,000
Total accrued claims at end of year	\$ 25,587,000

At June 30, 2007, unpaid claims of \$29,244,000, are presented at their net present value of \$25,587,000 (discounted at an annual rate of 4.0%).

NOTE 18 – SUBSEQUENT EVENTS

Subsequent to year end, the educational building corporations of certain institutions of the IHL System issued or were approved to issue new bonds and notes approximating \$60,000,000 with approximately \$50,000,000 of the proceeds to be used for advance refundings and the remaining amounts to be used for the construction and expansion of infrastructure and improvements on their campuses.

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Organization

Mississippi State University Foundation, Inc. (the Foundation) is a not-for-profit entity established to solicit and manage funds for the benefit of Mississippi State University (the University).

Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes – permanently restricted, temporarily restricted or unrestricted as follows:

Permanently restricted net assets

net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donor of these assets permits the Foundation to use all or part of the income earned on related investments for general or specific purposes in support of the University.

Temporarily restricted net assets

net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time.

Unrestricted net assets

net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations. Unrestricted net assets include contributions designated to a particular college or unit for which the use or purpose is unrestricted.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenditures are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributed goods and services are recorded as revenues and expenses in the statement of activities at estimated fair value.

Income and realized and unrealized gains on investments of permanently restricted net assets are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift or the Foundation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- as increases in unrestricted net assets in all other cases.

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management 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 and expenditures during the reporting period. Actual results could differ from those estimates.

An estimate that is particularly susceptible to significant change in the near term relates to the allowance for uncollectible pledges.

The Foundation's investments are invested in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, if purchased, or at fair value on the date of gift, if donated. Depreciation of buildings and equipment is provided on the straight-line method over the estimated useful life of the assets. The estimated useful lives for buildings is 30-40 years and furniture, fixtures, and equipment is 5 years.

Investments

The Foundation's investments primarily consist of publicly traded fixed income and equity securities, other investments, and cash held for reinvestment. Other investments include real estate investments, private equity funds and hedge funds through fund-of-funds structures generally organized as limited partnerships or limited liability companies. The fair value of publicly traded fixed income and equity securities investments are based on quoted market prices. Since partnership and member interests do not have readily ascertainable market values and may be subject to withdrawal restrictions, the Foundation values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies. The Foundation's management may, in addition, consider other factors in assessing the fair value of these investments. Real estate is valued at estimated fair value. Cash held for reinvestment consists of primarily of liquid short-term instruments held by the investment pool.

The Foundation believes that the carrying amount of its other investments is a reasonable estimate of fair value as of June 30, 2007. Because other investments are not marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed.

Pledges

All unconditional pledges to give are recorded at their estimated realizable value on a discounted basis.

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split Interest Agreements

The Foundation accepts gifts subject to split interest agreements. These gifts may be in the form of annuities, charitable lead trusts, charitable remainder trusts or perpetual trusts. At the time of receipt, a gift is recorded based upon the fair value of assets donated less any applicable liabilities. Liabilities include the present value of projected future distributions to the annuity or trust beneficiary and are determined using appropriate discount rates (at June 30, 2007 rates ranged from approximately 5% to 8%). For certain split interest agreements where the measurement objective is fair value, the discount rate is adjusted to a current market rate at each reporting date. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

Externally managed trusts consist of irrevocable charitable lead trusts, charitable remainder trusts and perpetual trust whereby the Foundation is the beneficiary, not the trustee. The Foundation records these trusts, after discovery of their existence, at the present value of the estimated future cash receipts from the assets of the trust.

Contribution revenue attributable to split interest agreements for the fiscal years ended June 30, 2007 was \$932,698.

Bond Issuance Costs and Bond Discounts

Bond issuance costs and bond discounts are being amortized over the term of the related bond issue using the straight-line method, which does not significantly differ from the interest method.

Income Taxes

The Foundation is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code.

Liquidity

Assets are presented according to their nearness to cash and liabilities are presented according to their nearness of payment or use of cash.

Reclassifications

Certain reclassifications have been made to the 2006 financial statements to conform with the 2007 presentation and primarily resulted in an increase to temporarily restricted net assets and a decrease to unrestricted net assets of \$4,265,238, which represents the excess of earnings over the allocated annual spending rates for certain endowments.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements but does not require any new fair value measures. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Foundation is in the process of determining the impact of this Statement on the financial statements.

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 2 – INVESTMENTS

The Foundation, the University, the MSU Alumni Foundation and the MSU Bulldog Club, Inc. are participants in a joint venture whereby certain assets are pooled for investment purposes. The Foundation manages the assets of the pool and maintains separate accounts for each participant. Investment income, gains and losses and expenses of the pool are allocated to each participant based on their share of ownership of the pool. At June 30, 2007, approximately 81% of the Foundation's investments are included in the pool.

The spending allocation for endowments are based on specified annual rates as determined by the Foundation's board of directors. At June 30, 2007, the fair value of certain permanently restricted investments have gone below their historical cost and the deficiency of \$9,247, has been recorded in unrestricted net assets.

Investments are summarized as follows at June 30, 2007:

<i>As of June 30, 2007</i>	Cost	Estimated Fair Value
U.S. Government securities	\$ 3,861,677	\$ 3,706,000
Corporate bonds	20,910,490	19,971,077
Equity securities	121,703,153	150,219,732
Partnership and member interests	42,605,631	52,943,575
Short-term investments	4,608,121	4,608,121
Real estate	4,862,595	4,862,595
Other	1,333,210	1,333,210
Net accounts receivable	\$ 199,884,877	\$ 237,644,310

The Foundation has entered into various split interest agreements, including charitable lead annuity trusts, charitable remainder unitrusts, and charitable gift annuities, whereby the Foundation serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2007 with an approximate fair value of \$7,345,000.

The following schedule summarizes net investment income and its classification in the statements of activities:

Year ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest (net of (expenses of \$360,634)	\$ 6,042,571	\$ 1,356,530	\$ 1,205	\$ 7,400,306
Realized gains, net	2,036,283	209,242	278,537	2,524,062
Unrealized gains, net	22,589,911	6,983	228,059	22,824,953
Allocation of earnings	(24,217,585)	24,217,585	-	-
	\$ 6,451,180	\$ 25,790,340	\$ 507,801	\$ 32,749,321

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable, net, are summarized as follows at June 30, 2007:

As of June 30, 2007

Unconditional promises expected to be collected in:	
Less than one year	\$ 9,470,162
One year to five years	9,435,811
Over five years	8,169,838
	27,075,811
Less unamortized discount (rate approximated 5% in 2007)	(3,357,240)
	23,718,571
Less allowance for uncollectible pledges	(727,905)
	\$ 22,990,666

NOTE 4 – NOTE RECEIVABLE

At June 30, 2007, the Foundation had two notes receivable totaling \$539,915, of which both were with a related party. The notes receivable require semi-annual payments and monthly payments of \$33,238 and \$3,229, respectively, have interest rates of 6% and maturity dates of August 2014 and December 2010, respectively.

NOTE 5 – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment are summarized as follows at June 30, 2007:

As of June 30, 2007

Land and buildings	\$ 11,987,491
Furniture, fixtures and equipment	3,127,005
	15,114,496
Less accumulated depreciation	(4,240,619)
	\$ 10,873,877

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT

Long-term debt is summarized as follows at June 30, 2007

As of June 30, 2007

Mississippi Business Finance Corporation, Variable Rate Revenue Bonds, Series 2002	\$ 3,000,000
Non-interest bearing unsecured note payable to a private foundation. Principal is payable as repayments are received from students.	375,195
Non-interest bearing unsecured note payable to a private foundation, due March 2008.	1,500,000
	4,875,195
Less unamortized bond discount	(24,000)
	\$ 4,851,195

In April 2002, the Foundation obtained \$6,000,000 in Series 2002 Variable Rate Revenue Bonds through the Mississippi Business Finance Corporation. Principal installments are due in fixed amounts through 2012. Interest is payable at a variable rate (3.78% at June 30, 2007). The bonds are secured by a letter of credit. The bonds have an early redemption feature; however, a premium is due if the Foundation retires the bonds early.

Interest expense incurred during the year ended June 30, 2007 was \$129,349.

The aggregate future maturities of long-term debt at June 30, 2007 are summarized as follows:

Year Ending June 30,

2008	\$ 2,475,195
2009	600,000
2010	600,000
2011	600,000
2012	600,000
	\$ 4,875,195

The Foundation is subject to various restrictive and financial maintenance covenants related to certain long-term debt. At June 30, 2007, the Foundation was in compliance with these debt covenants.

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 7 – NET ASSETS

Temporarily restricted and permanently restricted assets at June 30, 2007 were available for the following purposes:

<i>June 30, 2007</i>	Net Assets	
	Temporarily Restricted	Permanently Restricted
General college support	\$ 24,751,529	\$ 61,666,663
Student financial aid	23,636,740	83,604,837
Research	2,725,224	16,002,004
Faculty and staff support	6,393,597	33,846,840
Facilities	9,846,051	6,129,598
Other	1,020,594	1,785,245
Total	\$ 68,373,735	\$ 203,035,187

NOTE 8 – FINANCIAL INSTRUMENTS

The carrying amount reported in the statements of financial position for cash, other receivables, and accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments. The carrying amount of pledges receivable and amounts due from externally managed trusts approximate fair value as they are presented on a discounted basis. The fair value of the note receivable has been estimated using current interest rates and approximate the carrying amounts at June 30, 2007. The fair value of the various debt instruments has been estimated using interest rates currently offered to the Foundation for borrowings having similar character, collateral and duration. The fair value of such debt instruments approximates the carrying amounts at June 30, 2007.

NOTE 9 – LEASES

The Foundation has entered into a lease agreement for the use of an airplane under a noncancelable operating lease expiring in August 2014. Rent expense related to this lease was \$432,600 in 2007. Future minimum lease payments are as follows:

<i>Year Ending June 30,</i>	
2008	\$ 432,600
2009	432,600
2010	432,600
2011	432,600
2012	432,600
Thereafter	937,300
Total future minimum lease payments	\$ 3,100,300

Mississippi State University Foundation, Inc.

Notes to Financial Statements

NOTE 9 – LEASES (Continued)

The Foundation also leases certain equipment under a capital lease agreement that expires in October 2013. Future minimum lease payments under the capital lease obligation amount of \$38,517 per year for seven years.

As of June 30, 2007

Total future minimum lease payments	\$ 269,619
Amount representing interest	(68,369)
<hr/>	
Present value of net minimum lease payments	\$ 201,250

The equipment recorded under the capital lease agreement is included in property and equipment at a cost of approximately \$230,000 with accumulated depreciation of approximately \$28,750 as of June 30, 2007.

University of Mississippi Foundation

Notes to Financial Statements

NOTE 1 – NATURE OF ORGANIZATION

The University of Mississippi Foundation (the Foundation) is a non-profit, non-stock corporation formed for the benefit of The University of Mississippi (the University). The Foundation promotes, encourages, and assists educational, scientific, literary, research, and service activities of the University and its affiliates.

The Foundation and the University operate under an Affiliation Agreement. This agreement specifies that the Foundation operates exclusively for the benefit of the University and sets forth the Foundation's contractual activities, which include raising, receiving, acknowledging, investing, and administering funds for the University. The University paid the Foundation \$209,175 as compensation for such services in fiscal 2007. The University also compensates the Foundation for rental of certain Foundation facilities, rental income from which totaled \$120,175 in fiscal 2007. The Foundation reimbursed the University \$250,382 in fiscal 2007 for University employees providing services on behalf of the Foundation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The Foundation prepares its financial statements in accordance with U.S. generally accepted accounting principles which require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Such estimates include the present value discount rates applied to the pledges receivable and liabilities under remainder trust agreements, allowance for uncollectible pledges, fair market values of certain investments including real estate, partnership and member interests, and depreciation of property and equipment. Actual results could differ from those estimates.

The Foundation's investments are primarily invested in various types of investment securities within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

Donor-Imposed Restrictions

The financial statements report amounts in three classes of net assets – unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets – based on the existence or absence of donor-imposed restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted.

When a donor restriction expires or the stated purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

University of Mississippi Foundation

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The permanently restricted net assets include the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity and only the income from investment thereof be expended. The purpose of such expenditure may also be specified by the donor.

Revenue Recognition

The Foundation generally recognizes gifts as revenue when notified of an unconditional promise to give. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their future cash flows. The discounts on these amounts are computed using risk free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenues. An allowance for uncollectible amounts is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fund-raising activity. See note 3 for discussion of pledges receivable. Investments received by gift are recorded at market value at the date of donation.

The increase in the cash surrender value of life insurance policies is recorded as a component of other income each year.

The Foundation earns a management fee of one-half of one percent on certain endowment funds. For the fiscal year ended June 30, 2007, such fees totaled approximately \$1,226,000, and was recorded as other income and reflected within unrestricted net assets.

Cash and Cash Equivalents

The Foundation recognizes all demand deposits accounts as cash and cash equivalents. It is the policy of the Foundation to consider all money market accounts with brokers as other short-term investments.

Investments

Investments are recorded at fair value. The fair values of all investments other than real estate and partnership and member interests are based on quoted market prices. Since partnership and member interests do not have readily ascertainable fair values and may be subject to withdrawal restrictions, the Foundation values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies. The Foundation reviews and evaluates such valuations and believes that the carrying amount of its partnership and member interests is a reasonable estimate of fair value. The Foundation's real estate investments are also carried at fair value based on appraisal values at the date of receipt and as subsequently updated. Both realized and unrealized gains and losses are reflected in the accompanying statement of activities based on restrictions put in place by the donor.

At June 30, 2007, the fair values of certain permanently restricted investments were below their original contribution by approximately \$200, and these deficiencies have been recorded in unrestricted net assets.

Tax Status

The Foundation is exempt from federal and state income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

University of Mississippi Foundation

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The carrying amounts at June 30, 2007 for cash and cash equivalents, pledges receivable, beneficial interest in remainder trust, funds held for others, liabilities under remainder trusts and other liabilities approximate their fair values. See note 4 for investments.

Split Interest Agreements

The Foundation accepts gifts subject to split interest agreements. These gifts are generally in the form of charitable remainder unitrusts (CRUTs) and annuity trusts (CRATs). At the time of receipt, a gift is recorded based upon the fair value of the assets donated less the present value of any applicable liabilities for projected distributions to third parties. The discount rate used to value the beneficiary liability is fixed at the gift date. CRUTs and CRATs are revalued annually and the beneficiary payments adjusted accordingly. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

The Foundation is the beneficiary of one externally managed charitable remainder trust. This trust is recorded at the present value of the estimated future cash receipts from the assets of the trust.

NOTE 3 – PLEDGES RECEIVABLE

The Foundation obtains pledges through fund raising projects in support of various activities. Pledges mature at various dates through 2028 (approximately \$6,416,000 is due in fiscal year 2008, \$23,851,000 is due in total during the period including fiscal year 2009 through fiscal year 2013, and \$8,257,000 is due thereafter). A summary of pledges receivable as of June 30, 2007 is as follows:

As of June 30, 2007

Temporarily restricted	\$ 27,184,072
Permanently restricted	11,340,786
	38,524,858
Allowances for doubtful pledges	(2,705,849)
Present value discount (ranging from 3.3% to 6.1%)	(9,315,682)
	\$ 26,503,327

University of Mississippi Foundation

Notes to Financial Statements

NOTE 4 – INVESTMENTS

The Foundation's investments consist of the following at June 30, 2007:

As of June 30, 2007

U.S. Government securities	\$ 1,142,163
Corporate bonds	3,726,056
Certificates of deposit	286,863
Other short-term investments	14,286,245
Other fixed income securities	83,181,563
Equity securities	178,269,997
Real estate	6,029,679
Partnership and member interests	29,831,829
	<hr/>
	\$ 316,754,395

NOTE 5 – LIFE INSURANCE POLICIES

The Foundation has obtained life insurance policies for which it has been named owner and beneficiary. The face amount of life insurance policies in excess of cash surrender value held by the Foundation is deferred and recognized as revenue only when collected. The cash surrender value amounts of such policies as of June 30, 2007 was \$1,328,000, which is reflected as other assets in the accompanying statement of financial position.

NOTE 6 – CHARITABLE TRUSTS

The Foundation administered charitable remainder trusts with investments of approximately \$5,041,000 as of June 30, 2007. Pursuant to the trust agreements, specified amounts of income from the trust assets must be distributed to the income beneficiaries each year. Liabilities under remainder trusts approximated \$4,302,000 as of June 30, 2007, including the present value of the remaining distributions to beneficiaries estimated to be \$2,857,000. The discount rates used in this measurement range from 5.25% to 6.20%. The remainder of the income and the assets will become the property of the Foundation at a time designated in the agreements, usually upon the death of the income beneficiary.

University of Mississippi Foundation

Notes to Financial Statements

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2007:

As of June 30, 2007

Land	\$ 665,000
Building and equipment	3,247,604
<hr/>	
Total	3,912,604
Accumulated depreciation	(982,711)
<hr/>	
Property and equipment, net	\$ 2,929,893

Depreciation expense has been computed utilizing the straight-line method over the estimated useful life of the building — 30 years and the equipment — 10 years.

NOTE 8 – NET ASSETS

The income earned on permanently restricted net assets at June 30, 2007 were available for the following purposes:

As of June 30, 2007

Academic and program support	\$ 28,768,230
Scholarship support	56,934,336
Faculty support	28,067,662
Library support	13,620,696
<hr/>	
Total	\$ 127,390,924

The vast majority of temporarily restricted net assets at June 30, 2007 were available for academic and program support.

NOTE 9 – FUNDS HELD IN TRUST FOR OTHERS

The Foundation administered funds for others of approximately \$18,862,647 at June 30, 2007. These funds are commingled with the Foundation's investments and are accounted for at the fair value of the underlying investments. Earnings and losses from these investments, as well as funds received and distributed, are not included in the results of operations of the Foundation.

The Foundation assists with fund raising activities of the University and processes the receipts for many University affiliated organizations. During fiscal year 2007, the Foundation received approximately \$2,651,000, for the University of Mississippi Alumni Association; \$12,047,000, for the UMAA Foundation. Distributions to these organizations, all of which were made at the direction of the affiliated organization, for fiscal year 2007 include approximately \$2,508,000, to the University of Mississippi Alumni Association; \$13,462,000, to the UMAA Foundation. In addition to these

University of Mississippi Foundation

Notes to Financial Statements

NOTE 9 – FUNDS HELD IN TRUST FOR OTHERS (Continued)

affiliated organizations, the Foundation maintains funds for certain other third party organizations. During fiscal year 2007, the Foundation received approximately \$594,000, from these organizations and made distributions to these organizations, at the organization's direction, of approximately \$570,000.

NOTE 10 – MISSISSIPPI COMMON FUND TRUST

Included in other liabilities are \$11,468,688 at June 30, 2007, related to the Mississippi Common Fund Trust. The trust was established to allow donors to receive a charitable deduction for gifts to the trust. The Foundation manages the trust's assets with earnings distributed to a charitable organization, at the donor's direction, on an annual basis. If the donor does not make an annual designation of funds to a charitable organization, then such designation may be made by the Foundation. Remaining corpus must be disbursed to one or more qualifying charitable organizations within one year after the death of the donor's surviving spouse as directed through the donor's will or other instruction or it will revert to the Foundation.

NOTE 11 – TRANSFER FROM UMMC ALUMNI ASSOCIATION

During the fiscal year 2007, the UMMC Alumni Association transferred \$9,996,163 of assets to the Foundation. Of the amounts transferred, \$3,157,523 related to permanent endowments with the balance being temporarily restricted.

NOTE 12 – DISPOSITION OF REAL ESTATE INVESTMENT

During fiscal year 2007, the Foundation transferred real estate located in Oxford, Mississippi valued at \$835,000 directly to the University. Amounts transferred were based on the property's appraised values.

NOTE 13 – RESTATEMENT

In conjunction with preparing the Foundation's fiscal 2007 financial statements, several items were identified, which management has concluded warrant restatement of prior year financial statements. The items being corrected generally relate to the classification of certain funds held among the unrestricted, temporarily restricted, and permanently restricted categories as well as accounting for various charitable remainder trusts. The items impacted by this restatement are as follows:

The Foundation had previously classified its quasi-endowments as permanently restricted assets and its board-directed endowment as temporarily restricted. These net assets, and the activities therein, should be classified as temporarily restricted and unrestricted, respectively. In addition, correction has been made for certain donor redesignations of gifts which had been made subsequent to the original gift, but which had not been previously recorded. In the reconciliations

University of Mississippi Foundation

Notes to Financial Statements

NOTE 13 – RESTATEMENT (Continued)

below, these items are referred to as "asset classification corrections" along with the investment earnings and contributions impact of these errors.

In addition, the Foundation maintains certain charitable remainder trusts for which liabilities to beneficiaries had not been properly recognized. In addition, one charitable remainder annuity trust held by a third party had not been recognized as an asset of the Foundation. In the reconciliation below, these items are referred to as "corrections of remainder trusts." The estimate earnings and change in split interest impact were also corrected.

Finally, certain donor life insurance policies for which the Foundation is the owner and beneficiary had not been recorded on the Foundation's financial statements. Such policy cash surrender values totaled \$155,054 as of June 30, 2006. Additionally, certain policies recorded within unrestricted assets are more appropriately deemed to be temporarily restricted based upon the donor direction. These asset additions and classification changes along with the increase in cash surrender values are referred to as "cash surrender values" in the reconciliations below.

Changes to Statement of Financial Position	As of June 30, 2006		
	As originally reported	Restatement adjustments	As restated
Beneficial interests in remainder trusts	\$ -	\$ 1,659,084 (i)	\$ 1,659,084
Other assets	1,729,635	155,054 (ii)	1,884,689
Total assets	297,078,575	1,814,138 (i)(ii)	298,892,713
Liabilities under remainder trust agreements	-	3,319,415 (i)	3,319,415
Total liabilities	24,944,267	3,319,415 (i)	28,263,682

(i) Correction of remainder trusts

(ii) Cash surrender values

Changes to Net Assets	As of June 30, 2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets - as originally reported	\$ 3,922,345	\$ 46,829,276	\$ 221,382,687	\$ 272,134,308
Asset classification corrections	4,252,782	95,631,445	(99,884,227)	-
Cash surrender values	(279,301)	415,643	18,712	155,054
Corrections of remainder trusts:				
Liability under unitrust agreements	-	10,952	(3,330,367)	(3,319,415)
Beneficial interest in remainder trusts	-	1,659,084	-	1,659,084
	\$ 7,895,826	\$ 144,546,400	\$ 118,186,805	\$ 270,629,031

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The University of Southern Mississippi Foundation (the Foundation) is a non-profit entity organized under the laws of the State of Mississippi to provide support to The University of Southern Mississippi (the University) and its students. The Foundation depends on the University to provide the staff and facilities for its operations (see note 9).

Basis of Accounting

The financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes – permanently restricted, temporarily restricted, and unrestricted as follows:

Permanently restricted net assets

net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donor of these assets permits the Foundation to use all or part of the income earned on related investments for general or specific purposes in support of the University.

Temporarily restricted net assets

net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. Temporarily restricted net assets include contributions designated to a particular college or unit. To the extent that restricted resources from multiple donors are available for the same purpose, the Foundation expends such gifts on a "first in, first out" basis.

Unrestricted net assets

net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as contribution revenue and recognized in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income and realized and unrealized gains (losses) on investments of permanently restricted net assets are reported as follows:

- as increases (decreases) in permanently restricted net assets if the terms of the gift or the Foundation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- as increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- as increases (decreases) in unrestricted net assets in all other cases.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management 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. Actual results could differ from those estimates.

The Foundation's investments are primarily invested in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

Another estimate that is particularly susceptible to significant change in the near term relates to the allowance for uncollectible pledges.

Advances

At June 30, 2007, advances to the University totaling \$149,419, represent amounts paid to the University for projected that have not yet been completed.

Furniture and Equipment

Furniture and equipment are stated at cost if purchased, or at fair value on the date of gift if donated. Depreciation of equipment is provided on the straight-line method over the estimated useful life of the assets. The estimated useful lives for automobiles and office equipment is five years and furniture and fixtures is seven years.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Transactions are accounted for on a trade date basis. Other investments, which consist primarily of pooled investment funds and real estate, are recorded at fair value. The fair value of real estate is based on recent appraisals.

Pledges

All unconditional pledges to give are recorded at their estimated realizable value on a discounted basis using a risk-free interest rate.

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split Interest Agreements

The Foundation accepts gifts subject to split interest agreements. These gifts are in the form of annuities, pooled income funds, charitable remainder trusts, or charitable lead trusts. At the time of receipt, a gift is recorded based upon the fair value of assets donated less any applicable liabilities. Liabilities include the present value of projected future distributions to the annuity or trust beneficiary and are determined using a designated discount rate. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

Income Taxes

The Foundation is exempt from federal income taxes on related income under Internal Revenue Code section 501(a) as an organization described in section 501(c)(3). Accordingly, no provision for income taxes have been made.

Planned Giving Inventory

Planned giving inventory, which includes wills, revocable trusts, and the face value of insurance policies of which the Foundation is the owner and beneficiary, is not recorded as it represents a conditional promise to give which constitutes a future uncertain event.

Liquidity

Assets are presented according to their nearness to cash and liabilities are presented according to their nearness of payment or use of cash.

Cash Equivalents

All highly liquid cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

Contributed Goods and Services

Contributed goods and services are recorded as revenues and expenses in the statements of activities at estimated fair value (see note 9).

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 2 – INVESTMENTS

Investments are summarized as follows at June 30, 2007:

As of June 30, 2007

Pooled investments and mutual funds	\$ 12,245,263
U.S. Government obligations	6,061,238
Corporate equities	32,364,649
Corporate debt obligations	3,775,715
Cash surrender value of insurance policies	1,326,029
Real estate	3,218,056
Other	46,032
	\$ 59,036,982

The Foundation has entered into various split interest agreements, including charitable gift annuities and pooled income funds, whereby the Foundation serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2007 with a fair value of \$828,648.

At June 30, 2007, the fair value of certain permanently restricted investments have gone below their historical cost, and the deficiency of \$47,361, has been recorded in unrestricted net assets.

The following schedule summarizes net investment income (loss) and its classification in the statement of activities:

Year ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest (net of (expenses of \$355,914)	\$ 1,060,328	\$ 36,141	\$ 29,465	\$ 1,125,934
Realized gains, net	249,182	3,867,752	258,655	4,375,589
Unrealized gains, net	189,216	3,590,576	(245,669)	3,534,123
	\$ 1,498,726	\$ 7,494,469	\$ 42,451	\$ 9,035,646

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable, net, are summarized as follows at June 30, 2007:

As of June 30, 2007

Unconditional promises expected to be collected in:	
Less than one year	\$ 3,803,609
One year to five years	8,016,727
Over five years	1,243,430
	<hr/>
	13,063,766
Less unamortized discounts ranging from 3.50% to 5.15%	(1,478,136)
	<hr/>
	11,585,630
Less allowance for uncollectible pledges	(550,641)
	<hr/>
	\$ 11,034,989

NOTE 4 – EXTERNALLY MANAGED TRUSTS

Externally managed trusts consist of irrevocable charitable lead trusts and charitable remainder trust whereby the Foundation is the beneficiary, not the trustee. The amount due from these split-interest agreements and the related contribution revenue is recognized at the fair value at the date of the gift. The amount due is then discounted using a discount rate and age factors in order to record the contribution at net present value. The discount rates used as of June 30, 2007 ranged from 4.92% to 5.21%.

NOTE 5 – FURNITURE AND EQUIPMENT

Furniture and equipment are summarized as follows:

As of June 30, 2007

Automobiles	\$ 45,469
Furniture and fixtures	63,499
Office equipment	8,519
	<hr/>
	117,487
Less accumulated depreciation	(90,978)
	<hr/>
	\$ 26,509

University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2007 were available for the following purposes:

As of June 30, 2007

Student financial aid	\$ 17,586,694
Academic divisions	2,732,563
Research	736,771
Operation and maintenance of plant	7,231,877
Library	345,848
Athletics	306,766
Faculty and staff support	392,762
Other restricted purposes	5,512,287

Total	\$ 34,845,568
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NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2007 have been categorized based on the donors' designation of the related investment income and are summarized as follows:

As of June 30, 2007

Student financial aid	\$ 28,153,868
Academic divisions	2,259,352
Research	706,444
Operation and maintenance of plant	1,004,318
Library	547,438
Faculty and staff support	4,216,228
Other restricted purposes	5,368,585

Total	\$ 42,256,233
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University of Southern Mississippi Foundation

Notes to Financial Statements

NOTE 8 – PLANNED GIVING INVENTORY (UNAUDITED)

Planned giving inventory for the Foundation as of June 30, 2007 is as follows:

As of June 30, 2007

Insurance policies	\$ 17,417,819
Wills	6,364,986
Trusts	8,654,599
Other	850,000
Total	\$ 33,287,404

NOTE 9 – RELATED PARTY TRANSACTIONS

The following contributed services, commodities, utilities, equipment, and facilities were received from the University during 2007 and are reflected as unrestricted contributions and unrestricted expenses in the statements of activities.

Year ended June 30, 2007

Wages and benefits	\$ 1,407,059
Contractual services	50,365
Commodities	37,672
Utilities	46,214
Facilities	96,144
Equipment and furniture	7,411
Total	\$ 1,644,865

NOTE 10 – LEASE COMMITMENTS

The Foundation leases certain automobiles under noncancelable operating lease agreements. Management expects that, in the normal course of business, leases which expire will be renewed or replaced by other similar leases.

At June 30, 2007, the minimum rental commitment under the noncancelable operating lease with an original term in excess of one year follows:

Year Ending June 30,

2008	\$ 18,529
2009	12,935
Total future minimum lease payments	\$ 31,464

Combining Supplemental Information

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State of Mississippi Institutions of Higher Learning

Combining Statement of Net Assets

As of June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Assets												
Current Assets:												
Cash and cash equivalents	\$ 3,099,735	\$ 28,569	\$ 1,493,591	\$ 25,617,383	\$ 1,244,477	\$ 1,935,101	\$ 25,265,585	\$ 17,845,798	\$ 84,871,889	\$ 4,226,525	\$ -	\$ 165,628,453
Short-term investments	5,045,683	482,025	5,193,114	23,677,700	1,000,000	1,500,405	67,531,377	37,382,901	-	8,412,190	-	150,225,395
Accounts receivable, net	14,569,360	4,853,442	20,185,229	46,680,006	6,997,420	6,639,963	46,643,822	42,550,591	79,897,438	3,152,658	-	272,169,929
Student notes receivable, net	179,292	501,013	351,622	4,274,974	120,126	12,206	3,084,456	1,477,503	1,314,191	1,383,752	-	12,699,135
Inventories	123,830	328,479	154,388	2,691,640	11,460	428,813	1,010,543	564,614	15,828,873	587,136	-	21,729,776
Prepaid expenses	9,711	116,731	96,485	4,925,187	208,841	218,521	395,881	2,451,423	1,210,794	63,833	-	9,697,367
Other current assets	-	-	83,774	-	-	-	-	-	45,674,088	-	-	45,757,862
Total current assets	23,027,611	6,310,259	27,558,203	107,866,890	9,582,324	10,735,009	143,931,644	102,272,830	228,797,073	17,826,094	-	677,907,937
Noncurrent Assets:												
Restricted cash and cash equivalents	2,739,169	94,496	-	3,245,985	(227,718)	2,599,201	15,551,833	40,008,888	62,728,261	-	-	126,740,115
Restricted short-term investments	-	-	-	-	-	14,811,907	8,365,675	-	10,089,047	-	-	33,266,629
Endowments investments	3,047,178	9,639	15,069,354	25,297,032	2,989,074	1,700,143	74,566,111	2,936,674	56,061,137	7,080,297	-	188,756,639
Other long-term investments	-	8,771,795	24,093,293	56,057,589	2,935,446	5,773,906	49,403,671	19,832,960	42,477,990	17,358,111	-	226,704,761
Student notes receivable, net	-	1,353,780	1,665,013	13,134,103	1,686,520	-	15,948,794	22,176,331	12,051,917	37,735,726	-	105,752,184
Capital assets, net	90,682,415	85,434,944	213,110,815	585,523,520	77,460,217	37,916,927	418,600,599	279,623,418	370,594,329	5,741,826	-	2,164,889,010
Other noncurrent assets	-	-	340,185	-	-	-	-	-	-	-	-	340,185
Total noncurrent assets	96,468,762	95,664,654	254,278,660	683,258,229	84,843,539	62,802,084	582,436,683	364,578,271	554,002,681	67,915,960	-	2,846,249,523
Total Assets	\$ 119,496,373	\$ 101,974,913	\$ 281,836,863	\$ 791,125,119	\$ 94,425,863	\$ 73,537,093	\$ 726,368,327	\$ 466,851,101	\$ 782,799,754	\$ 85,742,054	\$ -	\$ 3,524,157,460

(Continued)

State of Mississippi Institutions of Higher Learning

Combining Statement of Net Assets

As of June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Liabilities												
Current Liabilities:												
Accounts payable and accrued liabilities	\$ 1,233,724	\$ 2,223,741	\$ 7,952,990	\$ 25,178,849	\$ 1,622,734	\$ 2,057,477	\$ 17,544,084	\$ 20,203,400	\$ 46,753,609	\$ 2,533,860	\$ -	\$ 127,304,488
Deferred revenues	24,503	1,384,285	2,824,174	9,650,330	712,203	-	13,902,574	9,896,598	1,730,017	-	-	40,123,684
Accrued leave liabilities - current portion	789,547	196,997	195,190	1,403,690	54,325	179,673	908,000	1,100,000	2,240,606	42,954	-	7,110,982
Long-term liabilities - current portion	51,193	907,688	2,254,869	6,498,611	222,480	120,000	4,953,978	2,426,892	13,998,620	5,818,205	-	37,252,534
Other current liabilities	-	-	-	224,628	2,134,402	1,393,300	504,919	39,358	3,497,536	-	-	7,794,143
Total current liabilities	2,098,967	4,712,709	13,227,223	42,956,108	4,746,144	3,750,450	37,813,555	33,665,248	68,220,388	8,395,019	-	219,585,811
Noncurrent Liabilities:												
Deposits refundable	559,626	193,353	34,087	85,490	-	204,541	803,448	167,107	-	-	-	2,047,652
Accrued leave liabilities	821,774	1,372,821	2,857,918	17,764,972	930,236	2,112,379	9,325,524	7,665,275	24,695,212	616,883	-	68,162,994
Long-term liabilities	235,000	6,161,001	90,166,313	138,813,912	614,965	18,915,000	85,483,123	76,829,026	151,370,661	-	-	568,589,001
Other long-term liabilities	-	-	1,528,688	15,335,134	1,702,461	23,537	9,174,400	28,739,259	29,537,730	17,259,437	-	103,300,646
Total noncurrent liabilities	1,616,400	7,727,175	94,587,006	171,989,508	3,247,662	21,255,457	104,786,495	113,400,687	205,603,603	17,876,320	-	742,100,293
Total Liabilities	3,715,367	12,439,884	107,814,229	214,955,616	7,993,806	25,005,907	142,600,050	147,065,915	273,823,991	26,271,339	-	961,686,104
Net Assets												
Invested in capital assets, net of related debt	90,396,224	78,420,779	139,493,761	440,213,094	76,622,772	34,730,823	328,163,499	200,367,500	209,063,048	5,730,393	-	1,603,201,893
Restricted for:												
Nonexpendable:												
Scholarships and fellowships	-	-	15,069,354	3,456,410	1,227,434	2,076,017	4,136,034	-	-	-	-	25,965,249
Research	-	-	-	5,364,033	-	-	141,250	-	-	-	-	5,505,283
Other purposes	3,067,076	-	-	9,449,704	1,455,511	-	42,956,247	569,090	14,817,239	-	-	72,314,867
Expendable:												
Scholarships and fellowships	-	-	7,988	1,293,955	641,069	1,427,010	6,383,882	2,583,650	1,436,266	43,175,504	-	56,951,324
Research	-	-	-	10,312,353	-	-	8,330,314	479,938	25,085,338	-	-	44,207,943
Capital projects	-	2,439,863	15,666,031	2,700,962	1,418,440	559,866	23,959,982	30,690,059	43,992,826	-	-	121,427,829
Debt service	414,583	314,483	526,527	(3,646,109)	-	1,631,070	373,749	4,616,647	4,502,467	38,424	-	8,771,841
Loans	1,468,192	2,210,006	269,769	3,899,049	327,002	1,822,213	12,805,586	5,285,673	7,016,323	-	-	35,121,813
Other purposes	882,965	148,753	-	1,983,571	109,215	3,675,871	17,024,570	8,566,290	53,087,001	7,102,214	-	92,560,450
Unrestricted	19,553,966	6,001,345	2,989,204	101,142,481	4,630,614	2,608,316	139,493,164	66,626,339	149,973,255	3,424,180	-	496,442,864
Total net assets	115,781,006	89,535,029	174,022,634	576,169,503	86,432,057	48,531,186	583,768,277	319,785,186	508,975,763	59,470,715	-	2,562,471,356
Total Liabilities and Net Assets	\$ 119,496,373	\$ 101,974,913	\$ 281,836,863	\$ 791,125,119	\$ 94,425,863	\$ 73,537,093	\$ 726,368,327	\$ 466,851,101	\$ 782,799,754	\$ 85,742,054	\$ -	\$ 3,524,157,460

(Concluded)

State of Mississippi Institutions of Higher Learning

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Operating Revenues												
Tuition and fees	\$ 16,842,666	\$ 18,297,171	\$ 40,355,670	\$ 91,928,814	\$ 10,350,656	\$ 15,558,645	\$ 116,619,678	\$ 85,704,990	\$ 8,511,778	\$ -	\$ -	\$ 404,170,268
Less: scholarship allowances	(7,626,821)	(4,032,864)	(14,798,241)	(21,225,716)	(3,489,165)	(3,866,319)	(24,644,976)	(21,712,202)	(1,513,986)	-	-	(102,910,290)
Net tuition and fees	9,216,045	14,264,307	25,557,429	70,703,098	6,861,491	11,692,326	91,974,702	63,992,788	6,997,792	-	-	301,259,978
Federal appropriations	-	-	-	14,168,595	-	-	-	-	-	-	-	14,168,595
Federal grants and contracts	26,725,304	2,082,344	59,479,521	163,690,056	5,052,709	18,843,980	78,927,355	86,501,392	34,851,423	60,688,946	(41,758,394)	495,084,696
State grants and contracts	656,339	1,594,569	5,598,243	16,293,745	6,572,573	220,282	9,009,669	9,083,439	6,496,962	755,149	(13,516,614)	42,764,356
Nongovernmental grants and contracts	2,302,208	4,789,685	1,701,549	11,925,364	1,728,911	30,000	22,771,108	9,129,157	18,371,910	162,474	-	72,912,366
Sales and services of educational departments	713,651	1,042,080	2,847,686	28,405,674	834,271	103,057	9,793,341	2,153,828	999,688	2,681,247	(1,325,121)	48,249,402
Auxiliary enterprises:												
Student housing	3,538,599	3,188,320	6,611,862	12,473,629	1,588,267	2,085,318	11,388,130	10,408,716	280,326	-	-	51,563,167
Food services	3,230,610	2,411,257	5,614,614	5,683,364	1,076,555	1,814,482	1,374,814	1,350,306	-	-	-	22,556,002
Bookstore	77,181	228,600	-	654,793	107,162	2,135,285	737,995	1,208,686	1,994,942	-	-	7,144,644
Athletics	-	-	-	21,305,530	-	-	23,485,738	9,271,578	-	-	-	54,062,846
Other auxiliary revenues	619,365	1,519,179	1,009,707	10,152,500	257,709	1,445,107	4,504,685	3,748,065	1,621,867	2,139,490	-	27,017,674
Less: auxiliary enterprise scholarship allowance	(280,462)	(1,061,153)	(1,644,249)	(4,659,304)	(867,120)	-	(2,378,024)	(2,450,352)	(151)	-	-	(13,340,815)
Interest earned on loans to students	-	21,475	-	231,698	-	388,960	383,098	-	163,871	-	-	1,189,102
Patient care revenues	-	-	-	-	-	-	-	-	463,933,432	-	-	463,933,432
Other operating revenues	1,410,364	626,290	5,411,254	2,738,373	67,270	2,879,621	5,854,883	4,943,655	22,221,209	4,628,893	(3,878,317)	46,903,515
Total operating revenues	48,209,224	30,706,953	112,187,616	353,765,115	23,279,798	41,638,418	257,827,494	199,341,258	557,933,271	71,056,199	(60,478,386)	1,635,466,960
Operating Expenses												
Salaries and wages	29,866,030	25,678,663	73,924,929	243,151,296	17,377,562	23,045,572	141,919,690	125,670,163	317,596,423	8,641,888	-	1,006,872,216
Fringe benefits	7,539,476	7,096,666	18,404,596	67,672,656	4,623,724	7,086,829	34,516,591	37,335,266	86,484,218	2,200,187	-	272,960,209
Travel	2,075,909	1,362,317	4,367,537	12,936,509	459,042	1,851,521	9,747,486	7,533,090	2,208,128	408,155	-	42,949,694
Contractual services	13,861,789	10,272,031	23,603,571	107,509,742	6,814,796	18,479,214	51,356,373	71,491,704	143,944,010	22,523,394	(16,864,570)	452,992,054
Utilities	3,523,852	2,970,893	4,879,264	11,724,293	2,479,925	2,278,651	10,503,291	9,034,673	13,027,162	829,063	-	61,251,067
Scholarships and fellowships	5,985,130	5,265,085	15,549,629	24,213,620	4,533,407	1,189,449	31,127,378	20,584,938	3,772,650	76,483,356	(43,613,816)	145,090,826
Commodities	5,508,641	3,047,281	15,604,265	34,789,228	2,187,997	4,217,235	25,091,297	18,964,069	126,729,747	1,261,809	-	237,401,569
Depreciation	3,906,809	2,789,374	5,432,020	24,638,767	1,556,552	1,522,118	19,276,375	11,224,605	21,634,124	281,575	-	92,264,119
Other operating expenses	48,728	55,570	2,279,496	-	-	254,740	-	-	1,525,473	1,934,224	-	6,098,231
Total operating expenses	72,316,164	58,537,880	164,045,307	526,636,111	40,033,005	59,670,589	323,795,221	301,838,508	716,921,935	114,563,651	(60,478,366)	2,317,879,985
Operating income (loss)	(24,106,940)	(27,830,927)	(51,857,691)	(172,870,996)	(16,753,207)	(18,032,171)	(65,967,727)	(102,497,250)	(158,988,664)	(43,507,452)	-	(682,413,025)

(Continued)

State of Mississippi Institutions of Higher Learning

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Nonoperating Revenues (Expenses)												
State appropriations	\$ 25,656,515	\$ 22,563,767	\$ 48,552,863	\$ 161,567,769	\$ 14,674,271	\$ 18,360,154	\$ 77,286,220	\$ 86,889,548	\$ 182,590,966	\$ 43,912,069	\$ -	\$ 682,054,162
Gifts and grants	-	-	-	32,774,410	-	-	7,106,533	9,009,271	5,524,544	551,353	-	54,966,111
Investment income, net of investment expense	263,616	801,992	2,731,623	9,016,318	459,664	898,287	18,613,090	5,494,068	18,625,536	1,888,878	-	58,993,272
Interest expense on capital asset-related debt	-	(437,163)	(3,755,719)	(6,725,743)	(18,435)	(111,170)	(3,308,676)	(2,574,355)	(6,343,163)	-	-	(23,274,424)
Other nonoperating revenues	-	4,426,979	-	49,434	6,327	552,029	-	10,794,480	400,781	557,280	-	16,787,310
Other nonoperating expenses	-	(1,356,352)	(12,467,908)	(473,666)	(968,416)	(3,015,598)	(184,164)	-	-	(2,715,182)	-	(21,181,286)
Total net nonoperating revenues (expenses)	25,920,131	25,999,223	35,060,879	196,208,522	14,153,611	16,683,702	99,713,003	109,613,012	200,798,664	44,194,398	-	768,345,145
Income (loss) before other revenues, expenses, gains and losses	1,813,191	(1,831,704)	(16,796,812)	23,337,526	(2,599,596)	(1,348,469)	33,745,276	7,115,762	41,810,000	686,946	-	85,932,120
Capital grants and gifts	-	-	-	448,616	2,245,276	-	5,220,136	20,256,715	14,823,133	-	-	42,993,876
State appropriations restricted for capital purposes	17,902,348	7,401,919	15,471,664	28,307,747	1,147,556	4,234,725	6,544,754	8,799,211	360,214	-	-	90,170,138
Additions to permanent endowments	1,419,109	-	1,987,064	-	14,886	44,606	3,241	-	448,609	-	-	3,917,515
Other additions	-	-	-	2,627,709	-	-	593,551	732,127	-	-	-	3,953,387
Other deletions	-	(118,968)	-	-	-	(2,700,165)	(291,367)	(1,548,685)	(2,917,419)	-	-	(7,576,604)
Change in net assets	21,134,648	5,451,247	661,916	54,721,598	808,122	230,697	45,815,591	35,355,130	54,524,537	686,946	-	219,390,432
Net Assets - beginning of year, as originally reported	91,226,151	83,810,447	182,741,694	521,447,905	85,734,915	42,022,285	537,895,618	276,664,208	478,999,434	42,679,493	-	2,343,222,150
Prior period adjustments	3,420,207	273,335	(9,380,976)	-	(110,980)	6,278,204	57,068	7,765,848	(24,548,208)	16,104,276	-	(141,226)
Net Assets - beginning of year, as restated	94,646,358	84,083,782	173,360,718	521,447,905	85,623,935	48,300,489	537,952,686	284,430,056	454,451,226	58,783,769	-	2,343,080,924
Net Assets - end of year	\$ 115,781,006	\$ 89,535,029	\$ 174,022,634	\$ 576,169,503	\$ 86,432,057	\$ 48,531,186	\$ 583,768,277	\$ 319,785,186	\$ 508,975,763	\$ 59,470,715	\$ -	\$ 2,562,471,356

(Concluded)

State of Mississippi Institutions of Higher Learning

Combining Statement of Cash Flows

For the year ended June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Operating Activities												
Tuition and fees	\$ 8,795,292	\$ 13,805,687	\$ 24,830,861	\$ 69,728,787	\$ 7,012,496	\$ 14,817,736	\$ 92,240,293	\$ 84,537,270	\$ 6,866,826	\$ 61,606,569	\$ (55,274,948)	\$ 302,635,248
Grants and contracts	28,934,706	8,809,310	71,257,516	190,425,383	13,620,369	19,272,528	96,575,053	103,821,299	59,949,765			598,997,550
Sales and services of educational departments	713,651	1,042,079	2,873,907	28,665,199	842,365	103,057	9,075,467	2,153,828	929,712	2,681,247	(1,325,121)	47,755,391
Payments to suppliers	(23,624,762)	(15,040,101)	(49,940,890)	(154,276,810)	(9,810,347)	(21,884,370)	(75,449,538)	(89,895,831)	(265,095,537)	(24,193,358)	16,864,570	(712,346,974)
Payments to employees for salaries and benefits	(36,968,141)	(32,356,631)	(88,417,047)	(309,435,032)	(21,908,349)	(30,132,401)	(174,563,453)	(161,162,937)	(399,741,252)	(10,842,075)		(1,265,547,318)
Payments for utilities	(3,523,852)	(2,970,893)	(4,879,264)	(13,564,639)	(2,464,298)	(2,278,651)	(10,050,799)	(9,040,837)	(13,277,162)	(829,063)		(62,879,458)
Payment for scholarships and fellowships	(5,985,130)	(5,265,085)	(17,193,878)	(24,213,620)	(4,551,345)	(5,055,768)	(30,831,257)	(20,675,902)	(3,772,650)	(69,426,265)	43,613,816	(143,357,084)
Loans issued to students and employees	-	(421,806)	-	(5,116,291)	-	-	(5,090,044)	(4,960,609)	(3,247,637)	(8,081,116)		(26,947,503)
Collections of loans to students and employees	-	386,608	-	4,941,071	-	-	2,759,006	5,256,336	2,222,921	1,383,752		16,949,694
Auxiliary enterprise charges:												
Student housing	3,516,315	2,861,254	6,596,063	9,688,584	1,056,478	2,085,318	8,949,283	9,343,568	273,227	-		44,370,090
Food services	3,230,610	2,411,257	5,726,645	5,680,354	737,826	1,814,482	1,483,650	1,185,794	-	-		22,270,618
Bookstore	77,181	228,600	-	654,793	107,166	2,097,169	731,872	1,071,377	2,004,473	-		6,972,631
Athletics	-	-	-	20,212,025	-	-	23,793,688	8,427,670	-	-		52,433,383
Other auxiliary enterprises	336,903	(28,841)	833,405	9,503,216	261,404	1,445,107	4,518,860	3,358,755	1,618,354	2,139,490		23,989,653
Patient care services	-	-	-	-	-	-	-	-	421,181,020	-		421,181,020
Interest earned on loans to students	-	21,475	69,888	231,698	-	-	374,847	-	163,871	192,926		1,054,705
Other receipts	1,410,384	676,794	444,875	16,381,178	477,816	2,995,708	5,853,038	5,226,057	21,561,545	4,435,965	(3,878,317)	55,585,043
Other payments	-	(1,653)	-	-	-	(1,851,521)	(9,380,455)	-	(1,148,780)	(149,224)		(12,531,633)
Net cash provided (used) by operating activities	(23,104,843)	(25,841,946)	(47,797,919)	(150,494,104)	(14,618,419)	(16,571,606)	(59,010,489)	(81,393,162)	(169,511,304)	(41,081,152)	-	(629,414,944)
Noncapital Financing Activities												
State appropriations	24,812,317	22,553,013	50,149,481	161,159,492	14,635,123	18,731,737	77,065,208	86,671,398	182,590,969	43,813,963		682,182,701
Gifts and grants for other than capital purposes	-	-	-	26,540,248	3,449,537	-	6,367,818	9,009,271	5,524,544	551,353		51,442,771
Private gifts for endowment purposes	1,419,109	-	1,987,084	-	14,886	44,606	3,073	-	448,609	-		3,917,347
Federal loan program receipts	20,780,876	14,514,901	58,662,401	61,908,076	9,559,156	65,254	51,841,316	59,386,859	16,115,025	-		292,833,864
Federal loan program disbursements	(20,780,877)	(14,514,901)	(58,662,401)	(61,809,719)	(9,592,152)	(50,051)	(51,841,316)	(61,412,698)	(16,115,025)	-		(294,779,140)
Other sources	-	4,417,856	-	-	295,528	-	46,944	16,686,033	99,647	-		21,546,008
Other uses	-	(15,605)	-	(587,595)	(1,363,650)	(5,083,959)	(308,265)	-	(3,103,311)	(172,586)		(10,634,971)
Net cash provided (used) by noncapital financing activities	26,231,425	26,955,264	52,136,545	187,210,502	16,998,428	13,707,587	83,174,778	110,340,863	185,560,458	44,192,730	0	746,508,560

(Continued)

State of Mississippi Institutions of Higher Learning

Combining Statement of Cash Flows

For the year ended June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Capital and Related Financing Activities												
Proceeds from capital debt	-	-	12,000,000	-	-	19,015,000	21,776,724	27,678,247	-	-	-	80,469,971
Cash paid for capital assets	(1,445,589)	(1,404,818)	(23,405,361)	(50,413,426)	(4,652,140)	(696,458)	(36,349,141)	(43,581,302)	(38,774,921)	(443,982)	-	(201,167,138)
Capital grants and contracts received	-	-	-	448,616	1,828,515	-	2,484,865	15,813,895	14,818,559	-	-	35,394,450
Proceeds from sales of capital assets	-	-	-	3888271	-	41,715	-	25737	-	-	-	3,955,723
Principal paid on capital debt and leases	(174,415)	(952,847)	(2,367,672)	(12,985,234)	(188,450)	(2,170,000)	(4,427,974)	(3,613,627)	(9,295,677)	(3,504)	-	(36,179,400)
Interest paid on capital debt and leases	(29,453)	(437,163)	(3,755,719)	(7,135,439)	(18,435)	(111,170)	(2,913,608)	(1,905,348)	(5,685,673)	(214)	-	(21,992,222)
Other sources	-	314,447	-	17,333,369	-	1,774,504	984,283	2,541,428	50,470	-	-	22,998,501
Other uses	(357,812)	(16,702)	(848,573)	(295,496)	(2,301,556)	-	(305,795)	(1,548,686)	-	-	-	(5,674,620)
Net cash provided (used) by capital and related financing activities	(2,007,269)	(2,497,063)	(18,377,325)	(49,159,339)	(5,332,066)	17,853,591	(18,750,646)	(4,589,656)	(36,887,242)	(447,700)	-	(122,194,735)
Investing Activities												
Proceeds from sales and maturities of investments	1,419,109	(498,000)	34,097,211	25,373,135	4,348,010	8,613,224	28,066,909	4,139,389	50,495,818	68,351,694	-	224,406,499
Interest received on investments	263,615	751,169	2,731,623	4,991,199	482,963	910,789	8,828,533	5,004,835	11,306,710	1,727,781	-	36,999,217
Purchases of investments	(1,419,109)	-	(27,589,468)	(25,492,097)	(1,584,275)	(21,534,772)	(40,647,019)	(13,098,578)	(46,078,750)	(70,573,355)	-	(248,017,423)
Net cash provided (used) by investing activities	263,615	253,169	9,239,366	4,872,237	3,246,698	(12,010,759)	(3,751,577)	(3,954,354)	15,723,778	(493,880)	-	13,388,293
Net increase (decrease) in cash and cash equivalents	1,382,928	(1,130,596)	(4,799,333)	(7,570,704)	294,641	2,978,813	1,662,066	20,413,691	(7,114,310)	2,169,998	-	8,287,194
Cash and cash equivalents - beginning of year	4,455,976	1,253,661	6,292,924	36,434,072	722,118	1,555,489	39,155,352	37,440,995	154,714,260	2,056,527	-	284,081,374
Cash and cash equivalents - end of the year	\$ 5,838,904	\$ 123,065	\$ 1,493,591	\$ 28,863,368	\$ 1,016,759	\$ 4,534,302	\$ 40,817,418	\$ 57,854,686	\$ 147,599,950	\$ 4,226,525	\$ -	\$ 292,368,568

(Continued)

State of Mississippi Institutions of Higher Learning

Combining Statement of Cash Flows

For the year ended June 30, 2007

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	Institutions of Higher Learning	Elimination Entries	TOTAL
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities												
Operating income (loss)	\$ (24,106,940)	\$ (27,830,927)	\$ (51,857,691)	\$ (172,870,996)	\$ (16,753,207)	\$ (18,032,171)	\$ (65,967,727)	\$ (102,487,250)	\$ (158,988,664)	\$ (43,507,452)	\$ -	\$ (682,413,025)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:												
Depreciation expense	3,906,609	2,789,374	5,432,020	24,638,767	1,556,552	1,522,118	19,278,375	11,224,605	21,634,124	281,575	-	92,264,119
Other	3,420,206	38,979	-	-	5,704	148,791	-	-	-	16,991,851	-	20,605,531
Changes in assets and liabilities:												
(Increase) decrease in assets:												
Receivables, net	(2,152,206)	(925,950)	(2,678,275)	(3,266,312)	414,503	(807,471)	(14,380,450)	2,954,640	(2,860,112)	(17,380,695)	-	(41,082,128)
Inventories	(22,884)	(11,144)	17,586	(301,192)	5,516	(38,116)	(75,436)	(2,301)	(188,501)	(46,164)	-	(662,636)
Prepaid expenses	-	32,220	853,067	601,959	390,000	(167,023)	657	1,723,979	(325,814)	75,747	-	3,184,792
Other assets	-	-	(7,261)	-	-	-	-	-	(35,598,956)	-	-	(35,606,217)
(Increase) decrease in liabilities:												
Accounts payable and accrued liabilities	(3,494,884)	(489,518)	7,251,568	1,721,713	(290,396)	212,497	2,820,210	7,618,853	9,423,643	649,599	-	25,223,285
Deferred revenue	-	659,568	581,422	(1,002,484)	1,425	-	695,314	(3,242,643)	367,770	-	-	(1,939,630)
Deposits refundable	20,612	(932)	1,594	-	-	23,331	-	(8,578)	(788,518)	-	-	(752,491)
Accrued leave liability	(500,941)	(15,751)	(744,227)	(13,457)	51,484	234,446	1,149,606	273,430	2,778,311	40,891	-	3,253,792
Loans to students and employees	-	-	-	-	-	-	(2,331,038)	571,903	461,299	-	-	(1,297,836)
Other liabilities	(174,415)	(87,863)	(6,647,722)	(2,102)	-	331,992	-	-	(5,425,886)	1,813,496	-	(10,192,500)
Total adjustments	1,002,097	1,988,981	4,059,772	22,376,892	2,134,788	1,460,565	6,957,238	21,114,088	(10,522,640)	2,426,300	-	52,998,081
Net cash provided (used) by operating activities	\$ (23,104,843)	\$ (25,841,946)	\$ (47,797,919)	\$ (150,494,104)	\$ (14,618,419)	\$ (16,571,606)	\$ (59,010,489)	\$ (81,383,162)	\$ (169,511,304)	\$ (41,081,152)	\$ -	\$ (629,414,944)
Non-cash Capital Related Financing and Investing Activities:												
Acquisition of capital assets through capital lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital assets appropriated by the State of Mississippi	\$ 17,902,349	\$ 6,139,964	\$ 6,154,107	\$ 28,307,747	\$ 1,147,556	\$ 4,234,725	\$ 6,544,754	\$ 8,799,211	\$ 160,134	\$ -	\$ -	\$ 79,390,547

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Schedule of Expenditures of Federal Awards

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State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
Federal Grantor/Pass-through Grantor/Program or Cluster Title												
Student Financial Aid - Cluster:												
U.S. Department of Education:												
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)	4,873,711	888,669	232,549	1,170,632	760,965	121,530	444,350	355,473	40,000	969,543	
84.032	Federal Family Education Loans (FFEL)	170,094,384	8,365,841	27,429,357	27,604,443	9,592,152	21,745,978	30,551,540	14,044,318	30,730,755		
84.033	Federal Work-study Program (FWS)	6,366,536	557,067	414,790	2,016,548	1,161,500	145,175	609,891	733,216	19,823	707,326	
84.036	Federal Perkins Loan Program (FPL)	10,199,826	375,801	3,751,801	534,641	447,273	1,794,896	2,051,679	4,985,536			
84.063	Federal PELL Grant Program	73,323,863	7,412,069	4,203,751	15,655,846	10,719,603	3,862,220	7,638,034	8,468,778	290,998	15,569,384	
84.069	LEAP	7,875,842	6,181	54,960	7,343,322	100,707				3,282	113,612	253,778
84.084	Patricia Roberts Harris Fellowships	5,314										
84.268	Federal Direct Loan Program	20,780,876										
84.375	Academic Competitiveness Grant	504,863							151,042			
84.376	National Science and Math Access to Retain Talent	773,679		72,021					380,867			
84.938	DOE P304HE00068 Brown	19,896				19,896						
Total U.S. Department of Education			294,817,410	13,700,934	46,327,343	48,257,736	13,966,620	30,885,620	42,340,336	16,450,200	53,026,156	253,778
U.S. Department of Health and Human Services:												
93.342	Health Professions Student Loans	176,207							176,207			
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	1,304,380	130,383						248,298	925,689		
Total U.S. Department of Health and Human Services			1,480,587						424,505	925,689		
Total Student Financial Aid - Cluster			296,297,997	13,700,934	46,327,343	48,257,736	13,966,620	30,885,620	42,764,841	17,375,889	53,026,156	253,778
Research and Development Cluster:												
U.S. Department of Agriculture:												
10.000	US Dept of Agricultural	110,017				110,017						
10.001	Agricultural Research_Basic and Applied Research	14,384,808	242,875			7,881,402				5,798,778	461,753	
10.025	Plant and Animal Disease Pest Control and Animal Care	114,313				110,587					3,726	
10.028	Wildlife Services	760,294				741,939					18,355	
10.064	Forestry Incentives Program	413,156				413,156						
10.200	Grants for Agricultural Research_Special Research Grants	6,733,157	700,633	15,085	297,944	3,982,058					1,727,427	
10.202	Cooperative Forestry Research	900,664				900,664						
10.203	Payments to Agricultural Experiment Stations Under Hatch	4,758,565				4,758,565						
10.206	Grants for Agricultural Research Competitive Research	1,736,526				1,410,305						
10.207	Animal Health and Disease Research	345,728				345,728						
1890	Institution Capacity Building Grants	2,321,074	2,321,074									
10.250	Agricultural and Rural Economic Research	236,081				236,081				175,069		104,599
10.302	Initiative for Future Agriculture and Food Systems	21,105				21,105						
10.303	Initiative for Future Agriculture and Food Systems	80,781				80,781						
10.304	Homeland Security - Agriculture	50,862				50,862						

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
		Total Federal Expenditures									
10.450		548,300			548,300						
10.500		12,206,274			8,419,100						
10.564		710,585						710,585			
10.574		594,418						594,418			
10.652		784,912			709,392			68,247		7,273	
10.664		110,799			92,832					17,967	
10.670		14,665			14,665						
10.901		159,439			3,455						
10.902		1,362		1,362							
10.914		505,625			505,625						
10.960		3,374			3,374						
10.961		14,089			14,089						
10.962		33,513			33,513						
		48,656,487	7,249,939	15,085	299,306	31,355,397		7,220,581	175,069	2,341,100	
Subtotal Direct Programs											
Pass-through Program From:											
10.000	1020137	6,267			6,267						
10.000	1453-C276-02	8,489			8,489						
10.000	6015-0000000495	5,230			5,230						
10.000	6015-0000000446	10,471			10,471						
10.000	06070582	10,132			10,132						
10.000	06090735	14,605			14,605						
10.000	06090735	12,563			12,563						
10.000	Sumaria Systems 47-MSU-00 Coble	86,095			86,095						
10.000	UA AES 01-115	15,437			15,437						
10.000	06020118	27,977			27,977						
10.000	06020118	23,522			23,522						
10.000	03020352-1-1	(944)			(944)						
10.000	05040383	85,624			85,624						
10.000	07080711	17,070			17,070						
10.000	05040383	20,022			20,022						
10.000		4,835			4,835						
10.000	018000-320979-08	21,084			21,084						
10.000	018000-320979-09	20,307			20,307						
10.000	06-03-043	509,910			509,910						
10.000		86,303			86,303						
10.001	58-6408-6-006	27,615			27,615						
10.025	Bur. of Plant Ind. 07100921 Brown	2,098			2,098						
10.025	Bur. of Plant Ind. 07100919 Brown	2,544			2,544						
10.025	07100920	6,295			6,295						
10.025	07090866	203			203						
10.025		24,567		24,567							
10.200	2005-38895-02289	954			954						
10.200	Univ of FL - USDA - PO	6,132			6,132						
10.200	4111089	2,976			2,976						
10.200	G-1507-5	24,255			24,255						

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU-AB5-61440-02	98				98						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU-AB5-61440-02	3,075				3,075						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	154,934				154,934						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	15,158				15,158						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	42,009				42,009						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	18,083				18,083						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	17,007				17,007						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	250				250						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	32,108				32,108						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	27,883				27,883						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU AB5-60090-02	21,388				21,388						
UGA - Grants for Agricultural Research Special Research Grants	10.200	RD318-2193500108	94				94						
University of Auburn - Grants for Agricultural Research Special Research Grants	10.200	05-AGR-534382-MSU	8,871				8,871						
Colorado State University - Grants for Agricultural Research Special Research Grants	10.200	G-1458-2	59,270				59,270						
OSU - Grants for Agricultural Research Special Research Grants	10.200	AB-5-60390-03-MSU	3,388				3,388						
OSU - Grants for Agricultural Research Special Research Grants	10.200	AB-5-60390-03-MSU	12,311				12,311						
University of Florida - Grants for Agricultural Research Special Research Grants	10.200	00065320	25,000				25,000						
OSU - Grants for Agricultural Research Special Research Grants	10.200	OSU-AB5-61440-02	22,961				22,961						
UAF - Grants for Agricultural Research Special Research Grants	10.200	UAF 05-0116	7,014				7,014						
MS/USDA CSREES	10.200	2005-34311-15811	28,954				28,954						
National Forests in MS - U.S. Dept of Agriculture	10.200	2006-34311-17168	55,669				55,669						
NCSU - Grants for Agricultural Research Competitive Research	10.206	2004-1578-04	1,339				1,339						
University of Arkansas - Grants for Agricultural Research Competitive Research	10.206	UA AES 90805-09	1,852				1,852						
University of Georgia - Grants for Agricultural Research Competitive Research	10.206	RR182-3293505438	34,075				34,075						
UAPB - Grants for Agricultural Research Competitive Research	10.206	229-430217	11,532				11,532						
University of Massachusetts Amherst - Grants for Agricultural Research	10.206	NA	40,807				40,807						
Joseph W. Jones Ecological Research Ctr. - U.S. Dept of Agriculture	10.207	2006-35101-16557	8,760				8,760						
MS Board of Animal Health - Animal Health and Disease Research	10.207	06080690	16,375				16,375						
MS Board of Animal Health - Animal Health and Disease Research	10.207	07110988	2,092				2,092						
MS Board of Animal Health - Animal Health and Disease Research	10.207	07070624	21,804				21,804						
Zymetx, Inc.	10.212	SBIR R44 A1 46848	1,061				1,061						
University of Arkansas Pine Bluff - 1890 Institution Capacity Building Grants	10.216	3070763	10,488				10,488						
SIUC - Higher Education Challenge Grants	10.217	SIUC 03-04	1,286				1,286						
MSU - U.S. Dept of Agriculture	10.250	01800020952043AE180	817				817						
NCSU - Initiative for Future Agriculture and Food Systems	10.303	2003-1477-02	31,732				31,732						
NCSU - Initiative for Future Agriculture and Food Systems	10.303	2003-1290-04	1,549				1,549						
University of Florida - Initiative for Future Agriculture and Food Systems	10.303	SC000453-1-16	233				233						
NCSU - Initiative for Future Agriculture and Food Systems	10.303	2003-1477-02	31,374				31,374						
NCSU - Initiative for Future Agriculture and Food Systems	10.303	2004-1501-01	19,623				19,623						
Texas Tech University - Crop Insurance	10.450	1301A293-02	23,502				23,502						
Texas Tech University - Crop Insurance	10.450	1453B348-01	62				62						
Texas A&M University - Cooperative Extension Service	10.500	TOE 622113	3,513				3,513						
University of Kentucky - Cooperative Extension Service	10.500	4-72633-05-527	12,473				12,473						
University of Arkansas - Cooperative Extension Service	10.500	UACES 23453-03	2,035				2,035						

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MJW	MVSU	UM	UMMC	USM	IHL Board
10.500	06100824	814				814						
10.500	9485	13,166				13,166						
10.558		641									641	
10.575	05-04-051	86,173									86,173	
10.652	2060492	6,457				6,457						
10.564	03-04-082/300222176A	519									519	
10.564	04-04-060/300222263A	59,186									59,186	
10.770	5060586	11,925				11,925						
		2,105,786				2,105,786						
					24,567	1,118,220			113,299	40,807		808,894
		50,782,273	7,249,939	15,086	323,752	3,473,617			7,333,880	215,976		3,149,984
Total U.S. Department of Agriculture												
11.400		573,265				573,265						
11.405		35,067				35,067						
11.417		2,161,216				2,161,216						
11.417		242,085				242,085						
11.420		30,974				30,974						
11.426		1,097,759				1,097,759						
11.430		4,678,202				4,678,202						
11.432		1,318,481				1,318,481						
11.433		271,681				271,681						
11.435		113,037				113,037						
11.400		40,119			40,119							
11.440		(19,005)			(19,005)							
11.460		3,006,292			731,385	1,684,683			70,653			519,361
11.463		166,736				166,736						
11.472		9,269				9,269						
11.473		2,548,820				2,548,820						
11.609		3,400				3,400						
		16,277,388			752,499	4,340,815			4,726,405			6,457,669
Total U.S. Department of Commerce												
11.000		36,602				36,602						
11.000		52,027				52,027						
11.000		44,755				44,755						
11.000		32,302				32,302						
11.000		11,315				11,315						
11.000		1,664				1,664						1,664
11.000		5,126				5,126						5,126
11.000		4,431				4,431						4,431
11.000		99,420				99,420						99,420
11.000		23,331				23,331						23,331
11.000		3,145				3,145						3,145
11.000		5,465				5,465						5,465
11.000		231				231						231
Subtotal Direct Programs												
Pass-through Program From:												
11.000	Univ. of FL R/LR-Q-288 Andrews	36,602				36,602						
11.000	07-003	52,027				52,027						
11.000	07020201	44,755				44,755						
11.000	07-10-026	32,302				32,302						
11.000	MNS071128T	11,315				11,315						
11.000	CREST07-16#674139	1,664				1,664						1,664
11.000	1910001363558027001	5,126				5,126						5,126
11.000	191000136355802702	4,431				4,431						4,431
11.000	1910001363558027003	99,420				99,420						99,420
11.000	191000136355802704	23,331				23,331						23,331
11.000	191000136355802706	3,145				3,145						3,145
11.000	1910001363558027008	5,465				5,465						5,465
11.000	1910001363558027007	231				231						231
Subtotal Pass-through Programs												
Total U.S. Department of Education												

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
	191000136355802/007	4,705									4,705	
11-000	07-022	28,152									28,152	
11-000	07-USMGCRL-RS-Y1	60,438									60,438	
11-000	07-045	5,455									5,455	
11-000	00760-83477	31,005									31,005	
11-000	NOAA5MS3929-020906	13,106									13,106	
11-000	NOAA5MS3929-10042006	3,487									3,487	
11-000	06-09-022	31,934				11,690					31,934	
11-307	MTA Viking 05121235	11,690										
11-312	270629017	9,798			63,238						9,798	
11-400	834554-159790	83,238			129,621							
11-400	C175782	129,621			(772)							
11-400	C175782	773			773							
11-405	NA16FL2703	38,294			38,294							
11-415	BILLFISH200518NA04NM	88,291									88,291	
11-415	CREST044LUMCON1674139	363									363	
11-417	114776-GL10013	(409)									(409)	
11-417	114776-GL10013	0									0	
11-417	GR01167/Omnibus-R/SP-13-GOIP	30,563				30,563						
11-417		7,053							7,053			
11-417	NA060AR4170078	84,449							84,449			
11-417	USMGR01166	4,572										
11-419	MS.R.26	2,620			4,572							
11-419	MS.R.22	(181)									2,620	
11-419	MS.R.27	7,654									(181)	
11-419	MS.23.15	(968)									7,654	
11-419	MS.R.07	(65)									(968)	
11-419	MS.R.17	743									(65)	
11-419	MS.R.18	8,649									743	
11-419	MS.R.24	(2,767)									8,649	
11-419	MS.R.16	6,701									(2,767)	
11-419	MS.R.20	15,871									6,701	
11-419	MS.R.23	46									15,871	
11-419	MS.R.13	920									46	
11-420	04-044	39,635									920	
11-430	06-09-020	1,831									39,635	
11-430	Task 26	1,831									1,831	
11-430	03-04-084	1,046									1,831	
11-430	04-10-001	270									1,046	
11-430	05-07-009	96,623				96,623					270	
11-430		28,089										
11-430	03-04-084	10,363									28,089	
11-430	04-10-001	(3,497)									10,363	
11-430	05-07-009	(10,949)									(3,497)	
11-430											(10,949)	

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
11.430	University of MS - U.S. Dept of Commerce	05-07-009	89,323									69,323	
11.430	University of MS - U.S. Dept of Commerce	06-09-023	389,155									389,155	
11.430	University of MS - U.S. Dept of Commerce	07-10-030	126,601									126,601	
11.433	Mote Marine Laboratory - U.S. Dept of Commerce	MML-1086659	1,083									1,083	
11.433	MS Dept of Marine Resources - U.S. Dept of Commerce	07-043	14,291									14,291	
11.439	Institute for Marine Mammal Studies - U.S. Dept of Commerce		(117)									(117)	
11.439	Institute for Marine Mammal Studies - U.S. Dept of Commerce		(913)									(913)	
11.440	Kennesaw State University - U.S. Dept of Commerce	03-00001	6,952									6,952	
11.440	Institute for Marine Mammal Studies - U.S. Dept of Commerce	NA1108H-D	14,295									14,295	
11.449	Oregon State University - U.S. Dept of Commerce		1,461									1,461	
11.454	Consortium for Oceanographic Resear & Ed - U.S. Dept of Commerce		8,897									8,897	
11.457	Mote Marine Laboratory - U.S. Dept of Commerce	MML108460A/NA04NMIF-450	262,843									262,843	
11.457	Univ of Maryland Biotechnology Institute - U.S. Dept of Commerce	SC03-27566B	63,587									63,587	
11.457	Univ of Maryland Biotechnology Institute - U.S. Dept of Commerce	SC03-27566B	104,547									104,547	
11.457	Univ of Maryland Biotechnology Institute - U.S. Dept of Commerce	03527576B	241,748									241,748	
11.457	Univ of Maryland Biotechnology Institute - U.S. Dept of Commerce	03527576B	188,982									188,982	
11.457	Univ of Maryland Biotechnology Institute - U.S. Dept of Commerce	03527576B	59,259									59,259	
11.460	USM - Special Oceanic and Atmospheric Projects	USM-GR02138-001	57,331				57,331						
11.463	NEAQ - Habitat Conservation	NEAq 1886	1,193				1,193						
11.472	Mote Marine Laboratory - U.S. Dept of Commerce	MML-170431	52,731									52,731	
11.472	SC Dept of Natural Resources - U.S. Dept of Commerce	00720-83477	1,130									1,130	
11.478	Univ of Hawaii-NOAA		24,259							24,259			
11.481	Florida A & M University - Environmental Cooperative Science	NAON054261157	145,099			145,099							
11.481	Howard University - NOAA-Atmospheric Sciences	NA060AR4810164/000953	186,531			186,531							
11.481	MS Dept of Marine Resources - U.S. Dept of Commerce	04-029	28,312									28,312	
11.605	MS Dept of Marine Resources - U.S. Dept of Commerce	06-039	29,719									29,719	
11.611	MS Technology Alliance - U.S. Dept of Commerce		(376)									(376)	
11.611	MS Technology Alliance - U.S. Dept of Commerce		59,979									59,979	
11.611	MTA - Manufacturing Extension Partnership	07050463	287,000				287,000						
11.611	MTA - US Dept of Commerce	07080693	9,750				9,750						
11.611	MTA - US Dept of Commerce	07080685	8,000				8,000						
11.611	MTA - US Dept of Commerce	07111042	1,266				1,266						
	Subtotal Pass-through Programs		3,611,966			567,354	669,102			127,076		2,248,734	
	Total U.S. Department of Commerce		19,889,354			1,319,653	5,009,916			4,853,481		8,706,103	
12.000	U.S. Department of Defense:		25,192,553				19,801,843			5,066,617		324,093	
12.100	US Dept of Defense		2,489,812			2,489,812							
12.106	Vertical Integration		222,924			222,924							
12.114	Waterways 2003		66,139				16,301			227,622		49,838	
12.300	Collaborative Research and Development		4,976,333			50,359	1,756,437			1,575,211		2,941,915	
12.420	Basic and Applied Scientific Research		1,789,188	193,977		414,994	821,073			3,486,290		259,306	
12.431	Military Medical Research and Development		4,981,663				157,906			82,385			
12.630	Basic Scientific Research		240,291										
	Basic, Applied, and Advanced Research in Science and Engineering												

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Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
		120,553				5,909			114,644			
		8,758				8,758						
		2,396,292			2,396,292							
		42,464,506	193,977		5,574,381	22,568,227			10,552,769			3,575,152
Subtotal Direct Programs												
Pass-through Program From:												
Air Force Defense Research Sciences Program	MILTEC-04-C-0013	506										
Mathematical Sciences Grants Program	97003-21 Task Order 5	(10,868)										
Force Protection and Force Project	42967SM	664										
		11										
Geo-Centers - US Dept of Defense	02040318	35,116										
Florida State University - US Dept of Defense	06-MOA-ARE-08	5,749										
MS Military Department - US Dept of Defense	07-MOA-ARE-08	53,966										
MS Military Department - US Dept of Defense	8957	95,478										
Seaman - US Dept of Defense	MILTEC-04-C-0018	3,347										
Miltec - US Dept of Defense	MILTEC-05-C-0004	64,676										
Miltec - US Dept of Defense	1006	8,105										
Miltec - US Dept of Defense	05100952	146,447										
KAI, Inc. - US Dept of Defense	22-0544-051	28,930										
SemiSouth - US Dept of Defense	22-05544-051	119										
Northrop Grumman - US Dept of Defense	OSEC 1274	14,259										
Northrop Grumman - US Dept of Defense	ATA Engineering 3541	73,129										
OSEC - US Dept of Defense	W912HZ-05-C-0051	99,480										
ATA Engineering - US Dept of Defense	W912HZ-05-C-0051	22,181										
JSU - US Dept of Defense	Gulf South Research Corp	590,943										
JSU - US Dept of Defense	TCN 05169	25,074										
JSU - US Dept of Defense	N61339-05-C-0116	18,311										
Gulf South Res. Corp. - US Dept of Defense	957-757-203-2004599	(2,583)										
BCHO - US Dept of Defense	97003-21 TO 8	22,328										
Edworks - US Dept of Defense	06-S529-0007-13-C1	9,211										
Edworks - US Dept of Defense	MOR-IDIQ-05-00300012	516,868										
Clemson University - US Dept of Defense	06030233	175										
Sentel - US Dept of Defense	MILTEC-06-C-0003	405,267										
UTC - US Dept of Defense	473923	1,212										
Morgan Res. - US Dept of Defense	06-25	72,648										
UQM Tech. - US Dept of Defense	4000124078	80,342										
Miltec - US Dept of Defense	B008-MSUN02-06	210,767										
Northrop Grumman - US Dept of Defense	W15P7T-06-C-P408	194,189										
Academy of Applied Science - US Dept of Defense	W15P7T-06-C-P408	49,628										
SAIC - US Dept of Defense	W15P7T-06-C-P408	102,383										
OSEC - US Dept of Defense	W15P7T-06-C-P408	55,074										
ABSL - US Dept of Defense	APVT-0001	122,067										
ABSL - US Dept of Defense	1014	187,115										
ABSL - US Dept of Defense	CR-19222-430221	50,505										
ABSL - US Dept of Defense	07-06-0572	36,542										
ABSL - US Dept of Defense	02014-014	34,390										
ABSL - US Dept of Defense	02014-014 TO 1	97,171										
ABSL - US Dept of Defense												
II - VI, Inc. - US Dept of Defense												
SemiSouth Lab. - US Dept of Defense												
Virginia Tech. - US Dept of Defense												
EBICS Technologies - US Dept of Defense												
Sentel - US Dept of Defense												
Sentel - US Dept of Defense												

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
Georgia Tech. - US Dept of Defense	12,000	R7443-SS	20,062			20,062							
CAE Solutions - US Dept of Defense	12,000	0706579	32,909			32,909							
GDRS - US Dept of Defense	12,000	S-7007M	81,023			81,023							
Sentinel - US Dept of Defense	12,000	2060C-MSU	4,014			4,014							
NMOC	12,000	N0006504MD0001	112,521				112,521						
Miltec Clin 02	12,000	DASG60-02-C-0014	314,000				314,000						
Craft 05-C-0381	12,000	N66335-05-C-0381	7,472				7,472						
Impulse Dev-SMDC	12,000	W9113M-05-0009	44,797				44,797						
Misat - DOD	12,000	W911NF-05-2-0024	360				360						
Rad Tech - Antenna	12,000	W9113M-05-C-0153	110,603				110,603						
ARA Inc/US Air Force	12,000	F06637-03-C-6006	45,242				45,242						
Univ of Utah - US Army	12,000	W9003M-05-C-0195	150,168				150,168						
MSU-USM NASA	12,000	NNS06A67D	114,441				114,441						
Cytec Corp-US Navy	12,000	N00140-06-D-002	34,465				34,465						
Earth Search-Corp	12,000	W912EE-04-D-0003	17,645				17,645						
North Grumman - US Army	12,000	H94003-04-D-004-0041	11,879				11,879						
USM / NASA	12,000	NNS06A98B	11,523				11,523						
USM / NASA Subs	12,000	NNS06A98B	14,400				14,400						
USM / NASA	12,000	NNS06A98B	33,862				33,862						
USM / NASA MITA	12,000	NNS06A98B	17,734				17,734						
University of Minnesota - AHPCRC Projectile Target Interactio	12,000	DAAD19-01-2-0014	424,128			424,128							
Air War College - U.S. Dept of Defense	12,000	PO NUMBER C060517	0			0							
Fugro Pelagos - U.S. Dept of Defense	12,000	PO 971892	2,249,619				2,249,619						
Geographic Information Services, Inc. - U.S. Dept of Defense	12,000	06-MOA-ARE-03	8,599				8,599						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-03	40,709				40,709						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-01	34,976				34,976						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-01	19,263				19,263						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-02	13,626				13,626						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-05	23,232				23,232						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-04	23,897				23,897						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-04	21,499				21,499						
MS Military Dept - U.S. Dept of Defense	12,000	06-MOA-ARE-04	306				306						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-03-USM	63,086				63,086						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-03-USM	55,186				55,186						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-07-USM	11,419				11,419						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-05-USM	23,495				23,495						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-05-USM	25,279				25,279						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-05-USM	6,313				6,313						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-04-USM	52,226				52,226						
MS Military Dept - U.S. Dept of Defense	12,000	07-MOA-ARE-04-USM	51,464				51,464						
MS Polymer Technologies, Inc. - U.S. Dept of Defense	12,000	NNS06A888D	1,048				1,048						
MS Research Consortium - U.S. Dept of Defense	12,000	190100-560092-01	(0)			(0)							
MSU - U.S. Dept of Defense	12,000		102,729				102,729						
Radiance Technologies, Inc. - U.S. Dept of Defense	12,000		20			20							
USM Research Foundation - U.S. Dept of Defense	12,000		90,974				90,974						
USM Research Foundation - U.S. Dept of Defense	12,000		5,500				5,500						

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Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
12.100	Opitech International, Inc. - U.S. Dept of Defense	Syspro000120	219,621									219,621	
12.100	High Performance Technologies, Inc. - PET	2005-JSU-2001-001	15,025			15,025							
12.100	High Performance Technologies, Inc. - PET/HPC/MIPO	GS004T01BFC0061/2006JSU2001001											
12.100	High Performance Technologies, Inc. - PET/HPC/MIPO	001	1,148			1,148							
12.100	MSU - Case Management Toolkit	360040060808021000	29,040			29,040							
12.100	Network Computing Services, Inc. - AHP/CR Summer Institute	SOW-2006	12,147			12,147							
12.114	JSU - U.S. Dept of Defense		555										555
12.114	JSU - U.S. Dept of Defense	W912HZ-05-C-0051	141,429									141,429	
12.116	JSU - U.S. Dept of Defense	W9113M-04-C-0120	103,305									103,305	
12.300	Drexel University - Basic and Applied Scientific Research	204080	62,249				62,249						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 8.11. & 12	332,713				332,713						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 13 CIM	52,588				52,588						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 9 & 10	258,376				258,376						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 1&2	304,155				304,155						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 7 & 14	155,226				155,226						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 3, 4, & 5	387,571				387,571						
12.300	FUSU - Basic and Applied Scientific Research	R00149-Task 6	90,998				90,998						
12.300	FUSU - Basic and Applied Scientific Research	R00419	53,750				53,750						
12.300	FUSU P. O. #627627	R00149	6,864				6,864						
12.300	FUSU Subcontract	N00014-02-1-0380	4,656							4,656			
12.300	Kildare Corp - ONR	N00014-02-1-0380	15,751							15,751			
12.300	Florida State - ONR	N00014-05-C-0443	28,137							28,137			
MSU - U.S. Dept of Defense		N00014-02-1-0380	307,627							307,627			
MSU - U.S. Dept of Defense		00-03-0236	9,424									9,424	
MSU - U.S. Dept of Defense		3020248302140190000	(3,885)									(3,885)	
MSU - U.S. Dept of Defense			(1,327)									(1,327)	
MSU - U.S. Dept of Defense			364									364	
Opitech International, Inc. - U.S. Dept of Defense		PO 00020	(1,829)									(1,829)	
Opitech International, Inc. - U.S. Dept of Defense		PO 00020	10,252									10,252	
University of Minnesota - U.S. Dept of Defense		F9106005102	25,673									25,673	
University of Iowa - Military Construction, National Guard		400653037	125,121									125,121	
University of Iowa - Military Construction, National Guard		1000557053	220,291									220,291	
University of Iowa - Military Construction, National Guard		1000557053	26,129									26,129	
Georgia Institute of Technology - U.S. Dept of Defense			(105)									(105)	
MS Military Dept. - U.S. Dept of Defense			1,300									1,300	
MS Military Dept. - U.S. Dept of Defense			(41)									(41)	
MS Military Dept. - U.S. Dept of Defense			408									408	
MS Military Dept. - U.S. Dept of Defense			475									475	
MS Military Dept. - U.S. Dept of Defense			(0)									(0)	
MS Military Dept. - U.S. Dept of Defense			(41)									(41)	
MS Military Dept. - U.S. Dept of Defense			(2)									(2)	
MS Military Dept. - U.S. Dept of Defense			(3,955)									(3,955)	
MS Military Dept. - U.S. Dept of Defense		MSC1001013	87									87	
MS Military Dept. - U.S. Dept of Defense		MSC1001013	(68)									(68)	
MS Military Dept. - U.S. Dept of Defense		MSC1001013	864									864	
MS Military Dept. - U.S. Dept of Defense		MSC1001013	38,871									38,871	
MD Anderson - Military Medical Research Development		W81XWH0410142	169,579									169,579	
GIT / ARO		W911NF-04-1-0190 (ARO)	38,871									38,871	
12.431			169,579									169,579	

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
12.431	W9113M-04-C-0066	39,360							39,360			
12.431	DASG60-99-0009	121,463							121,463			
12.431	0140415	2,439			2,439							
12.431	301411-060808-021000	50,535			50,535							
	W911NF-04-D-0005PO111691	66,124			66,124							
12.830	HMT582-05-1-2006	114,156			114,156					69,409	2,284	
12.630	GG10306-120476	69,409										
12.630	NMA201-00-1-2004	2,284										
12.800	Z800202	14,302				14,302						
12.800	05-003202 A 00	53,223				53,223						
12.800	60006867	45,002				45,002						
12.800	FA 9550-04-C-0039	5,538						5,538				
12.800	04-S531-022-C1	1,096									1,096	
12.800	06-S531-044-C1	36,221									36,221	
		11,870,537			600,585	5,961,859			1,733,243	108,280	3,466,569	
			193,977		6,174,966	28,530,086			12,286,012	108,280	7,041,721	
		54,335,042										
14.235		9,708										9,708
14.246		523,695		240,670	(190)	283,215						
14.237		133,070	133,070									
		666,473	133,070	240,670	(190)	283,215						9,708
15.000		664,669			2,299				639,598		22,772	
15.224		11,069									11,069	
15.308		141,489							141,489			
15.608		487,402			457,503						29,899	
15.617		23,767			23,767							
15.628		311,212			311,212							
15.632		25,004									25,004	
15.637		1,320									1,320	
15.805		169,417				169,417						
15.608		887,818				830,883			(2,921)		59,856	
15.809		(1,600)			(1,800)							
15.811		36,091				36,091						
15.812		58,667				58,667						
		2,816,265			(1,800)	1,889,838			778,166		149,860	
15.000	01020134	(360)										
15.000	W-48 Study # 57	44,581										
15.000	W-48-50 58	15,211										
15.000	#59-04010028	2,791										
15.000	MDWFP Study #65	91,003										
15.000	MDWFP Study # 62	64,935										

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Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UIM	UMMC	USM	IHL Board
15.000	MDWFP - US Dept of Interior	MDWFP Study # 83	355				355						
15.000	MDWFP - US Dept of Interior	MDWFP 06080729	53,572				53,572						
15.000	MDWFP - US Dept of Interior	MDWFP	71,336				71,336						
15.000	MDWFP - US Dept of Interior	MDWFP 07090870	8,999				8,999						
15.000	Gulf Island National Seashore - U.S. Dept of the Interior	P5320060027	24,713									24,713	
15.000	MS Dept of Marine Resources - U.S. Dept of the Interior	S06-6-USM-108	77,970									77,970	
15.000	MS Dept of Marine Resources - U.S. Dept of the Interior	S06-6-USM-107	54,214									54,214	
15.000	MS Dept of Marine Resources - U.S. Dept of the Interior	S-06-F95-USM-16	55,597									55,597	
15.000	MS Dept of Marine Resources - U.S. Dept of the Interior	S07-7-USM-108	116,762									116,762	
15.051	MS Museum of Natural Science - U.S. Dept of the Interior	ALOSA-SWG FY04	0										0
15.051	MS Museum of Natural Science - U.S. Dept of the Interior	FUNDULUS SWEG FY04	(84)									(84)	
15.224	University of MS - U.S. Dept of the Interior	05-06-063	14,022							11,829		14,022	
15.308	CMRET Monitor Stat	1435-01-02-CA-85273	11,829										
15.600	MS Dept of Marine Resources - U.S. Dept of the Interior	S07-7-USM-107	32,057									32,057	
15.605	MS Dept of Marine Resources - U.S. Dept of the Interior	03-043-USM-SG	(36)									(36)	
15.605	MS Dept of Marine Resources - U.S. Dept of the Interior	S055USM68F95SEGME15	115									115	
15.605	MDWFP - Sport Fish Restoration	PD4644885612	80,901				80,901						
15.608	NFWF - Fish and Wildlife Management Assistance	2006-0156-000	10,135				10,135						
15.611	MS Museum of Natural Science - U.S. Dept of the Interior		17										17
15.614	NFWF - Coastal Wetlands Planning, Protection and Restoration Act	2005-0161-000	29,111				29,111						
15.615	Memphis Zoological Society - Cooperative Endangered Species Conservator	04080749	50,382				50,382						
15.617	MS Museum of Natural Science - U.S. Dept of the Interior	TILPAPAOBSERVATION-04	(132)									(132)	
15.618	MS Dept of Marine Resources - U.S. Dept of the Interior	S-05-5-USM-54	6,179				6,179						(12)
15.618	MS Dept of Marine Resources - U.S. Dept of the Interior	04-055-USM-SG	6,491				6,491						6,179
15.630	MS Dept of Marine Resources - U.S. Dept of the Interior	01HQR008801070560-05	6,491				6,491						6,491
15.805	MSU - U.S. Dept of the Interior	04-06-086 300212005E	(34)										(34)
15.808	University of MS - U.S. Dept of the Interior		1,443									1,443	
15.809	Texas Engineering and Experiment Station - U.S. Dept of the Interior		(29)										(29)
	Subtotal Pass-through Programs		924,035				522,951			11,829		389,255	
	Total U.S. Department of Interior		3,740,300			(1,600)	2,412,790			789,995		539,115	
16.302	U.S. Department of Justice:		(76)										(76)
16.550	Law Enforcement Assistance - FBI Field Police Training		37,344										37,344
16.560	State Justice Statistics Program for Statistical Analysis Centers		847,179				847,179						
16.710	Justice Research, Development, and Evaluation Project		1,906,357				1,906,357						
	Sale Neighborhoods		2,790,804				1,906,357						
	Subtotal Direct Programs		2,790,804				847,179						37,268
	Pass-through Program From:												
16.000	MDPSP - US Dept of Justice	06090805	569				569						
16.000	Yazoo City Federal Correctional Institution - Yazoo City Partners Ed Project	N.A.	71,419				71,419						
16.571	MSU - Cyber Crime	06290036372302	83,030				83,030						
16.588	MSDPS - MS Stop Violence Against Women	05 SV4001	13,120				13,120						
	Subtotal Pass-through Programs		168,139				96,150						
	Total U.S. Department of Justice		2,958,942				847,748						37,268

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Federal Grantor/Pass-through Grantor/Program or Cluster Title												
U.S. Department of Labor:												
17.260		123,920									123,920	
17.261		866,620				866,620						
17.504		602,240				602,240						
		1,592,780				1,468,860						
17.000	07090877	3,871				3,871						
17.250	EA-15056-05-60	75,010			75,010							
17.258	5-S90-014-W7071-1	10,210				10,210						
17.258	7091 6 S90-014-W7091-1	245,112				245,112						
17.258	7092 6 S90-014-W7091-1	245,098				245,098						
17.258	6-S90-014-W7091-1	85,514				85,514						
17.258	6-S90-014-W7091-1	136,337				136,337						
		801,153			75,010	726,143						
		2,393,933			75,010	2,195,003						123,920
19.500		7,000							7,000			
U.S. Department of State:												
Middle East Partnership Initiative												
20.000		332,673				332,673						
20.109		61,367				61,367						
20.502		189,181			189,181							
20.931		101,331				101,331						
		684,552			189,181	495,371						
U.S. Department of Transportation:												
Air Transportation Centers of Excellence												
20.000	SP-9999-00(027) 104008(10)1000	8,230				8,230						
20.000	103900(032000)	26,190				26,190						
20.000	103996 008000	19,660				19,660						
20.000	STP-0008-03(04)103975 101000	(209)				(209)						
20.000	7010029	43,879				43,879						
20.000	104323 122000	4,099				4,099						
20.000	104321 108000	(310)				(310)						
20.000	102487 101000	21,001				21,001						
20.000	03(P)4011	29,969				29,969						
20.000	104558 119000	51,092				51,092						
20.000	104558 121000	32,104				32,104						
20.000	104558 124000	37,258				37,258						
20.000	104321 108000	10,691				10,691						
20.000	104558 120000	38,505				38,505						
20.000	104558 0126000	6,501				6,501						
20.000	104828 130000	2,089				2,089						
20.000	104828 133000	4,653				4,653						
20.000	104828 136000	1,106				1,106						
20.000	ITS-0028(001)	10,788									10,788	
Pass-through Program From:												
MDOT - US Dept of Transportation												
MDOT - US Dept of Transportation												
MDOT - US Dept of Transportation												
MDOT - US Dept of Transportation												
MDOT - US Dept of Transportation												
MDOT - US Dept of Transportation												
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MDOT - US Dept of Transportation												
FHA - City of Oxford												

State of Mississippi Institutions of Higher Learning

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
FHA - Subcontracts	20.000	ITS-0028(001)	6,633									6,633	
NAS / FAA	20.000	DOT6705-399	29,308									29,308	
SAIC / US DOT	20.000	GS07-1-00-BGD-0028	2,087									2,087	
Penn State Univ-FAA	20.108	03-C-NE-PSU	286									286	
City of Oxford - DOT	20.205	ITS-0360-00(002)	34,250									34,250	
MSU - Long Term Field Monitoring	20.205	192400 363742 01	29,442			29,442							
MDPSP - Highway Training and Education	20.215	06-IN-401-1	77,900				77,900						
MDPSP - Highway Training and Education	20.215	07-OP-401-1	81,974				81,974						
MDPSP - Highway Training and Education	20.215	07-OP-401-S	56,863				56,863						
MS Dept of Public Safety - U.S. Dept of Transportation	20.234	GM000984	48,511									48,511	
MSU - MCT2-Main	20.600	407077501	3,155			3,155							
University of Denver - University Transportation Centers	20.760	36301-01-00	61,287				61,287						
JSU - University Transportation Centers	20.760	634716	1,899				1,899						
Subtotal Pass-through Programs			780,894			32,597	616,433					83,352	48,511
Total U.S. Department of Transportation			1,465,445			221,778	1,111,805					83,352	48,511
Appalachian Regional Commission:													
Pass-through Program From:													
Webster County Development Council - Appalachian Regional Commission	23.000	7080723	50,213				50,213						
National Aeronautics and Space Administration:													
NASA	43.000	58404-S11	100,492				100,492						
University of AL - NASA	43.000	NCC3-994	247,576				247,576						
Tetra Tech - NASA	43.000	TRC-STTR-III-05	20,971				20,971						
USM - NASA	43.000	USM-MRCSSC-04262005	76,390				76,390					149,440	
USM - NASA	43.000	USM-MRCSSC-3032006-09T	102,862			(1,577)	4,365			1,184,268		7,548,516	
MS Ethanol - NASA	43.000	NASA-STTR Phase II	162,835				694,039			152,874		972,883	
USM - NASA	43.000	USM-MRCSSC-12082005-72D	339,633				162,835						
USM - NASA	43.000	USM-MRCSSC-12082005-70D	213,567				213,567						
USM - NASA	43.000	USM-MRCSSC-1202005-69D	427,073			(1,577)	1,195,543			1,337,142		149,440	8,521,399
CAED - NASA	43.000	05-19,01-9993	33,181				33,181						
CFDRC - NASA	43.000	06-126	16,058				16,058						
ASEE - NASA	43.000	06030225	25,048				25,048						
Tetra Tech - NASA	43.000	TRC-STTR-II-06	101,734				101,734						
Hypercomp Eng. - NASA	43.000	11071	49,146				49,146						
USM - NASA	43.000	USM-MRCSSC-09262006-03T	160,529				160,529						
USM - NASA	43.000	USM-MRCSSC-09262006-03T	67,182				67,182						
University of MS - NASA	43.000	UM 07-09-020	40,000				40,000						
USM - NASA	43.000	USM-MRCSSC-01232007-43T	47,124				47,124						

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USM - NASA	43.000	USM-MRSCC-2052007-67T	2,953				2,953						
USM - NASA	43.000	USM-MRSCC-2152007-53T	20,463				20,463						
USM - NASA	43.000	USM-MRSCC-2152007-58T	16,036				16,036						
USM - NASA	43.000	USM-MRSCC-2142007-56T	4,603				4,603						
USM - NASA	43.000	USM-MRSCC-2152007-52T	8,531				8,531						
USM - NASA	43.000	USM-MRSCC-302007-45I	2,919				2,919						
Craft: NASA	43.000	NNM06AB12C	45,059							45,059			
MSU / NASA	43.000	NAS13-98033	12,171							12,171			
MSU - MRC - NASA	43.000	DONNS06AA65D	456,914							456,914			
University of Miss. NASA Sub. - Geoinformations Center	43.000	NAG13-02052	(894)								(894)		
University of Southern MS NASA Sub. - Earth System Science and Technolo-	43.000	UMSMRSCC09282005	5,370								5,370		
University of MS - Application of Remote Sensing Technology to Analyze Env	43.000	NAG13-03012	(1,362)								(1,362)		
University of Southern Mississippi - NASA	43.000	USMNRSCC1216200568D	681,273								681,273		
MS Humanities Council - National Endowment for the Humanities	43.000	MHC-RG06-05-073	1,079									1,079	
MS Research Consortium - National Aeronautics and Space Admin	43.000	NNS05AB69D	6,347									6,347	
MS Research Consortium - National Aeronautics and Space Admin	43.000	NNS06AA63D	287,261									287,261	
MS Research Consortium - National Aeronautics and Space Admin	43.000	NNS04AB71D	15,475									15,475	
MS Research Consortium - National Aeronautics and Space Admin	43.000	NSD1303032NNS05AA42D	4,445									4,445	
Science Systems and Applications, Inc. - National Aeronautics and Space Ad	43.000	2616-06-070	40,772									40,772	
University of Tennessee-Knoxville - National Aeronautics and Space Admin	43.000	OR3610-00-005	37,558									37,558	
USM Research Foundation - National Aeronautics and Space Admin	43.000	41806	3,548									3,548	
Radiance Technologies, Inc. - National Aeronautics and Space Admin	43.001	05S-0675	(44)										(44)
University of MS - National Aeronautics and Space Admin	43.001	07-11-051	36,516										36,516
UM - Aerospace Education Services Program	43.001	06-12-033	262										262
UM - Aerospace Education Services Program	43.001	06-03-041	34,193										34,193
UM - Aerospace Education Services Program	43.001	06-09-042	28,743										28,743
University of MS - Aerospace Education Services Program	43.001	UM 07-11-054	5,553										5,553
George Mason University - Aerospace Education Services Program	43.001	200707-D	2,830										2,830
FAA / NIA NASA	43.001	NCC-1-02043	413,361										413,361
University of Alabama - NOVA	43.001	NING04G093G	(176)										(176)
UM - Mississippi Space Grant	43.001	NNG05GJ72H0708007	26,075										26,075
UM - Mississippi Space Grant	43.001	NNG06GJ72H0711052	5,999										5,999
University of Mississippi - Aerospace Education Services Program	43.001	NGT-400	13,993						13,993				
USM - Technology Transfer	43.002	USM-MRSCC-12162005-65D	1,407,241										1,407,241
USM - Technology Transfer	43.002	USM-MRSCC-12162005-67d	1,528,160										1,528,160
USM - Technology Transfer	43.002	USM-MRSCC-12612005-65D	106,700										106,700
USM - Technology Transfer	43.002	USM-MRSCC-12162005-66D	140,723										140,723
USM - Technology Transfer	43.002	USM-MRSCC-12162005-66D	528,986										528,986
USM - Technology Transfer	43.002	USM-MRSCC-2122007-51T	4,761										4,761
Georgia Institute of Technology - National Aeronautics and Space Admin	43.002	NAS10-01025	42										42
MS Research Consortium - National Aeronautics and Space Admin	43.002	PO# NB-7971	2,279										2,279
MS Research Consortium - National Aeronautics and Space Admin	43.002	NNS04AB73D	2,446										2,446
MS Research Consortium - National Aeronautics and Space Admin	43.002		18,929										18,929
MSU - National Aeronautics and Space Admin	43.002	SSC-114/NAS13-98033	(1,787)										(1,787)
MSU - National Aeronautics and Space Admin	43.002	SSC-81/NAS13-98033	888										888
MSU - National Aeronautics and Space Admin	43.002		732										732

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University of MS - National Aeronautics and Space Admin	43.002	02-10-032/NCCS-574	47,332									47,332	
University of MS - National Aeronautics and Space Admin	43.002		(1,985)									(1,985)	
Subtotal Pass-through Programs			8,234,673	13,993	31,899	6,075,056				927,595	684,387	501,833	
Total National Aeronautics and Space Administration			19,436,619	13,993	30,322	7,270,599				2,264,647	833,827	9,023,232	
National Endowment for the Humanities:													
National Endowment for the Arts - Folk & Traditional Arts	45.024		30,000	30,000									
Promotion of the Humanities - Research	45.161		8,912									8,912	
History of MS Civil Rights Movement	45.164		13,779		13,779								
Total National Endowment for the Humanities			52,691	30,000	13,779							8,912	
National Science Foundation:													
Conference 8th Congress of the ISCDI	47.000		173,985									173,985	
Engineering Grants	47.041		900,146			138,490	513,424			121,203		127,029	
Mathematical and Physical Sciences	47.049		3,083,328			624,418	462,053			130,653		1,866,204	
Geosciences	47.050		581,228			177,564				79,549		324,115	
Computer and Information Science and Engineering	47.070		1,042,025				919,315			122,710		906,269	
Biological Sciences	47.074		3,267,093				1,539,394			756,390		54,308	
Social Behavioral and Economic Sciences	47.075		86,203				1,157			30,738		1,157,406	
Education and Human Resources	47.076		7,596,668	203,169	2,973,680		2,865,720			396,693		37,719	
Polar Programs	47.078		53,495				15,776					8,689	
International Science and Engineering	47.079		38,775				30,086						
Subtotal Direct Programs			16,822,945	203,169	3,914,152	6,347,464				1,637,936	64,500	4,655,724	
Pass-through Program From:													
Seacost Sc. - NSF	47.000	SSI402007026	109				109						
MSU - NSF Watkins	47.000	EPS 0056308	24,568							24,568			
Alaska Sealife Center - U.S. Department of Commerce	47.000	R1941-08	(919)									(919)	
Harrison County Board of Supervisors - U.S. Department of Commerce	47.000		3,426									3,426	
JSU - NSF	47.000	NSF HRD-0602740	23,424									23,424	
MSU - NSF	47.000		3,246									3,246	
University of California - NSF	47.000	PO 10251072	(52)									(52)	
USM Research Foundation - NSF	47.000		22,733									22,733	
Case Western Reserve University - NSF	47.041	NSF 0403619	(1,759)									(1,759)	
University of HI - Engineering Grants	47.041	Z761889	20,444				20,444						
BarSoc - Engineering Grants	47.041	BarSoc 2006-0001	40,433				40,433						
State University of NY - Engineering Grants	47.041	1058413/41058	1,302				1,302						
MS State University - Mathematical and Physical Sciences	47.049	060801 362415	105,320									105,320	
Data Reliability - Beyond Survival	47.049		9,210			9,210							
University of Colorado - Ferroelectric Liquid Crystal	47.049	DMR 0213918	2,400			2,400							
Case Western Reserve University - NSF	47.049	DMR-0423914	34,127									34,127	
University of Wisconsin - NSF	47.049	K016719	45,962									45,962	
Texas A & M - NSF	47.050	182-F001007	536									536	
SUNY - Geosciences	47.050	1039074/32191	33,518				33,518					33,518	
Purdue University - Computer and Information Science and Engineering	47.070	501-0563-4	14,650				14,650						

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Ohio State University - Computer and Information Science and Engineering	47.070	745316	41,643				41,643						
Rensselaer - Computer and Information Science and Engineering	47.070	A11533	31,163				31,163						
MSU / NSF	47.070	IIS-0442156	(1,120)							(1,120)			
JSU - NSF	47.071		(172)										(172)
JSU - NSF	47.071	HRD-0115807/Mod. #5	15,734										15,734
University of GA - Biological Sciences	47.074	RR373-0206236457	3,850				3,850						
University of Texas Austin - Biological Sciences	47.074	UTAU6-272	112,509				112,509						
Arizona State University - Biological Sciences	47.074	03062DEB0213651	548								548		
Georgia State University - Biological Sciences	47.074	URLF01-1068	(9,424)								(9,424)		
University of Louisville - Biological Sciences	47.074	DUE034118/ELT4636	8,038			8,038							
Georgia State University - CWCS Modelling Biomolecules	47.074	0556308/GR02629	9,392			9,392							
USM - Environmental Stress	47.074	RUP1-2625-N1-04	1,602										
U. S. CRDF / NSF	47.075	EPS-0132618	(2,644)										
Epscor '03-Ritchie	47.076	DGE-033136	313,153				313,153						
USM / NSF IGERT PSC	47.076	DGE-033136	22,291				22,291						
USM / NSF IGERT Main	47.076	EPS 0556308	10,677				10,677						
MSU - NSF Sukanek	47.076	EPS 0556308	3,066				3,066						
MSU - NSF PS Sukanek	47.076	EPS 0556308	38,011				38,011						
MSU - NSF Tschumper	47.076	EPS 0556308	33,047				33,047						
MSU - NSF Ritchie	47.076	EPS 0556308	41,753				41,753						
MSU - NSF Davis	47.076	EPS 0056308	46,007				46,007						
MSU - NSF Doerksen	47.076	EPS 0056308	12,521				12,521						
MSU - NSF Wells	47.076	EPS 0056308	48,453				48,453						
MSU - NSF Clark	47.076	05-10-030	108,833				108,833						
University of MS - Education and Human Resources	47.076	VR49714	2,784				2,784						
CO School of Mines - Education and Human Resources	47.076	EPS0132618	(335)										(335)
MS State University - Education and Human Resources	47.076	44090036242704	123,312										123,312
MS State University - National Science Foundation	47.076	ELT4823DUE0341138	1,314			1,314							
Georgia State University - Series-Workshops in Chemical Science	47.076	0115728	10,688			10,688							
JPSD - SMART	47.076	0201006709	49,486			49,486							
MSU - Computational Chemistry	47.076	44090036242702	547,738			547,738							
MSU - Evaluation and Assessment	47.076	7165600601037	9,135			9,135							
MVSU - Evaluative Research and Capacity	47.076	7165600601037	6,814			6,814							
MVSU - Evaluative Research and Capacity	47.076	HRD9153747	127,113			127,113							
Jackson State University - MAMP - Education and Human Resources	47.076	02-01-0067-07	(9,982)										(9,982)
MSU - NSF	47.076	02-01-0067-06	39,821										39,821
MSU - NSF	47.076	02-01-0067-6	(15,630)										(15,630)
MSU - NSF	47.076	02-01-0067-05	(7,521)										(7,521)
MSU - NSF	47.076	02-01-0067-04	(16,350)										(16,350)
MSU - NSF	47.076	02-01-0067-14	8,795										8,795
MSU - NSF	47.076	440900-362427-01	15,482										15,482
MSU - NSF	47.076	440900-362427-01	67,443										67,443
MSU - NSF	47.076	440900-362427-01	25,071										25,071
MSU - NSF	47.076	440900-362427-01	45,763										45,763

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University of Alaska - NSF	47.078	UAF000080/POFP100949	29,091				1,564					29,091	
Civilian Res./Dev. Foundation - International Science and Engineering	47.079	UKE2-2856-KV-07	1,564		127,113	654,215	412,803			591,365	219,421	328,269	
Subtotal Pass-through Programs			2,333,205										
Total National Science Foundation			19,156,150	203,169	127,113	4,568,367	6,760,267			2,229,321	283,921	4,983,993	
U.S. Small Business Administration:													
Small Business Administration	59.000		2,304,085				982,347	200,008				1,121,730	
Technical Assistance	59.007		799,998									799,998	
Subtotal Direct Programs			3,104,083				982,347	200,008				1,921,728	
Pass-through Program From:													
Mississippi Technology Alliance	59.005	SBHQ06W0117	22,951			22,951							
University of Mississippi - Small Business Development Center	59.037	9-7620-0025-18	156,321		156,321								
Subtotal Pass-through Programs			179,272		156,321	22,951							
Total U.S. Small Business Administration			3,283,355		156,321	22,951	982,347	200,008				1,921,728	
Tennessee Valley Authority:													
Tennessee Valley Authority	62.000		17,474				17,474						
U.S. Veterans Administration:													
Veterans Administration	64.000		11,520								11,520		
U.S. Environmental Protection Agency:													
Environmental Justice	66.309		7,701			7,701							
Gulf of Mexico Program	66.475		411,617									411,617	
Environmental Protection - Consolidated Research	66.500		492,848									492,848	
Surveys, Studies, Investigations and Special Purpose Grants	66.606		173,555				173,555						
Subtotal Direct Programs			1,085,721			7,701	173,555					904,465	
MDEQ - Environmental Protection Agency	66.000	5-0001MSU-006	61,076				61,076						
Tetra Tech - Environmental Protection Agency	66.000	Tetra Tech 07030307	12,868										
University of GA - Environmental Protection Agency	66.000	RC714-021/3581607	1,637				1,637						
USM - Environmental Protection Agency	66.000	USM-GR01290-01	4,192				4,192						
MDEQ - Environmental Protection Agency	66.000	WO # 04-0001-MSU-003	1,078				1,078						
MDEQ - Environmental Protection Agency	66.000	05-0001MSU-006	9,773				9,773						
MDEQ - Environmental Protection Agency	66.000	05-0001MSU-005	(566)				(566)						
MDEQ 05-00620	66.000	C9994666-03-0	6,014							6,014			
Louisiana Universities Marine Consortium - U.S. Environmental Protection Agency	66.000	Lumcon Proj # 674250	3,264									3,264	
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.000	06-0001USM/GCRL-014	47,437									47,437	
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.000	06-0001USM/GCRL-016	28,730									28,730	
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.000	06-0001USM/GCRL-013	35,609									35,609	
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.000	07-0001USM/GCRL-018	96,082									96,082	
MSDEQ - Air pollution meteorology	66.001	05-00556	2,745			2,745							
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.034	07-0001USM/GCRL-020	18,492									18,492	
U of Memphis - EPA	66.202	ME-83325301-0	43,343							43,343			
MS Dept of Environmental Quality - U.S. Environmental Protection Agency	66.419	MDEQ-02-ED-0001USM	375									375	

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66.419	MDEQ-02-ID-0001USM	13,869									13,869	
66.423	MDEQ-05-00549	41,814				41,814						
66.460	WM697	4,750									4,750	
66.461	SO45SGUSM3MX97417401	(316)									(316)	
66.461	OSFO-050103-2	650									650	
66.505	03HMSU0899	448				448						
66.606	5080741	12,500				12,500						
66.606	S7701 617849	(55)									(55)	
66.641	X-63262201-1	9,882						9,882				
		455,892			2,745	144,820			59,239		249,087	
		1,541,613			10,446	318,375			59,239		1,153,562	
81.000		3,628,681				2,919,762			(671)		709,590	
81.004		4,789,763				4,546,474					243,289	
81.049		973,203				661,414			291,789			
81.057		225,222				156,767			68,455			
81.059		111,470							111,470			
81.079		7,204,285				7,204,285						
81.086		58,164				58,164			(20)			
81.087		(20)										
81.089		923,896				390,825			532,863			
81.104		52,726				52,726						
81.113		111,078									111,078	
		18,078,260				16,010,417			1,903,886		1,063,957	
81.000	92-3-268	429				429						
81.000	4060606	161,618				161,618						
81.000	4060606	11,289				11,289						
81.000	TUL-185-04/05	1,338				1,338						
81.000	TUL-510-05/06	(1,752)				(1,752)						
81.000	MTA-SBI-1002	5,190				5,190						
81.000	MTA-SBI-1002	67,464				67,464						
81.000	01754-001-04	5,177				5,177						
81.000	GT05-327-001	3,756				3,756						
81.000	06-P2121	41,220				41,220						
81.000	06111018	5,667				5,667						
81.000	GT06-024-002/MSU	11,554				11,554						
81.000	MTA-SBI-1002	10,199				10,199						
81.000	4000055453	7,292				7,292						
81.000	4000055442	33,744				33,744						
81.000	4000055442	28,924				28,924						
81.000	4000055442	4,849				4,849						
81.000	4000055452	47,433				47,433						

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
Total Federal Expenditures												
UT - Battelle - US Dept of Energy	81.000	4000054701				342,788						
UT - Battelle - US Dept of Energy	81.000	400005452				29,154						
UT - Battelle - US Dept of Energy	81.000	400005437				37,910						
UT - Battelle - US Dept of Energy	81.000	4000057958				2,287						
UT - Battelle - US Dept of Energy	81.000	4000055457				14,126						
UT - Battelle - US Dept of Energy	81.000	400005453				57,377						
UT - Battelle - US Dept of Energy	81.000	400005453				4,343						
UT - Battelle - US Dept of Energy	81.000	400005446				12,892						
UT - Battelle - US Dept of Energy	81.000	400005446				13,679						
UT - Battelle - US Dept of Energy	81.000	400005448				10,228						
UT - Battelle - US Dept of Energy	81.000	400005446				1,420						
MTA / US DOE	81.000	400005448				177						
MTS / US DOE Subs	81.000	DE-FG36-05G095002				104,865			104,865			
Industrial Sponsor - BusInd - U.S. Dept of Energy	81.000	MTA-SBI-1003				187,166			187,166			
University of MS - U.S. Dept of Energy	81.000	DE-FC36-03-G013100				12,448					12,448	
University of Tennessee-Knoxville - U.S. Dept of Energy	81.000	MTA-SBI-1003				109,009					109,009	
	81.000	OR8400-001.01				114,769					114,769	
Oak Ridge Institute for Sciences - HBCU and MEI Research Program	81.039				11,352							
BWXT Y-12 LLC - NCBC Operations Budget	81.049	DEAC0500OR22800/4300058411			81,984							
MSU - Remove Oil Filter	81.049	0070566-DEF-G020ER45830			(1,950)							
UM - Mississippi Biomass Utilization	81.049	DEFG3605G085002/0708001			96,985							
MSU - US DOE FY 06	81.049	DE-FG02-00ER45830			(1,955)				(1,955)			
Howard University - Biomarkers	81.079	633254-192513			59,885							
MSU - U.S. Dept of Energy	81.079	00-07-0566-01			(89,211)						(89,211)	
MSU - U.S. Dept of Energy	81.079	00-07-0566-01			(9,735)						(9,735)	
MS Technology Alliance - U.S. Dept of Energy	81.079	MTA-SBI-1006			1,894						1,894	
Auburn University - U.S. Dept of Energy	81.086	02-FWS-533759-USM			(3,536)						(3,536)	
Oak Ridge Institute for Science - Oak Ridge Nat'l Lab Security Prog	81.087	4000055328			274,856							
Oak Ridge Institute for Science - DRIS Disaster Response	81.087	4200000226/4000055329			49,622							
MS Ethanol - Renewable Energy Research and Development	81.087	3020239			7,528							
University of MS - Renewable Energy Research and Development	81.087	UM 07-08-002 Fernando			15,451			7,528				
University of MS - Renewable Energy Research and Development	81.087	07-08-002			92,846			15,451				
UM - Fossil Energy Research and Development	81.089	05-10-034			169			92,846				
SSEB - Fossil Energy Research and Development	81.089	SECARB2-998 17-MSUDIAL-2005-0X			51,816			169				
National Laboratory - SEA Faculty Researcher Program	81.089	B559013			72,823			51,816				
Subtotal Pass-through Programs					2,211,074			290,076				
Total U.S. Department of Energy					645,557			1,139,802			135,639	
U.S. Department of Education:												
Fund for the Improvement of Postsecondary Education	84.116											
Min Sci Improvement - Phy	84.120				13,477							
Retraining Long-Term Training	84.129				97,059			397,348				
National Institute on Disability and Rehabilitation	84.133				628,153			97,059				
Graduate Assistance in Areas of National Need	84.200				157,433			628,153				
Expanding Appropriate Assessment/Instruction	84.215				742			157,433				
Total U.S. Department of Education					645,557			1,150,219			1,199,596	
					1,199,596							

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
		(178)								(178)		
		319,420							88,668	229,752		
		915,115							915,115			
		314,767							314,423			
		969,579			7,728	47,739			10,802	311,038	344	
		954,921								927,444	19,749	
		487,293								386,399	100,894	
		111,445								111,445		
		2,718,792				649,887			1,586,668	482,037		
		56,569			56,569							
		2,739,076			(11,021)				2,750,097			
		96,961				10,000						
		56,520				56,520						
		1,071,169			1,071,169						86,961	
		25,169										
		90,871								90,871		
		250,777			243,865							
		9,762,404	6,912		1,758,166	996,937			1,599,802	1,627,220		3,519,043
		19,041				19,041						
		484,911							315,441	103,621		
		49,060				49,060						
		100,000							100,000			
		11,112,862			2,514,007	(2,655)				8,535,523		46,895
		176,497				16,437						176,497
		36,988							36,988			
		201,809								201,809		
		480,919								480,919		
		304,697								286,896		
		504,903			17,801					341,445		
		728,442				154,037			9,421	(2,064)		18,268
		2,031,515			1,406,422	35,965			712,238	589,108		
		145,004			145,004							
		380,246			198,407					161,839		
		15,242,549			563,957				15,242,549			
		563,957										
		17,040										17,040
		309,232			309,232							
		497,214			497,214							
		903,880			903,880							
		406								406		
		769,056								769,056		
		257,017								257,017		
		57,847,491	268,148	93,889	9,373,168	2,831,911			10,157,325	31,137,349		3,985,691

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
93.000	5010044	88,948			88,948							
93.000	200898	21,014			21,014							
93.000	R21 AT001889	42,231							42,231			
93.000	60	60							60			
93.000	2,029	2,029							2,029			
93.000	141,898	141,898							141,898			
93.000	HHS-500-2005-MS001C	25,884								25,884		
93.000	CCU423095	1,027									1,027	
93.000	USM GM000462	24,660									24,660	
93.000	USM GM000479	16,744			16,744							
93.001	USMPF02001034	35,758			35,758							
93.004	US2MP9700308011	27,650			27,650							
93.004	R01DE14338	8,516								8,516		
93.121	B6166124104	172,241								172,241		
93.121	B6166124104	40,436			40,436							
93.136	060412FDJ05651	118,194			118,194							
93.137	66801-01	64,801			64,801							
93.137	66811-02	86,969									86,969	
93.137	WU0689	5,212								5,212		
93.200	4130-DMH-UATC	46,054			46,054							
93.213	1R21 AT002076-01	6,436							6,436			
93.213	5 R21 AT002611-02	21							21			
93.239	2U01PE00000204	12,100			12,100							
93.241	U1F DHI Project 7	102,040			102,040							
93.241	U1F DHI Project 8 17	332,029			332,029							
93.241	DHA Program 16	293,056								293,056		
93.241	DHA Program 15	307,352								307,352		
93.241	DHA Program 12	85,123								85,123		
93.241	DHA Program 12	93,851								93,851		
93.241	DHA Program 12	27,471								27,471		
93.241	DHA Program 12	42,317								42,317		
93.241	DHA Project # 12	57,058								57,058		
93.241	DHA Program 12	103,424								103,424		
93.241	DHA Program 16	18,402								18,402		
93.241	DHA Program 16	10,358								10,358		
93.241	DHA Program 16	12,383								12,383		
93.241	DHA Project 16	10,402								10,402		
93.241	U1FRH07411-01-07	1,199,895								1,199,895		
93.242	P50 MH060451	6,498									6,498	
93.242	A06200	37,252									37,252	
93.242	P50 MH060451-01A2	227,182									227,182	
93.242	133984	5,253									5,253	
93.262	3049014700-07-294	3,064									3,064	
93.273	R351001	11,479									11,479	

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
		(853)							(853)			
93.279	1 R01 DA-017204-01	117,917								117,917		
93.279	DA017972	96,857								96,857		
93.279	115954115375	121,008									121,008	
93.279	19030030163701	43,482							43,482			
93.283	1 R01 C1000315-01	53,790								53,790		
93.283	07100943	209,864								209,864		
93.286	2 R01 EB0000350-0442	107,795				20,257				107,795		
93.307	P20MD000634	19,503							19,503			
93.389	P20RR16476	983							983			
93.389	5G12RR003020	45,574							45,574			
93.389	SR20RR016476-07	41			41							
93.389	NOT-RR-03-006	43,715			43,715							
93.389	USM-GRO0978	6,559			6,559							
93.389	5P20RR114511	89,914				89,914						
93.389	5P20RR011145	102,889										
93.390	232245	136,002										
93.393	Y432809	11,810										
93.393	CA107442	43,589										
93.395	531795	134,959										
93.395	SP 27469-2	17,010										
93.395	13164	4,318										
93.395	CA47269	17,392										
93.395	97452-1019	98,576										
93.395	N01CN35038	64,467										
93.395	U56CA105478	420										
93.395	1R21 CA123253	337,204										
93.399	1R01 CA108775-01A1	40,085										
93.399	11-025-00UM	3,344										
93.399	PCPT9328	168,618										
93.399	5-U01 CA114619-02	217,805										
93.399	901Y00197	5,910										
93.575	52707461	50,257										
93.575	52707471	9,178										
93.658	528R131	709										
93.729	7 R01 DA017204-04	(1,862)										
93.777	6D95-05-PCP-USM	241,919										
93.779	HL68057	385,590										
93.837	0004524D	9,907										
93.837	0004575D	4,031										
93.839	05-1074E1	643										
93.839	R01DK57778											

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
93.839	N01CP01004	34								34		
93.839	HL157	75,057								75,057		
93.839	HL68970	25								25		
93.839	HL157	7,776								7,776		
93.839	U01HL0787-02	30,562								30,562		
93.846	1R41-AR053395-01	38,997							38,997			
93.849	R01DK73537	77,832								77,832		
93.853	H133A980035	18,032								18,032		
93.853	R01NS41558	18,862								18,862		
93.853	NS4275919	281								281		
93.853	NS042804WUC583	16,555								16,555		
93.853	1R21NS05468201	9,677			9,677							
93.854	P2.RR016476-05	151,964				151,964						
93.854	P20RR016476-06	35,642				35,642						
93.854	P20RR106476-05	139,434				139,434						
93.854	P20RR106476-06	28,238				28,238						
93.855	603184RFS100088	18,410								18,410		
93.855	SU19A061972	128,059								128,059		
93.856	U10446362	85,830							16,525	85,830		
93.856	1R41 A1063935-01A1	16,525							16,525			
93.859	440527957	24,305								24,305		
93.859	RGM050117F	84,260			84,260							
93.866	T35AG026781	4,574								4,574		12,434
93.944	511-2103-01	12,434										
93.944	TS-0780	56,860			56,860							
93.946	742807SAP7MLJ0FC 08	30,849			30,849							
93.959	742806SAP7MLJ0FC07	73,626										
93.959	HHSN268200625233C	40,538										
No CFDA	HHSN26200600008C	163,783			40,538							
No CFDA	N01HB67129	14,122			163,783							
No CFDA	2004-38895-02102	3,924										
No CFDA		(1,898)										
		8,626,713			1,173,196	1,795,045	355,276		575,049	2,815,060		713,192
		66,474,204	268,148	1,293,794	10,546,364	4,626,965	355,276		10,732,374	33,952,409		4,698,863
94.013		419,141										
94.005	GR-0751-A-01	8,796										
94.006	98-ARCM-5025	620,562										
		629,358										
		1,048,499										
		419,141										
		8,796										
		620,562										
		629,358										
		1,048,499										
Total U.S. Department of Health and Human Services												
Corporation for National and Community Service:												
MS Delta Service Corps *VISTA												
Pass-through Program From:												
University of Southern Mississippi - Corporation for National Service												
Board of Trustees MS Institutions of Higher Learning - AmeriCorps												
Subtotal Pass-through Programs												
Total Corporation for National and Community Service												

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Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Grantor/Program or Cluster Title	Federal Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
97.039	U.S. Department of Homeland Security: Hazard Mitigation Grant Pass-through Program From:			371,839									371,839	
97.000	ATA - US Dept of Homeland Security		5080738	12,454				12,454						
97.000	ATA - US Dept of Homeland Security		5080738	5,374				5,374						
97.000	ATA - US Dept of Homeland Security		05080738 Training 4.1	(30,609)				(30,609)						
97.000	ATA - US Dept of Homeland Security		05080738/4.1	9,321				9,321						
97.000	ATA - US Dept of Homeland Security		05080738/4.1	(492)				(492)						
97.000	ATA - US Dept of Homeland Security		5080738	13,790				13,790						
97.000	ATA - US Dept of Homeland Security		5080738	13,768				13,768						
97.000	ATA - US Dept of Homeland Security		5080738	(13,989)				(13,989)						
97.000	ATA - US Dept of Homeland Security		05080738	8,502				8,502						
97.000	ATA - US Dept of Homeland Security		05080738 Task 21-24	18,076				18,076						
97.000	ATA - US Dept of Homeland Security		05080738	1,885				1,885						
97.000	UT Battelle DHS		5080738	14,832				14,832						
97.000	UT Battelle - DHS		DE-AC05-00OR22725	226,158				226,158			226,158			
97.000	Homeland Security		DE-AC05-00-OR22725	294,241				294,241			294,241			
97.000	UT-Bat / DHS		DE-AC05-00OR22725	211,393				211,393			211,393			
97.000	UT Battelle - US DOE		DE-AC05-00OR22725	65,303				65,303			65,303			
MS Research Consortium - U.S. Dept of Homeland Security			DE-AC05-00OR22725	36,062				36,062			36,062			
MS Research Consortium - U.S. Dept of Homeland Security			190100300170-01	2,954				2,954					2,954	
Oak Ridge National Laboratory - U.S. Dept of Homeland Security			19010030017002N62306	123				123					123	
Education - 2005 Project Escape Grant			T.O-40000055467	343,051				343,051					343,051	
MSDPH - Domestic Preparedness Equip Grant			3SSGCCIS-JSU-009	3,652			3,652							
MEMA - FEMA 2004			04HS700	135,650			135,650							
MEMA - FEMA 2004			EMA-2004-GR-5052	1,533,821				1,533,821						
Subtotal Pass-through Programs				12,307				12,307			1,533,821			
Total U.S. Department of Homeland Security				2,917,626			139,302	52,911			2,379,285		346,128	
U.S. Agency of International Development: Higher Educ & Dev in Iraq US Agency of International Development Subtotal Direct Programs Pass-through Program From:				3,289,465			139,302	52,911			2,379,285		717,967	
NAS / US Aid		98.001		42,180			42,180							
University of NE - US Agency of International Development		AID		100,731				100,731						
Subtotal Pass-through Programs				142,911			42,180	100,731						
Total U.S. Agency of International Development				9,360							9,360			
Unknown Federal Agencies: Pass-through Program From: Duke University - Crusade				11,270				11,270						
				20,630				11,270			9,360			
				163,541			42,180	112,001			9,360			

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
No CFDA	MNS06A98B	16,274								16,274		
		16,404								16,404		
		274,379,966	8,048,303	3,186,853	26,373,004	111,590,648	954,708		44,827,628	35,422,236	43,975,606	
Total Research and Development Cluster												
Other Programs:												
10.000		118,623							30,173		118,623	
10.001		95,172				64,999						
10.025		72,259	30,299			41,960						
10.200		1,099,527				107,949		991,618				
10.212		4,681						4,681				
10.216		64,432	64,432									
10.220		23,000				23,000						
10.443		149,579	149,579									
10.455		23,836	23,836									
10.457		101,087	101,087									
10.500		3,785,352	1,449,067			2,336,285						
10.564		937,516							937,516			
10.574		2,929,883							2,929,883			
10.652		5,484				5,484						
10.664		455,977				455,977						
10.772		48,882						48,882				
10.901		10,121	10,121									
10.902		126,864			114,758	12,106						
No CFDA		1,600							1,600			
		10,053,875	1,727,334		114,758	3,148,807		1,046,781	3,897,572		118,623	
Subtotal Direct Programs:												
10.000	CBS 02050419	23,666				23,666						
10.000	CBS 02050429	52,890				52,890						
10.000	CBS 02050421	13,426				13,426						
10.000	CBS 02050420	39,106				39,106						
10.000	CBS 02070518	44,483				44,483						
10.000	CBS 02070619	127,960				127,960						
10.000	CBS 02070609	29,182				29,182						
10.000	CBS 02080669	16,423				16,423						
10.000	CBS 02090758	37,404				37,404						
10.000	CBS 03050469	189,954				189,954						
10.000	CBS 03050490	29,328				29,328						
10.000	CBS 03050608	28,556				28,556						
10.000	CBS 03121277	16,964				16,964						
10.000	CBS 04050495	17,936				17,936						
10.000	CBS 04101054	17,194				17,194						
10.025	06070524	10,128				10,128						

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MS Board of Animal Health - Plant and Animal Disease Pest Control and Animal Care	10.025	MS Bd of Animal Health	11,992				11,992						
MDAC - Plant and Animal Disease Pest Control and Animal Care	10.025	07060502	4,367				4,367						
Utah State University - Animal Damage Control	10.028	061142001	9,180				9,180						
MS Board of Animal Health - Animal Damage Control	10.028	5111044	9,549				9,549						
Auburn University - Grants for Agricultural Research Special Research Grants	10.200	05030233	2,000				2,000						
Auburn University - Grants for Agricultural Research Special Research Grants	10.200	05030234	2,165				2,165						
University of GA - Grants for Agricultural Research Special Research Grants	10.200	FD309-655/9038717	44,196				44,196						
Texas A&M University - Initiative for Future Agriculture and Food Systems	10.303	450007	53,525				53,525						
University of FL - Homeland Security - Agriculture	10.304	PO#12977_SCI2062150-19	68,357				68,357						
Kansas State University - Cooperative Extension Service	10.500	S04061	35,320				35,320						
Texas A&M University - Cooperative Extension Service	10.500	622106	86				86						
University of GA - Cooperative Extension Service	10.500	RE675-110787797	1				1						
University of GA - Cooperative Extension Service	10.500	RE675-1108820107	657				657						
Clemson - Cooperative Extension Service	10.500	844-7559-215-2004121	1,254				1,254						
National 4H Council - Cooperative Extension Service	10.500	05000659	12,657				12,657						
Clemson - Cooperative Extension Service	10.500	942-7559-215-2004121	27,278				27,278						
USA - Cooperative Extension Service	10.500	UGA RE675-1129820227 Orenshaw	532				532						
Texas A&M University - Cooperative Extension Service	10.500	TOE 622123	5,404				5,404						
University of NE - Cooperative Extension Service	10.500	26-6365-0001-304	37,803				37,803						
Texas A&M University - Cooperative Extension Service	10.500	622070	541				541						
National 4H Council - Cooperative Extension Service	10.500	06100910	88,137				88,137						
NCSU - Cooperative Extension Service	10.500	2006-0467-18	91,019				91,019						
Penn State University - Cooperative Extension Service	10.500	3163-MSU-NCSU-0457	17,218				17,218						
NCSU - Cooperative Extension Service	10.500	2006-0376-06	21,591				21,591						
Kansas State University - Cooperative Extension Service	10.500	S07061	5,552				5,552						
MSDH - Special Supplemental Nutrition Program for Women, Infants and Children	10.557		457,038								457,038		
MS Dept of Education - U.S. Dept of Agriculture	10.558		13,038									13,038	
MS Dept of Education - U.S. Dept of Agriculture	10.558		24,020									24,020	
GA Dept of Ed / USDA	10.560	07-414332-03516	42,981							42,981			
MDHS - State Administrative Matching Grants for Food Stamp	10.561	527B161	375,680				375,680						
MDHS - State Administrative Matching Grants for Food Stamp	10.561	527B171	1,080,723				1,080,723						
Mairo - USDA	10.574	AG-3198-P-06-0047	37,436							37,436			
NY State DHS / USDA	10.574		33,602							33,602			
SC Dept of Ed-USDA	10.574		5,592							5,592			
MS Forestry Commission - Cooperative Forestry Assistance	10.664	05111075	923				923						
MS Forestry Commission - Cooperative Forestry Assistance	10.664	06110994	22,403				22,403						
MS Forestry Commission - Cooperative Forestry Assistance	10.664	07050494	2,814				2,814						
Subtotal Pass-through Programs			3,321,250				2,707,546			119,611	457,038	37,655	
Total U.S. Department of Agriculture			13,375,125	1,727,334		114,758	5,856,353		1,046,781	4,017,183	457,038	155,678	
U.S. Department of Commerce:													
Economic Development Support for Planning Organizations	11.302		(6,345)										(6,345)
Economic Development Technical Assistance	11.303		183,073										1,534
Sea Grant Support	11.417		1,151,354				181,539						1,151,354
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432		727										727

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	USU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
11.469		(65,504)				15,612			(65,504)			(94,304)
11.473		(18,662)										17,795
11.55		17,795							7,609			25,449
11.609		33,058										1,135,766
11.617		1,135,766				197,151			(57,855)			2,291,976
		2,431,232										
Subtotal Direct Programs:												
Pass-through Program From:												
11.000	USM-GR01597/OMNIBUS-ED-10B10	1,061				1,061						66,170
11.000	USM - US Dept of Commerce	66,170										35,577
11.000	MS Development Authority - U.S. Dept of Commerce	35,577										6,754
11.000	MS Development Authority - U.S. Dept of Commerce	6,754										1,213
11.415	Maryland Sea Grant - U.S. Dept of Commerce	1,213										
11.417	Gulf States Marine Fisheries Commission - U.S. Dept of Commerce	66,368				66,368						
11.417	USM - Sea Grant Support	31,275				31,275						
11.417	USM - Sea Grant Support	64,985				64,985						
11.419	MDEQ - Coastal Zone Management Administration Awards	6,285				6,285						
11.419	MDEQ - Coastal Zone Management Administration Awards	151				151						
11.473	Texas A & M Foundation - U.S. Dept of Commerce	15,891										15,891
11.481	Howard University - NOAA-Atmospheric Sciences	17,831				17,831						
11.550	National Institute of Standard and Technology - Public	(9,570)				(9,570)						
11.611	Telematic Program From	66,828				66,828						
11.617	MTA - Manufacturing Extension Partnership	71,935							71,935			
	UM Research Foundation-DOC	462,755				8,261			71,935			145,606
	Subtotal Pass-through Programs	2,893,967				434,105			14,040			2,437,582
Total U.S. Department of Commerce												
U.S. Department of Defense:												
12.000	US Dept of Defense	910,484				11,724			885,461			13,299
12.100	Vertical Integration	43,712				43,712						
12.431	Protective Technology	35,030				35,030						
12.910	High Performance Com Design	100,046				100,046						
	Subtotal Direct Programs:	1,089,271				178,798			885,461			13,299
Pass-through Program From:												
12.000	Auburn University - US Dept of Defense	43,598				43,598						
12.000	MACCHRA 07060537 Davis - US Dept of Defense	1,103				1,103						
12.000	Applied Resources - US Dept of Defense	39,883				39,883						
12.000	Applied Resources - US Dept of Defense	24,727				24,727						
12.000	University of Minnesota - CFD Modeling on Whale Missile Range	17,340				17,340						
12.300	MS State University - U.S. Dept of Defense	57,109				57,109						682
12.300	MS State University - U.S. Dept of Defense	682				682						
12.431	Acad Ed Dev - DOD	6,215				6,215						
12.551	Acad Ed Dev PS - DOD	(1,645)				(1,645)						
12.551	Acad Ed Dev PS - DOD	(2,317)				(2,317)						
12.551	National FLAG	282,911				282,911						
12.607	City of Hattiesburg - U.S. Dept of Defense	367				367						

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UNMC	USM	IHL Board
2006 MS, Jr Science	12.901	W911NF-04-1-001	4,796							4,796			
2007 MS, Jr Science	12.901	W911NF-04-1-0001	4,943							4,943			
Subtotal Pass-through Programs			489,710	23,555		109,310				268,887			58,158
Total U.S. Department of Defense			1,546,981	202,343		121,034				1,154,148			71,457
U.S. Department of Housing and Urban Development:													
Housing Counseling Assistance Program	14.169		6,740									6,740	
End Homeless in Mississippi	14.235		(5,894)									(5,894)	
Community Development Block Grants/Special Purpose Grants/Technical	14.227		75,483						75,483				
Historically Black Colleges and Universities Program	14.237		375,112										
Community Development Block Grants/Economic Development Initiative	14.246		2,074,980	425		488,664				242,827		1,343,064	
Fair Housing Initiatives and Administrative Enforcement Initiative Program	14.408		84,131										84,131
Historically Black Colleges and Universities Program	14.520		127,867										
Universities Rebuilding America Program	14.521		96,528							96,528			
Healthy Homes Demonstration Grants	14.901		2,932							2,932			
Subtotal Direct Programs:			2,836,880	502,980		425	587,124		75,483	242,827		1,343,064	
Pass-through Program From:													
City of Meridian - Dept of Housing & Urban Development	14.000	06060460	19,501				19,501						
MDA - Phase One Local Economic Dev	14.218	1121-04-102-TA-01	22,563			22,563							
Ox-HUD Innov. & Outreach	14.219		21,023							21,023			
City of Jackson	14.219		12,766			12,766							
City of Jackson - U.S. Dept of Housing & Urban Development	14.239	2002 HOME CONTRACT	9,704									9,704	
City of Jackson - U.S. Dept of Housing & Urban Development	14.239	M04-M280200	1,140										1,140
City of Jackson - Community Development Block Grant	14.246	B05MC280003	2,330			2,330							
MDA - CDBG Program	14.246		37,789			37,789							
Subtotal Pass-through Programs			126,796			75,428	19,501			21,023			10,844
Total U.S. Department of Housing and Urban Development			2,963,676	502,980		75,853	606,625		75,483	263,850		1,343,886	
U.S. Department of Interior:													
US Dept of Interior	15.000		40,922				40,922						
Fish and Wildlife Management Assistance	15.608		296,767				296,767						
Historically Black Colleges & Universities Preservation Initiative	15.924		171,684										
Subtotal Direct Programs:			509,383										
Pass-through Program From:													
MS Choctaw Indians - US Dept of Interior	15.000	06121053	154,847				154,847						
Americaveiw / USGS	15.000		4,000							4,000			
U.S. Dept of the Interior	15.000		46,781									46,781	
MSU - US Geol Survey	15.805	080600-331666-01	23,228							23,228			
Subtotal Pass-through Programs			228,856				154,847			27,228			46,781
Total U.S. Department of Interior			738,238				492,536			27,228			46,781

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
U.S. Department of Justice	16.000		1,832,908									1,832,908	
Cops Universal Hiring	16.302		92,217									92,217	
Law Enforcement Assistance - FBI Field Police Training	16.540		67,174							68,599		(2,425)	
Juvenile Justice and Delinquency Program Allocation to States	16.577		52,764							2,212,912		52,764	
Emergency Federal Law Enforcement Assistance	16.580		4,420,566	930,993								1,276,661	
Edward Byrne Memorial State and Local Law Enforcement Assistance Grant	16.588		70,636							80,371		70,636	
Violence Against Women Formula Grants	16.609		80,371									1,414,161	
Community Prosecution and Project Safe Neighborhoods	16.610		1,414,161									2,211	
Regional Information Sharing Systems	16.712		2,211										
Police Corps	No CFDA		95,981						95,981				
Campus Violence Protection Program - Department of Justice			8,128,989	930,993					95,981	2,362,882		4,739,133	
Subtotal Direct Programs:													
Pass-through Program From:													
MS Dept of Public Safety - U.S. Dept of Justice	16.000	04JH421	25,022									25,022	
City of Hattiesburg - U.S. Dept of Justice	16.000	USM-GM00621	29,983									29,983	
MDPS - MS Stop Violence Against Women	16.540	2004-WF-AX-0025	10,183			10,183							
City of Hattiesburg - U.S. Dept of Justice	16.541		64										64
MDPSP - Violence Against Women Formula Grants	16.588	05SV4011	32,114							32,114			
MDPS - MS Stop Violence Against Women	16.588	3SV4001	2,000			2,000							
MDPS - MS Stop Violence Against Women	16.588	06 SV4001	8,153			8,153							
DPS - US DoJ	16.588	2004-WF-AX-0025	3,250							3,250			
DPS 03S4111 - USDJ	16.588	2003-WF-BX-0191	7,283							7,283			
MDPS - US DoJ	16.588	2005-WF-AX-0014	27,622							27,622			
DPS 03SC4111-USDJ	16.588	DPS 03SC4111	13,213							13,213			
MS Dept of Public Safety - Violence Against Women Formula Grants	16.588	2004-FW-AX-0028	134,438								134,438		
MSU - USDJ	16.609	2005-DO-BX-K-035	47,068				10,239			47,068			
MDPSP - Enforcing Underage Drinking Laws Programs	16.727	05-UA-401-2	10,239				10,239						
Subtotal Pass-through Programs			390,663	20,336		42,353				96,456		134,438	
Total U.S. Department of Justice			8,479,652	930,993		20,336	42,353		96,981	2,461,338		4,794,213	
U.S. Department of Labor:													
DOL - Tech Insertion	17.261		523,365	343,488		77,943				101,934			
Pass-through Program From:													
MS South Delta Planning District - Workforce Investment Act	17.255	6 S90018 W70911	83,176										
MSDES - Workforce Investment Act	17.258	3S90018W70421	138,445										
MSDES - Academic and Occupational Skills	17.258		84										
Subtotal Pass-through Programs			221,705										
Total U.S. Department of Labor			745,071	343,488		216,472				101,934			
U.S. Department of Transportation:													
Department of Transportation	20.000		7,087									7,087	
Federal Aviation Administration - Airport Improvement Program	20.106		100,962									100,962	
Eisenhower Fellowship Grant	20.205		37,489										

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
Highway Training and Education		6,500										
MS Department of Transportation		422,206			108,042			422,206	6,500			
JSJ Busing Project		108,042										
Subtotal Direct Programs:		682,286	145,531		422,206				114,549			
Pass-through Program From:												
MDDOT - US Dept of Transportation	104323 121000	9,726				9,726						
MDDOT - US Dept of Transportation	501598	288,455				288,455						
MDDOT - US Dept of Transportation	501703	233,852				233,852						
Jackson State University - US Dept of Transportation	07060428	10,000				10,000						
MDDOT - US Dept of Transportation	105011 101000	21				21						
Office of Highway Safety - U.S. Dept of Transportation	06-PT-412-1	79,422									79,422	
Office of Highway Safety - U.S. Dept of Transportation		29,212									29,212	
Office of Highway Safety - U.S. Dept of Transportation		17,796									17,796	
Office of Highway Safety - U.S. Dept of Transportation		29,743									29,743	
GA DOT		774							774			
MDDPSP - Railroad Safety		35,535				35,535						
MDDPSP - Alcohol Traffic Safety and Drunk Driving Prevention	06-AL-401-1	139,963				139,963						
MDDPS - Enforcing Underage Drinking Laws	04-UA-400-1	5,667			5,667							
MSU - Enhancing Mobility in Mississippi	19240030374901	34,423			34,423							
Historic Council		74,779			74,779							
MDPS - Roadway Safety	4RS4001	(2,850)			(2,850)							
MDPS - Roadway Safety	06RS4001	6,941			6,941							
MDPS - Roadway Safety	07RS4001	259,128			259,128							
MSU - Public Transit Services	19240030351101	45,119			45,119							
MDDOT - Transportation Planning Project		3,694			3,694							
MS Dept of Transportation - U.S. Dept of Transportation		233,385									233,385	
MS Dept of Transportation - U.S. Dept of Transportation		136									136	
Office of Highway Safety - U.S. Dept of Transportation	07-PT-412-1	257,170									257,170	
Office of Highway Safety - U.S. Dept of Transportation	07-OP-412-1	146,926									146,926	
Office of Highway Safety - U.S. Dept of Transportation	07-TA-412-2	13,397									13,397	
Office of Highway Safety - U.S. Dept of Transportation		(271)									(271)	
Office of Highway Safety - U.S. Dept of Transportation		(0)									(0)	
Office of Highway Safety - U.S. Dept of Transportation		96									96	
Office of Highway Safety - U.S. Dept of Transportation	5PT-412-1	1,985									1,985	
Office of Highway Safety - U.S. Dept of Transportation	5-OP-412-1	104									104	
Office of Highway Safety - U.S. Dept of Transportation	5-AL-412-1	895									895	
MS Dept of Public Safety - U.S. Dept of Transportation	4-DF-412-1	63									63	
Subtotal Pass-through Programs		1,955,273	426,900		717,551				774			810,948
Total U.S. Department of Transportation		2,637,559	572,431		422,206				115,323			810,948
Appalachian Regional Commission:												
Appalachian Regional Commission	23.000	99,241				99,241						
Appalachian Regional Commission - Appalachian Regional Development	23.001	1,040										1,040
Appalachian Housing Project Planning Loan Technical	23.005	16,268				16,268						

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	USU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
23.009		89,714				89,714						
23.011		31,081				31,081						
23.013		33,429				33,429						
		270,773				269,733			1,040			
42.000		173,366							173,366			
43.000		68,081						23,081			45,000	
43.001		702,493	8,500		113,296			8,624	569,495		2,578	
43.002		396,507	8,500		113,296			31,705	967,156		(1,154)	
		1,167,881									47,024	
43.000	NAS13-03032	303,026							303,026			
43.001	06-07-006	20,449				20,449						
43.001	07-09-018	43,184				43,184						
43.001	NASS-26555	15,408						15,408				
43.001	NNCGGAB2G	3,818			3,818						(13,106)	
43.002	NAS10-01025	(13,106)							318,434		(13,106)	
		372,779				63,633						
		1,540,460	8,500		117,114	63,633		31,705	1,285,590			33,918
45.024		23,698				18,698			5,000			1,808
45.149		1,808										
45.162		13,644						13,644				
45.163		51,820							51,820			
45.301		(484)							(484)			
45.312		16,450									16,450	
		106,936				18,698		13,644	56,336			16,258
45.000	07-64-MHPG-NEA	4,040							4,040			
45.000	07-160-AE/PG	2,630							2,630			
45.000	MHC-RG07-05-105	2,001									2,001	
45.000	MSCH07-10-086	90									90	
45.000	MSCH07-10-085	39									39	
45.000	(1,491)	(1,491)									(1,491)	
45.000	MSOR05-10-078	(600)									(600)	
45.008	07-139-AE/PG	4,085				4,085						
45.025	07-2-AJPG	3,420							3,420			
45.129	MCH RG05-05-035	2,000									2,000	
45.129		972									972	
45.129		(7)							(7)			
45.129	RG06-05-081	1,000									1,000	

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
45.129	MHC-RG06-05-087	1,977							1,977			
45.129	RG06-05-080	1,992							1,992			
45.129	SO-50086-05	5,000							5,000			
45.129	SO-50086-05	3,000							3,000			
45.129	MS Humanities Council - From the Fire, Contemporary Korean	640			640							
45.129	MS Humanities Council - If You're Goin' Be A Leader, Don't S	3,926			3,926							
45.129	MS Humanities Council - From the Fire, Contemporary Korean	2,100			2,100							
45.129	MS Humanities Council - A Forty Year Retrospective of Robe	1,206			1,206							
45.162	MS Humanities Council - National Endowment for the Humanities	262									262	
45.162	IMLS	(629)									(629)	
45.302	CM-CH-02-0049-02	870							870			
	Subtotal Pass-through Programs	38,522	7,871		7,871	4,085			26,894			(329)
	Total National Endowment for the Humanities	145,458	7,871		7,871	22,783		13,644	83,230			17,929
47.049	National Science Foundation:											
47.050	Mathematical and Physical Sciences	168,384									168,384	
47.07	Building and Maintaining a Pipeline	285,756			14,966						270,790	
47.074	NSF Odyssey	10,776						1,435			9,341	
47.076	Biological Sciences	99,419			99,419							
47.076	Education and Human Resources	3,057,753			571,750	759,123		609,683	837,138			
No CFDA	National Science Foundation - IPA Doly	111,581										
	Subtotal Direct Programs:	3,733,669	280,059		586,716	858,542		611,118	837,138		111,581	
	Pass-through Program From:											
47.000	UNO - NSF	6,000							6,000			
47.049	University of Iowa - Production of PhD in Mathematics	35,246			35,246							
47.049	Data Reliability - Beyond Survival	3,000			3,000							
47.050	USM - Geosciences	52,960				52,960						
47.070	Vilanova - NSF	26,253							26,253			
47.076	2002 AMP	50,345							50,345			
47.076	2002 AMP PS	21,648							21,648			
47.076	Univ of Notre Dame	291							291			
47.076	Fermi Lab - Quarknet	11,506							11,506			
47.076	MVSU / NSF	35,333							35,333			
47.076	Am Psych Assn / NSF	1,064							1,064			
47.076	JSU - Education and Human Resources	103,628				103,628						
47.076	JSU - Education and Human Resources	16,825				16,825						
47.076	University of MS - Education and Human Resources	82,718									82,718	
47.076	University of Massachusetts Amherst - No Longer a Dream Deferred STEM	40,180			40,180							
47.076	UM - Graduate Education in Mississippi	101,688			101,688							
47.076	Washington University - Deployment IIS Tables-NEES	10,000			10,000							
47.076	University of MS - National Science Foundation	105,925									105,925	

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Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
47.078	POA 4500208704	6,439			190,114	173,412			152,440	82,718		6,439
		711,049										112,364
		4,444,718	2,880,059		776,830	1,031,954			939,875			328
59.000		2,029,420				2,029,420			939,875			328
59.037		1,091,333	151,130						939,875			328
		3,120,753	151,130						939,875			
59.000	07050472	25,000				25,000						25,785
59.000	MTA SBA 2006-2	25,785										11,203
59.000	MTA SBA 2006-1	11,203										(68,879)
59.037	5-603007-0025-24	(68,879)										
59.037	Univ of MS MSBDOC	22,010				22,010						
59.037	6110983	48,132				48,132						
59.037	5-6030017-0025	34,876										34,876
59.037	760300720025	116,022										116,022
59.037	760300720025	22,257										22,257
59.037	760300720025	9,178										9,178
59.037	760300720025	245,584										(31,891)
		3,366,337	151,130						939,875			(31,563)
64.000		71,771							71,771			
No CFDA		25,830								25,830		
No CFDA		78,475								78,475		
		176,076							71,771	104,305		
66.475		2,263										2,263
66.606		477,511				477,511						
66.607		5,404				5,404						
66.930		1,525				1,525						
		486,703				6,929						2,263
66.000	04-00476	17,280										17,280
66.000	RE353-1312002467	10,236										10,236
66.000	04-00517	17,463										17,463
66.000	06-00665	16,636										16,636
66.000	RE353-144505567_406	456										456
66.000	06-00732	6,212										6,212
66.000	07-00776	146										146
66.000	NCHH-07-1097	1,029										1,029

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Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
Federal Grantor/Pass-through Grantor/Program or Cluster Title												
University of GA - Environmental Protection Agency												
66-000	RE353-144-5055677	14,960	-	-	-	14,960	-	-	-	-	-	-
MS Dept of Environmental Quality - U.S. Environmental Protection Agency												
66-000	05-001 USMIGCRL-009	86	-	-	-	-	-	-	-	-	-	86
MSDEC - JSU Obsolete Computer Recycling and												
66-708	SWC170	14,618	-	-	14,618	-	-	-	-	-	-	-
MSDEC - JSU Obsolete Computer Recycling and												
66-708	SWC-195	7,004	-	-	7,004	-	-	-	-	-	-	-
Subtotal Pass-through Programs												
		106,126	-	-	21,622	84,417	-	-	-	-	-	86
Total U.S. Environmental Protection Agency												
		592,829	-	-	28,551	561,928	-	-	-	-	-	2,849
U.S. Department of Energy:												
Engineering Complex												
81-087		1,925,000	-	-	1,925,000	-	-	-	-	-	-	-
Pass-through Program From:												
MDA - US Dept of Energy												
81-000	06-313-001	53,171	-	-	53,171	-	-	-	-	-	-	-
U.S. Department of Energy-UT Battelle, LLC												
81-000	InterAgency Agree. #43MT10301	37,610	37,610	-	-	-	-	-	-	-	-	-
Subtotal Pass-through Programs												
		90,781	37,610	-	-	53,171	-	-	-	-	-	-
Total U.S. Department of Energy												
		2,015,781	37,610	-	1,925,000	53,171	-	-	-	-	-	-
U.S. Department of Education:												
Higher Education - Institutional Aid												
84-031	TRIO Student Support Services	13,482,673	2,998,252	-	6,396,933	-	-	3,822,387	-	-	-	265,101
TRIO Talent Search												
84-042	TRIO Talent Search	1,091,589	330,854	-	277,258	-	-	251,134	-	-	-	232,343
The National Smart Grant												
84-044	TRIO - Upward Bound	413,102	-	-	-	-	-	413,102	-	-	-	-
84-047	The National Smart Grant	1,021,489	340,063	-	-	-	-	681,426	-	-	-	-
Fund for the Improvement of Postsecondary Education												
84-063	2006 NSI	663,825	-	-	663,825	-	-	-	-	-	-	-
84-116	Rehabilitation Services Service Projects	2,277,841	302,417	-	(46,133)	120,309	-	440,934	1,227,887	-	-	232,227
84-120	Long-term Training	35,962	-	-	35,962	-	-	-	-	-	-	-
84-128	Migrant Education - High School Equivalency Program	33,012	-	-	33,012	-	-	-	-	-	-	-
84-129	College of Business Administration	173,553	-	-	173,553	-	-	-	-	-	-	-
84-141	Paul Douglas Teacher Scholarship Program	439,189	-	-	439,189	-	-	-	-	-	-	-
84-153	CAMP	43,611	-	-	43,611	-	-	-	-	-	-	-
84-176	Graduate Assistance in Areas of National Need	42,356	-	-	42,356	-	-	-	-	-	-	-
84-194	Javis Gifted and Talented Students Education Act	395,523	-	-	395,523	-	-	-	-	-	-	42,356
84-200	Fund for the Improvement of Education	344,320	-	-	344,320	-	-	-	-	-	-	-
84-206	McNair Post-Baccalaureate Achievements	121,713	-	-	121,713	-	-	-	-	-	-	-
84-215	21st Century Community Learning Center	903,109	-	-	903,109	-	-	-	-	-	-	-
84-217	Innovative Programs	628,577	-	-	628,577	-	-	-	-	-	-	-
84-287	Combined Priority for Personnel	148,742	-	-	148,742	-	-	-	-	-	-	-
84-298	Center for Literacy and Assessment	730	-	-	730	-	-	-	-	-	-	-
84-320	Special Education - Personnel Preparation to Improve Services	35,446	-	-	35,446	-	-	-	-	-	-	-
84-324	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	791,609	-	-	791,609	-	-	-	-	-	-	-
84-325	Demonstration Projects to Ensure Students with Disabilities Receive a Higher Ed.	474,218	-	-	474,218	-	-	-	-	-	-	-
84-326	Child Care Access Means Parents in School	152,078	-	-	152,078	-	-	-	-	-	-	-
84-333	Improving Teacher Quality State Grants	286,029	-	-	286,029	-	-	-	-	-	-	-
84-334		2,039,807	9,638	-	9,638	-	-	-	-	-	-	-
84-335		220,724	-	-	220,724	-	-	-	-	-	-	-
84-367		1,349,219	-	-	1,349,219	-	-	-	-	-	-	-

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Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUV	MYSU	UM	UMMC	USM	IHL Board
84-375	Academic Competitiveness Grants		378,955									378,955	
84-376	National Science and Mathematics Access to Retain Talent		299,060									299,060	
84-928	Delta Area Writing Project		302,370	31,610					140,615	56,232		73,913	51,063,914
84-938	Hurricane Education Recovery		1,822,397									1,822,397	
84-940	Reconstruction		141,221						141,221				
No CFDA	No Child Left Behind		25,187						25,187				
No CFDA	Upward Bound - MS Dept of Ed Summer Food		81,648,950	4,012,834		8,326,799	653,827	125,709	6,889,461	1,615,995		5,510,934	54,506,392
	Subtotal Direct Programs:												
	Pass-through Program From:												
84-000	Alcorn State University - US Dept of Education	4121229	730										730
84-000	University of California - US Dept of Education	Univ of California Writing Project	63,736										63,736
84-000	Choctaw County SD - US Dept of Education	SD 06050419	4,871										4,871
84-000	Choctaw County SD - US Dept of Education	07060551	7,009										7,009
84-000	Philadelphus SD - US Dept of Education	5040364	666										666
84-000	West Point SD - US Dept of Education	05111142	2,652										2,652
84-000	MSDH - US Dept of Education	20000170	382										382
84-000	Cullman County PSD - US Dept of Education	05121172	10,404										10,404
84-000	IHL - US Dept of Education	IHL America Reads FY06	18,485										18,485
84-000	Greenlee PSD - US Dept of Education	06010031	3,449										3,449
84-000	Center for Civic Ed. - US Dept of Education	Center for Civic Ed.	121										121
84-000	Homebrew PSD - US Dept of Education	6010106	3,133										3,133
84-000	Kosciusko PSD - US Dept of Education	06010107	691										691
84-000	Homebrew PSD - US Dept of Education	4546-PE-0006-MSU	9,481										9,481
84-000	MDWH - US Dept of Education	CC05-06 5804MS	412										412
84-000	Center for Civic Ed. - US Dept of Education	06040291	30,488										30,488
84-000	Choctaw County SD - US Dept of Education	06-331-s1800-010	35,107										35,107
84-000	MDPS - US Dept of Education	Alcorn St. Univ.	127,369										127,369
84-000	Alcorn State University - US Dept of Education	06050386	20,065										20,065
84-000	University of California - US Dept of Education	Center for Civic Ed	4,654										4,654
84-000	Center for Civic Ed. - US Dept of Education	06320180254641EA08-03	459,651										459,651
84-000	MDE - US Dept of Education	06090813	4,733										4,733
84-000	Benoit PSD - US Dept of Education	06110967	10,738										10,738
84-000	MSDH - US Dept of Education	06121057	30,230										30,230
84-000	Choctaw County SD - US Dept of Education	06121054	31,063										31,063
84-000	East Tallahatchie SD - US Dept of Education	06111022	35,511										35,511
84-000	West Bolivar SD - US Dept of Education	06121056	18,874										18,874
84-000	Cullman County PSD - US Dept of Education	06111017	27,649										27,649
84-000	Indianola PSD - US Dept of Education	Choctaw County PSD FY07 -	19,128										19,128
84-000	Choctaw County SD - US Dept of Education	Pearl PSD - FY07	4,700										4,700
84-000	Pearl PSD - US Dept of Education	07020166	241,604										241,604
84-000	IHL - US Dept of Education	CC06-07 5801MS	24,496										24,496
84-000	Center for Civic Ed. - US Dept of Education	CC06-07 5804	11,222										11,222
84-000	Starville PSD - US Dept of Education	07010006	12,378										12,378
84-000	Columbus PSD - US Dept of Education	07010086	3,853										3,853
84-000	Aberdeen SD - US Dept of Education	06111030	11,064										11,064

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
Aberdeen SD - US Dept of Education	84.000	06111029	11,768				11,768						
Aberdeen SD - US Dept of Education	84.000	06111031	11,103				11,103						
Starville PSD - US Dept of Education	84.000	06111027	10,801				10,801						
Starville PSD - US Dept of Education	84.000	0611028	11,103				11,103						
Kosciusko PSD - US Dept of Education	84.000	06111023	11,473				11,473						
Aberdeen SD - US Dept of Education	84.000	06111033	11,103				11,103						
Aberdeen SD - US Dept of Education	84.000	06111034	11,103				11,103						
West Point PSD - US Dept of Education	84.000	06111035	25,067				25,067						
West Point PSD - US Dept of Education	84.000	06111037	11,683				11,683						
Timber Hills Mental Health - US Dept of Education	84.000	Timber Hills Mental Health Center	28,940				28,940						
Oklahoma PSD - US Dept of Education	84.000	06111032	10,160				10,160						
West Point PSD - US Dept of Education	84.000	07010089	16,330				16,330						
New Albany PSD - US Dept of Education	84.000	07030233	6,860				6,860						
North Bolivar SD - US Dept of Education	84.000	06121055	24,483				24,483						
West Point SD - US Dept of Education	84.000	06111036	11,103				11,103						
Lowndes County PSD - US Dept of Education	84.000	Lowndes County PSD -	6,860				6,860						
AL Dept. of Rehab. Services - US Dept of Education	84.000	AE7067MS03	14,454				14,454						
MS Dept. of Mental Health - US Dept of Education	84.000	MDMH 4546-RE-DD07-MSU Duncan	48,639				48,639						
Choctaw County SD - US Dept of Education	84.000	07040378	1,062				1,062						
MDRS - US Dept of Education	84.000	07-331-1000-605	319				319						
IIE - US Dept of Education	84.000	IIE	118,009				118,009						
IIE - US Dept of Education	84.000	IIE	807				807						
Petal School District - US Dept of Education	84.000	GM001266	22,303				22,303					22,303	
Board of Trustees of IHL - US Dept of Education	84.000	2007-82E	29,729				29,729					29,729	
Board of Trustees of IHL - US Dept of Education	84.000	2007-88E	9,043				9,043					9,043	
Hattiesburg Public School District - US Dept of Education	84.000	GM000292	(833)				(833)					(833)	
Hattiesburg Public School District - US Dept of Education	84.000	GM000076	26,654				26,654					26,654	
Lamar County Schools - US Dept of Education	84.000	GM000076	10,307				10,307					10,307	
Lamar County Schools - US Dept of Education	84.000		3,973				3,973					3,973	
MS Dept of Education - US Dept of Education	84.000	GM000629	34,760				34,760					34,760	
Petal School District - US Dept of Education	84.000		23,511				23,511					23,511	
Office of Highway Safety - US Dept of Education	84.000	06-DF-412-1	21,200				21,200					21,200	
Office of Highway Safety - US Dept of Education	84.000	061300-300371-01	68,534				68,534					68,534	
Georgebown University - US Dept of Education	84.000		0				0					0	
Well Music Institute at Carnegie Hall - US Dept of Education	84.000		8,570				8,570					8,570	
MSDOE - Migrant Education Program	84.002	052201EA0863396354001	210,129			210,129							
MS State Board of Community Colleges - Adult Basic Education	84.002		119,862			119,862							
Southern Regional Educ. Service Agency - US Dept of Education	84.011	USM-GR02691	63,863				63,863						
MDRS - Early Education for Children with Disabilities	84.024	07-331-S1800-010	93,675				93,675						
MS Dept of Education - US Dept of Education	84.024		1,014				1,014						
FL Division of Blind Services - Services for Children with Deaf-Blindness	84.025	DC419101	11,842				11,842						
IHL - No child Left Behind	84.031	2005-92E	(800)			(800)							
IHL - Gear Up Mississippi Summer 2006 Cam	84.031	2005-78E	914			914							
University of MS - US Dept of Education	84.031		9,103				9,103						
MSDOE - World Class Teachers	84.042	0522013071005	34,922			34,922							
Tupelo PSD - Fund for the Improvement of Postsecondary Education	84.116	06010091	103,564				103,564						
UNT / USDE	84.116	P1168031199	2,742										2,742

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Federal CFDA Number	Pass-through Grantor/Program or Cluster Title	Federal Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
84-120	MSDOE - MSP MAST	043201EA084641BB23	6,534			6,534							
84-120	MSDOE - Mathematics and Science Partnership	053201BB244641EA08-01	28,634			28,634							
84-120	MSDOE - Mathematics and Science Partnership	063201BB254641EA08-01	388,582			388,582							
84-120	MSDOE - Mathematics and Science Partnership	073200EA088B26464001	17,585			17,585							
84-120	MSDOE - Mathematics and Science Partnership	053201BB	9,248			9,248							
84-120	MDOT - Summer Transportation Institute	07-331-11000-0132	8,683			8,683							
84-126	MDRS - Rehabilitation Services Vocational Rehabilitation Grants	6080723	28,786			28,786							
84-126	MS Services for the Blind - Rehabilitation Services Vocational Rehabilitation Grants	LA Rehab Service -	16,896			16,896							
84-128	LA Rehab. Service - Rehabilitation Services Vocational Rehabilitation Grants	LA Rehab Service -	32,542			32,542							
84-144	MDE - Migrant Education Coordination Program	073201EA081823918655002	271,548			271,548							
84-181	MSDH - Special Education Grants for Infants and Families with Disabilities		59,535			59,535							
84-181A	2006 MDH Dist. I & II		(76)							(76)			
84-184	Greenville Public School District - U.S. Dept of Education		71,554			71,554							
84-215	Starkville PSD - Fund for the Improvement of Education	0211033-01	17,261			17,261							
84-215	Philadelphia PSD - Fund for the Improvement of Education	U2151040190	2,789			2,789							
84-215	Delta Literacy Initiative	U215K050343-05	3,705			3,705				3,705			
84-215	Hattiesburg Public School District - U.S. Dept of Education	S2151020351	(57)										(57)
84-215B	NCEE - Excellence in Economic Education	MD-0600158	2,648			2,648							
84-229	Lamar County Schools - U.S. Dept of Education		29			29							
84-235	MS Dept of Rehabilitation Services - U.S. Dept of Education		0			0							
84-272	Hardin County SD - National Early Intervention Scholarship and Partnership		17,375			17,375							
84-295	Michael Cohen Group - Ready-To-Learn Television	U295A050004	1,112			1,112							
84-298	MS Dept of Education - U.S. Dept of Education	53201BB244641EA08-04	10,456			10,456							
84-303	North Bolivar SD - Challenge Grants for Technology in Education		8,132			8,132							
84-303	Hattiesburg SD - Challenge Grants for Technology in Education		11,802			11,802							
84-303	Greenville PSD - Challenge Grants for Technology in Education		24,747			24,747							
84-303	Richton PSD - Challenge Grants for Technology in Education	5111083	18,794			18,794							
84-303	Benot PSD - Challenge Grants for Technology in Education		7,786			7,786							
84-304	NCEE - Civic Education - Cooperative Education Exchange Program	BP-05-7002	3,554			3,554							
84-304	NCEE - Civic Education - Cooperative Education Exchange Program	TT-05-5004	5,594			5,594							
84-318	MDE - Education Technology State Grants	073201EA081823918655003	41,389			41,389							
84-318	Philadelphia MS School District - U.S. Dept of Education	GM000514	3,542			3,542							3,542
84-323	MS Dept of Education - U.S. Dept of Education		585,397			585,397							585,397
84-325	JPD - Supplemental Education State & Febe	P334S020001-05	29,567			29,567							
84-334	IHL 2007 GU Health	2006-87E	5,218			5,218							
84-334	Board of Trustees of IHL - U.S. Dept of Education		296			296							296
84-334	Board of Trustees of IHL - U.S. Dept of Education		80			80							80
84-334	Board of Trustees of IHL - U.S. Dept of Education		(303)			(303)							(303)
84-334	Board of Trustees of IHL - U.S. Dept of Education		6,325			6,325							6,325
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2006-79E	9,264			9,264							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2006-73E	7,744			7,744							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2006-74E	4,509			4,509							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2006-74E	4,677			4,677							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2006-73E	2,935			2,935							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2007-94E	20,100			20,100							
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	2007-96E	24,051			24,051							

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84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	84-334S	2007-96E	24,200				24,200					
84-334S	IHL - Gaining Early Awareness and Readiness for Undergraduate Programs	84-334S	2007-98E	24,855				24,855					
84-334S	IHL 07 GU Precollege	84-334S	0334S020001-05	8,068						8,068			
84-342	Philadelphia MS School District - U.S. Dept of Education	84-342	7121187	14,296				14,296					7,329
84-349	MS State University - U.S. Dept of Education	84-349	0	0									0
84-357	Reading is Fundamental, Inc. - U.S. Dept of Education	84-357	MS710G	(160)									(160)
84-357	Reading is Fundamental, Inc. - U.S. Dept of Education	84-357	MS710H	20,985									20,985
84-359	McComb PSD - Early Reading First (B)	84-359	04-05-0477	5,187				5,187					
84-363	Harrison County School District - U.S. Dept of Education	84-363	24360013007	1,156									1,156
84-366	MS Dept of Education - U.S. Dept of Education	84-366	0632088254641E408-05	328,219									328,219
84-367	Board of Trustees of IHL - U.S. Dept of Education	84-367	200693E	52,943									52,943
84-367	Board of Trustees of IHL - U.S. Dept of Education	84-367	2006-98E	48,370									48,370
84-367	Board of Trustees of IHL - U.S. Dept of Education	84-367	2007-081E	36,790									36,790
84-367	IHL - Summer Institute for Improving Teaching	84-367	S367B040021A	66,829			66,829						
84-367	IHL - Improving Teacher Quality State Grants (A)	84-367	2007-077	7,948				7,948					
84-367	IHL 2005-96E-USOE	84-367	(71)	(71)									(71)
84-367	MDE 06-3201-4113	84-367		81,286									81,286
84-367	MDE Subs	84-367		85,000									85,000
84-367	IHL / USOE FY 08	84-367	S367B040021A	3,123									3,123
84-367B	IHL - USOE	84-367B	S367B040021A	99,704									99,704
84-367B	IHL - USOE PS	84-367B	2006-09E	10,825									10,825
84-367B	IHL - USOE - Math	84-367B	S367B040021A	80,054									80,054
84-367B	IHL - USOE - Math-PS	84-367B	2006-91-E	15,982									15,982
84-368A	MDEC - USOE	84-368A	07-3201-6219-8874-E408-001	12,266									12,266
84-928A	University of CA-Bentley - National Writing Project	84-928A	02030241	18,520				18,520					
84-928A	University of CA-Bentley - US Dept of Education	84-928A	02030241	177				177					
84-929A	Center for Civic Ed. - Civic Education	84-929A	04020075	1,127				1,127					
84-929A	Center for Civic Ed. - Civic Education	84-929A	CC06-06-9809MS	18,531				18,531					
84-929A	Center for Civic Ed. - Civic Education	84-929A	0829A030001	22,357				22,357					
	Subtotal Pass-through Programs			5,519,109			920,698	2,626,337			407,866	59,535	1,504,683
	Total U.S. Department of Education			87,188,058	4,012,834		9,247,496	3,285,164	125,709	6,889,461	2,023,851	59,535	7,015,617
	U.S. Institute of Peace												54,508,392
	US Institute of Peace			17,451						17,451			
	U.S. Department of Health and Human Services:												
93-000	National Institute of Health	93-000		11,281									
93-107	Model State Supported Area Health Education Centers	93-107		53,550					10,821			460	
93-110	Maternal and Child Health Federal Consolidated Programs	93-110		7,064									7,064
93-137	Community Programs to Improve Minority Health Grant Program	93-137		1,494,131					16,915				
93-153	Program Income - Coordinated Services and Access to Research	93-153		514,154									1,467,216
93-173	Research Related to Deafness and Communication Disorders	93-173		2,981									514,154
93-178	Nursing Workforce Diversity	93-178		226,254									2,981
93-200	Drug Free Communities Support	93-200		94,195									226,254
93-217	Family Planning Services	93-217		7,101									7,101

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
		494,792									494,792	
93.226		53,704				15,018				38,686		
93.243		251,242								251,242		
93.253		32,988									32,988	
93.264		1,262,594						278,494		984,100		
93.283		247,507	247,507									
93.307		1,042,291	38,456				892,414			56,294		
93.358		262,619									262,619	
93.359		155,632								155,632		
93.359		1,708										
93.375		45,203			45,203							
93.389		125,875									125,875	
93.556		38,693									38,693	
93.577		172,737			172,737							
93.600		1,888									1,888	
93.681		579,662									579,662	
93.632		180,337									180,337	
93.779		195,215								174,987		
93.822		738,632								738,632		
93.924		270,159	267,565									
93.859		11,121			2,594							
93.865		93,140			11,121							
93.879		3,761			3,761							
93.884		1,749,886			4,500	425,926		1,319,460		93,140		
93.887		131,264									131,264	
93.910		300									300	
93.912		568,006								568,006		
93.918		227,383								227,383		
93.924		16,883								16,883		
93.928		21,847			21,847							
93.960		17,861								17,861		
No CFDA		55,241						55,241				
No CFDA		11,450,889	629,014		355,957	440,944	892,414	361,471	1,322,911	5,304,214	2,143,964	
		1,737				1,737						
93.000	4587-DD03-TR-TKMARTIN	158,100				158,100						
93.000	RY4800-011-MSU	17,957				17,957						
93.000	2004-153E	490,054				490,054						
93.000	06100918	1,472				1,472						
93.000	E-4022848	15,618				15,618						
93.000	06pa55233	48,218				48,218						
93.000	4599-TR-DD07-MSU	222,915								222,915		
93.000		7,496									7,496	
93.000	6811-DJP2-USM	33,579									33,579	
93.000	4536-ED-DD06-USM2	(1,000)									(1,000)	
93.000												

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
MS Protection and Advocacy System, Inc. - U.S. Dept of Health and Human Services	93.000		31									31	
MS Protection and Advocacy System, Inc. - U.S. Dept of Health and Human Services	93.000		2,176									2,176	
MS Protection and Advocacy System, Inc. - U.S. Dept of Health and Human Services	93.000	52507451	2,324									2,324	
MS Protection and Advocacy System, Inc. - U.S. Dept of Health and Human Services	93.000	G0501MS1401	(3,436)									(3,436)	
Jackson State University - U.S. Dept of Health and Human Services	93.000	G051MS1401	15,084									15,084	
Jackson State University - U.S. Dept of Health and Human Services	93.000	G051MS1401	(15,084)									(15,084)	
MS Protection and Advocacy System, Inc. - U.S. Dept of Health and Human Services	93.000		64									64	
University of Kentucky - U.S. Dept of Health and Human Services	93.000	304685900-06-259	39,268									39,268	
Hinds County Human Resource Agency - Child Mental Health	93.001		7,085			7,085							
DHA - Cooperative Agreements to Improve the Health Status of Minority Popu	93.004	05050481	17,661				17,661						
DHA - Cooperative Agreements to Improve the Health Status of Minority Popu	93.004	05050481	22,057				22,057						
DHA - Cooperative Agreements to Improve the Health Status of Minority Popu	93.004	06100908	297,601				297,601						
DHA - Cooperative Agreements to Improve the Health Status of Minority Popu	93.004	06100908	6,864				6,864						
Hemophilia of Georgia - Maternal and Child Health Federal Conokicalad	93.110	SWOG-888	28,666							28,666			
Hemophilia of Georgia - Maternal and Child Health Federal Conokicalad	93.110	SWOG-893	38,301							38,301			
MDH - Centers for Research and Demonstration for Health	93.135	07090791	7,201				7,201						
Louisiana State University - AIDS Education Training Centers	93.145	1HAAHA00059	323,678								323,678		
MSDH - Coordinatd Services and Access	93.153		391,740								391,740		
NACCPRA - Coord. Services and Access -o Research for Women, Infants, Children, Youth	93.153	07030308	1,841				1,841						
Teahealth Network Grants	93.211	94068	82,883								82,883		
Dream - DHHS	93.230	5 UDI SPO9361	26,310							26,310			
MSDH - Grants for Dental Public Health Residency Training	93.236		3,523								3,523		
DHA - State Rural Hospital Flexibility Program	93.241	DHA Project #20	325,210				325,210						
DHA - State Rural Hospital Flexibility Program	93.241	DHA Project #18	93,682				93,682						
DHA - State Rural Hospital Flexibility Program	93.241	DHA Project 13	70				70						
DHA - State Rural Hospital Flexibility Program	93.241	DHA Project 13	80,979				80,979						
Delta Health Alliance - State Rural Hospital Flexibility Program	93.241	UIFRH07411	455,988								455,988		
Delta Health Alliance - State Rural Hospital Flexibility Program	93.241	UIFRH07411	79,842								79,842		
Delta Health Alliance - State Rural Hospital Flexibility Program	93.241	UIFRH07411	240,368								240,368		
Delta Health Alliance - U.S. Dept of Health and Human Services	93.243	Project #22	4,607									4,607	
Morehouse School of Medicine - HBCU/NRC Mini Grant	93.301	1111716501	4,600			4,600							
MDH - Small Rural Hospital Improvement Grant Program	93.389	07020104	1,500										
MFGN - NIH - Queenberry	93.389		876										
MFGN - NIH - Swan	93.389		876										
MFGN - NIH - Brown	93.389		1,500										
MFGN - NIH - Isani	93.389		1,500										
USM / NIH Reo	93.389		972										
University of Michigan - Cancer Treatment Research	93.395	5F20RR016476-07	11,567										
University of Michigan - Cancer Treatment Research	93.399	6U10CA32102	(2,349)										
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.556	5250351	(808)										(2,349)
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.556	5250352A	136,939										(808)
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.558		178										136,939
NYSP 2006	93.570		1,392										178
NYSP 2006	93.570	NYSP 2005	392										1,392
NYSP 2006	93.570	NYSP 2006	2,248										
PACE Headstart - U.S. Dept of Health and Human Services	93.575		259										259

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUSU	UM	UMMC	USM	IHL Board
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	52507462	66,573								66,573	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	52507471	25,438								25,438	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	5250362A	348,928								348,928	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	52507452	2,692								2,692	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	52507461	(12,976)								(12,976)	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	5250362A	2								2	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	5250362A	123,120								123,120	
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.575	G-0701-MS-00FP	1,850								1,850	
USM - MDHS 07	93.575	52707462	55,097						55,097			
MDHS - Child Care and Development Block Grant	93.575	527WK032	231,710				231,710					
MDHS - Child Care and Development Block Grant	93.575	527WK032	1,442,939				1,442,939					
MDHS - Child Care and Development Block Grant	93.575	527WK032	62,841				62,841					
MDHS - Child Care and Development Block Grant	93.575	52707472	319,856				319,856					
MDHS - Child Care and Development Block Grant	93.575	52707473	289,763				289,763					
MDHS - Child Care and Development Block Grant	93.575	527W551	132,979				132,979					
MDHS - Child Care and Development Block Grant	93.575	527W561	37,708				37,708					
MSDH - Developmental Disabilities Basic Support	93.650		71,845				71,845					
Harrison County School District - U.S. Dept of Health and Human Services	93.631	USM-GM000475	23,861								23,861	
Harrison County School District - U.S. Dept of Health and Human Services	93.631		1								1	
Jackson State University - U.S. Dept of Health and Human Services	93.658		(20,935)								(20,935)	
Jackson State University - U.S. Dept of Health and Human Services	93.658		716,312								716,312	
USM - Foster Care Title IV-E	93.658	525E161	249				249					
USM - Foster Care Title IV-E	93.658	GR02356-C10	2,301				2,301					
USM - MS DHS	93.658	GR02356-D10	1,165						1,165			
USM - Title IV-E Training	93.658	G000MS1401	7,265									
MDHS - Title IV-E Foster Care	93.667	USM02356F10	(20,179)			7,265						
MDHS - Social Services Block Grant	93.667	528R131	297,408				297,408					
MDHS - Social Services Block Grant	93.667	527WK031	7,406,214				7,406,214					
MDHS - Social Services Block Grant	93.667	527WK033	3,405				3,405					
MS Dept of Human Services - U.S. Dept of Health and Human Services	93.670	525W661A	4,035								4,035	
UKRF - DHHS Yr.3	93.670	90CA168805	4,593									
MS Dept of Mental Health - U.S. Dept of Health and Human Services	93.779	6036-04-PCP-USM	266								266	
University of MS Medical Center - U.S. Dept of Health and Human Services	93.824	66807-04	119,826								119,826	
MS Dept of Mental Health - U.S. Dept of Health and Human Services	93.867	4564-ED-DD06-USM	7,722								7,722	
MS Dept of Mental Health - U.S. Dept of Health and Human Services	93.867	4564-ED-DD04-USM	4,429								4,429	
Specialty Selected Health Projects	93.888		683,714								683,714	
MSDH - National Bioterrorism Hospital Preparedness	93.889		13,356								13,356	
MSDH - National Bioterrorism Hospital Preparedness	93.889		478,874								478,874	
MSDH - National Bioterrorism Hospital Preparedness	93.889		116,836								116,836	
MSDH - HIV Care Formula Grants	93.917		146,890								146,890	
University of Southern California - HIV Demonstration, Research	93.941	#31067	590								590	
MS Dept of Health - U.S. Dept of Health and Human Services	93.946	FS2003050103	16,764									16,764
MDMH - SAFT 06 BLOCK GRANT PREVENTION	93.959	7420 07SAFT 32 23	271,618									271,618
MDMH - SAFT 07 Block Grant	93.959	7420 07SAFT 32 24	29,693									29,693
MDMH - Metro Jackson	93.959		(9,723)									(9,723)

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board
MDMH - SAPT Block Grant '04	93.959	742006SAPT3222	12,470	-	-	12,470	-	-	-	-	-	-	-
Indiana University Purdue - Bridges to the Doctorate	93.960	IP25G167592	133,571	-	-	133,571	-	-	-	-	-	-	-
University of Alabama at Birmingham - U.S. Dept of Health and Human Services	93.990	5U01CA66128-05	7,630	-	-	-	-	-	-	-	7,630	-	-
MSDH - Maternal and Child Health Services Block Grant	93.994	-	354	-	-	-	-	-	-	-	354	-	-
MSDH - Maternal and Child Health Services Block Grant	93.994	-	29,788	-	-	-	-	-	-	-	29,788	-	-
MDMH - The Mississippi Alliance for Prevention	93.995	7D25SIGJUMKPC04	27,612	-	-	27,612	-	-	-	-	-	-	-
MDMH - The Mississippi Alliance for Prevention	93.995	7D168GJUA004	(12,493)	-	-	(12,493)	-	-	-	-	-	-	-
Contract Center of Excellence in Women's Health	No CFDA	233-03-111	200,406	-	-	-	-	-	-	200,406	-	-	-
Contract Center of Excellence in Women's Health	No CFDA	233-03-111	3,438	-	-	-	-	-	-	3,438	-	-	-
Subtotal Pass-through Programs			17,645,195	-	-	454,165	11,820,303	-	-	94,905	3,385,192	1,890,629	-
Total U.S. Department of Health and Human Services			29,066,084	629,014	-	810,123	12,261,247	882,414	361,471	1,417,816	8,689,406	4,034,933	-
Corporation for National and Community Service:													
Slate Commissions	94.003	-	171,110	-	-	-	-	-	-	-	-	-	171,110
Learn and Serve America - School and Community Based Program	94.004	-	189,796	-	-	-	-	-	-	-	-	-	189,796
Learn and Serve America - Higher Education	94.005	-	74,138	-	-	-	-	-	-	-	-	74,138	-
AmeriCorps	94.006	-	2,215,542	253,431	-	-	-	-	-	57,051	-	-	1,945,060
CHCS - Planning and Program Development Grants	94.007	-	67,225	-	-	-	-	-	-	-	-	-	68,674
Intern Program Development - Training and Technical Assistance	94.009	-	250,434	-	-	-	-	-	-	-	-	-	250,434
Foster Grandparent Program	94.011	-	114,720	-	-	-	-	-	-	-	-	-	114,720
Volunteers in Service to America	94.013	-	40,686	-	-	-	-	-	-	-	-	-	43,887
Subtotal Direct Programs:			3,123,651	253,431	-	-	-	-	-	57,051	-	-	183,208
Pass-through Program From:													
Pinetree Association for Families - Corp for National and Community Service	94.000	-	11,866	-	-	-	-	-	-	-	-	-	11,866
MS Commission for Volunteer Services - Corp for National and Community Service	94.000	LSA-101504-EVAL	262	-	-	-	-	-	-	-	-	-	262
Center for Community & Civic Engagement - Corp for National and Community Ser	94.005	GR07751	11,657	-	-	-	-	-	-	-	-	-	11,657
Center for Community & Civic Engagement - Corp for National and Community Ser	94.005	-	1,222	-	-	-	-	-	-	-	-	-	1,222
Brown University - Corp for National and Community Service	94.006	153724627	7,760	-	-	-	-	-	-	-	-	-	7,760
MS Commission for Volunteer Services - Corp for National and Community Service	94.006	AmeriCorps	114,357	-	-	-	-	-	-	-	-	-	114,357
MS Commission for Volunteer Services - Corp for National and Community Service	94.006	-	(54,552)	-	-	-	-	-	-	-	-	-	(54,552)
MS Commission for Volunteer Services - Corp for National and Community Service	94.006	(13)	(13)	-	-	-	-	-	-	-	-	-	(13)
MCVS - AmeriCorps	94.006	05121189	85,816	-	-	-	85,816	-	-	-	-	-	-
America Reads Mississippi - Fy 2005-06	94.006	N/A	669,190	-	-	-	-	-	-	-	-	-	669,190
America Reads Mississippi - Fy 2006-07	94.006	N/A	2,894,563	-	-	-	-	-	-	-	-	-	2,894,563
IHL - American Reads Mississippi	94.002	-	63,286	-	-	63,286	-	-	-	-	-	-	-
MCVS - Literacy Corps	94.010	03AFGMS00100006	257,325	-	-	-	257,325	-	-	-	-	-	-
Subtotal Pass-through Programs			4,062,738	-	-	63,286	343,141	-	-	57,051	-	-	92,558
Total Corporation for National and Community Service			7,186,389	253,431	-	63,286	343,141	-	-	57,051	-	-	275,166
U.S. Social Security Administration:													
Pass-through Program From:													
VA Dept for Blind & Vision Impaired - Social Security State Grants Work Incentives	96.009	VA Dept for Blind & Vision Impaired	27,621	-	-	-	27,621	-	-	-	-	-	-

State of Mississippi Institutions of Higher Learning

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal CFDA Number	Pass-through Entry identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board
U.S. Department of Homeland Security:												
FEMA Disaster Relief		1,541							1,541			
Disaster Assistance Projects		4,647,782									4,647,782	
Federal Emergency Management Assistance - Public Assistance Grants		1,419,660					1,419,660					
Subtotal Direct Programs:		6,088,983					1,419,660		1,541		4,647,782	
Pass-through Program From:						8,869						
MTA - US Dept of Homeland Security	MTA 07060543	8,869				8,869						
MS Emergency Management Agency - U.S. Dept of Homeland Security	SSSG-USM	38									38	
The Emergency Management District - U.S. Dept of Homeland Security	SSSG-USM-TMG	8,891									8,891	
Laiyate County EMA - U.S. Dept of Homeland Security	SSSG-USM-M2	(1)									(1)	
DPS 06HS700-US DHS	DPS 06HS700	36,286							36,286			
MOPS - OHS Sub	2005-GE-15-0005	105,000							105,000			
MOPS - OHS	2005-GE-15-0005	30,311							30,311			
Subtotal Pass-through Programs		191,485				8,869			173,597		9,029	
Total U.S. Department of Homeland Security		6,280,478				8,869	1,419,660		175,136		4,656,811	
U.S. Agency of International Development:												
Independent Libraries of Cuba		359,394				359,394						
Unknown Federal Agencies:												
Entrepreneur Tech		56,844						56,844				
Construction Education Fund		8,823						8,823				
ITEST		288,221						288,221				
MAMP		17,085						17,085				
Total Unknown Federal Agencies		370,973						370,973				
Total Other Programs		176,594,535	9,049,067	83,176	14,728,463	28,324,362	2,437,783	10,020,758	15,288,867	9,639,021	26,320,942	60,702,106
Total Expenditures of Federal Awards		\$ 747,272,510	\$ 46,816,444	\$ 16,970,963	\$ 87,428,800	\$ 188,172,746	\$ 17,378,111	\$ 40,906,394	\$ 102,891,336	\$ 62,437,146	\$ 123,323,705	\$ 60,955,884

State of Mississippi Institutions of Higher Learning

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs administered by the State of Mississippi Institutions of Higher Learning. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. Federal programs included in the accompanying schedule are accounted for using the economic resources measurement focus and the accrual basis of accounting, which is described in Note 1 to the IHL System's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

The schedule was prepared using the same basis of accounting and significant accounting policies, as applicable, used by the IHL System in the preparation of its financial statements with the following exceptions:

- For purposes of the schedule, loans advanced from the Federal Perkins Loan Program (CFDA #84.038) and Health Profession Student Loans (CFDA #93.342) are presented as federal expenditures. These loans are not reported as expenditures on the IHL System's financial statements, but as an increase in notes receivables. The outstanding loan balances and the allowance for uncollectible amounts for the loan programs at June 30, 2007, are presented in Note 5 to the financial statements.
- For purposes of this schedule, loans made to students under the William D. Ford Direct Student Loan Program (CFDA #84.268) and/or the Federal Family Education Loan Program (CFDA #84.032) are presented as federal expenditures. Neither the funds advanced to students, nor the outstanding loan balance is included in the IHL System's financial statements since the loans are made and subsequently collected by private lending institutions and/or the federal government.
- For purposes of this schedule, pass-through federal programs or grants between institutions have not been eliminated.

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Reports on Internal Control and Compliance

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

Board of Trustees of the State Institutions of Higher Learning
3825 Ridgewood Road
Jackson, MS 39211-6463

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2007 which collectively comprise the IHL System's basic financial statements as listed in the table of contents and have issued our report thereon dated February 25, 2008. We did not audit the financial statements and schedules of:

the University of Mississippi Medical Center Educational Building Corporation, a component unit of the University of Mississippi Medical Center, which statements reflect total assets of \$148,752,755 as of June 30, 2007, and total revenues of \$6,993,607 for the year then ended;

the University of Mississippi Educational Building Corporation, a component unit of the University of Mississippi, which statements reflect total assets of \$110,206,862 as of June 30, 2007, and total revenues of \$3,537,584 for the year then ended;

the University Hospitals and Clinics, a division of the University of Mississippi Medical Center, which schedules reflect total net patient accounts receivable and amounts due from third-party payors as of June 30, 2007, of \$65,811,862 and \$44,622,514, respectively, and net patient service revenue of \$463,933,432 for the year then ended;

the University of Mississippi Medical Center Tort Claims Fund, which statements reflect total assets of \$30,888,074 as of June 30, 2007, and total revenues of \$6,616,467 for the year then ended;

the State Institutions of Higher Learning Self-Insured Workers' Compensation Program, which statements reflect total assets of \$6,785,691 as of June 30, 2007, and total revenues of \$290,727 for the year then ended;

the State Institutions of Higher Learning Tort Liability Fund, which statements reflect total assets of \$8,763,401 as of June 30, 2007, and total revenues of \$3,512,919 for the year then ended; and

the discretely presented component units consisting of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation, which represent 100% of the assets and revenues of the discretely presented component units.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us. This report, insofar as it relates to the amounts included for the above mentioned entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements and schedules of the blended and discretely presented component units audited by other auditors, as described above, were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the IHL System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IHL System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the IHL System's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Section 2 of the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described in the accompanying schedule of findings and questioned costs are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IHL System's basic financial statements are free of 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 and the reports of other auditors did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the IHL System in a separate letter dated February 25, 2008.

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

Carr, Riggan & Ingram, LLC

Ridgeland, Mississippi
February 25, 2008

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

Board of Trustees of the State Institutions of Higher Learning
3825 Ridgewood Road
Jackson, MS 39211-6463

Compliance

We have audited the compliance of the State of Mississippi Institutions of Higher Learning (the IHL System) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The IHL System's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the IHL System's management. Our responsibility is to express an opinion on the IHL System's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the IHL System's 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. Our audit does not provide a legal determination on the IHL System's compliance with those requirements.

In our opinion, the IHL System complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in Section 3 of the accompanying schedule of findings and questioned costs as findings FA07-USM-01 and FA07-USM-03.

American Institute of
Certified Public Accountants

Alabama Society of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

Georgia Society of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

AICPA Alliance for CPA Firms

Center for Audit Quality

Internal Control Over Compliance

The management of the IHL System is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the IHL System's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the IHL System's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider all the deficiencies in internal control over compliance described in Section 3 of the accompanying schedule of findings and questioned costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The IHL System's responses to the findings identified in our audit are described in the accompanying auditee's corrective action plan section. We did not audit the IHL System's responses and, accordingly, we express no opinion on them.

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

Carr, Riggs & Ingram, LLC

Ridgeland, Mississippi
March 10, 2008

Schedule of Findings and Questioned Costs

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State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1: Summary of Auditors' Results

Financial Statements

- | | | |
|----|--|-------------|
| 1. | Type of auditors' report issued: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified
not considered to be material weakness(es)? | Yes |
| 3. | Material noncompliance relating to financial statements? | No |

Federal Awards

- | | | |
|-----|---|--------------|
| 4. | Type of auditors' report issued on compliance for major programs: | Unqualified |
| 5. | Internal Control over major programs: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency (ies) identified
not considered to be material weakness(es)? | Yes |
| 6. | Any audit finding(s) reported as required by Section .510 (a)
of Circular A-133? | Yes |
| 7. | Federal programs identified as major program(s): | |
| | a. Research and Development Cluster:
(see Schedule of Expenditures of Federal Awards for CFDA numbers) | |
| | b. Student Financial Aid Cluster:
(see Schedule of Expenditures of Federal Awards for CFDA numbers) | |
| | c. Cooperative Extension Service; CFDA #10.500 | |
| | d. Edward Byrne Memorial State and Local Law Enforcement Assistance Grant
Program; CFDA #16.580 | |
| | e. Education and Human Resources; CFDA #47.076 | |
| | f. MDHS - Social Services Block Grant; CFDA #93.667 | |
| | g. Higher Education - Institutional Aid; CFDA #84.031 | |
| | h. Hurricane Education Recovery Assistance; CFDA #84.938F | |
| | i. Federal Emergency Management Assistance - Public Assistance; CFDA #97.036 | |
| | j. AmeriCorps; CFDA #94.006 | |
| 8. | The dollar threshold used to distinguish between Type A and
Type B programs: | \$ 3,000,000 |
| 9. | Auditee qualified as low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal
awards which would require the auditee to prepare a summary schedule
of prior audit findings as discussed in Section .315(b) of OMB
Circular A-133? | Yes |

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 2: Findings Relating to the Financial Statements

The deficiencies described in Section 2 were considered to be significant deficiencies in internal control over financial reporting.

System Wide Significant Deficiency:

FS07-IHL-1: Elimination Entries

The IHL System describes in its summary of significant accounting policies that all significant inter-agency transactions have been eliminated. However, during our audit, we noted the IHL System did not properly consider the elimination of significant transactions, including pass-through grants, among the institutions within the IHL System nor were inter-billings from the corporate board office considered for elimination. As a result, we identified approximately \$60 million of revenues and expenses that required elimination for proper financial statement presentation. Management should design and implement a formalized process for the identification of all significant inter-agency balances and transactions among the institutions of the IHL System and properly eliminate these amounts for financial reporting purposes.

Institutional Campus Significant Deficiencies:

Alcorn State University

FR07-ASU-1: Accounts Payable

During our audit procedures at Alcorn State University, we noted that there were unreconcilable differences between the accounts payable subsidiary ledger and the general ledger control account. Further, our review of the open invoice subsidiary detail revealed that there were numerous old outstanding vendor invoices that had not been paid and were likely the result of errors resulting from prior years. As a result, accounts payable and accrued expenses were misstated resulting in an audit adjustment of over \$3 million for this overstatement. Management should adopt administrative control procedures to ensure that the accounts payable general ledger control account is reconciled to the detail subsidiary ledger on a monthly basis and that any differences are timely researched and corrected. Further, these administrative control procedures should include an aging and timely review of the composition of the accounts payable subsidiary detail to identify any old, unpaid or disputed vendor invoices.

FR07-ASU-2: Allowance for Doubtful Accounts

During our procedures at Alcorn State University, we noted that no provision had been made during the current year for estimated uncollectible accounts. Based upon an independent analysis, it was estimated that the allowance was potentially understated by approximately \$1 million. An evaluation of the collectibility of accounts receivable should be performed and documented by management at least annually and any adjustment resulting there from should be timely recorded to the University's financial statements.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Delta State University

FR07-DSU-1: Governmental Advances Refundable Liability

During our audit procedures at Delta State University, we noted that the University had understated other long-term liabilities by approximately \$1.9 million relating to the federal portion of the Federal Perkins loan program. The Federal Perkins loan program is funded through a combination of Federal and university resources and the portion of these programs funded with Federal funds is ultimately refundable to the U. S. Government upon termination. Accordingly, the Federal portion should be reported as a long-term liability and recognized as a government advance refundable liability. Because these Federal funds are treated differently in the University's internal fund reporting, we recommend that management create a formalized bridging methodology that is standard among all the IHL System reporting institutions to convert the respective university's internal financial statements to reporting pursuant to GASB Statement No. 34. Further, management should adopt a formal review process so that this conversion is reviewed by a responsible person knowledgeable with the required GASB reporting process.

Jackson State University

FR07-JSU-1: Student Accounts Receivable and Allowance for Doubtful Accounts

During our audit procedures at Jackson State University, we noted that there were significant differences between the student accounts receivable subsidiary ledger and the general ledger control account. Further analysis revealed that approximately \$7.1 million related to old student accounts receivable balances prior to the University's conversion to the Banner system and approximately \$2.2 million were unidentified. In addition, we noted that the University's allowance for doubtful accounts did not adequately provide for the uncollectibility related to these old accounts. As a result, an audit adjustment of approximately \$7.8 million was required for the projected understatement of the University's allowance for doubtful accounts. Management should adopt administrative control procedures to ensure that the students' accounts receivable general ledger control account is reconciled to the detail subsidiary ledger on a monthly basis and that any differences are timely researched and corrected. Further, management should investigate the possibilities of modifying the aging criteria within the system to better reflect the year and semester relating to these old outstanding receivables and establish a formalized approach using estimated collection rates by semester and year to develop the required allowance for doubtful accounts. Alternatively, data extraction software should be considered to age the data base of outstanding balances based upon the last activity date within the data fields of the student record. This information could then be used to apply estimated uncollectible percentages by semester and year of origination.

FR07-JSU-2: Governmental Advances Refundable Liability

During our audit procedures at Jackson State University, we noted that the University had understated other long-term liabilities by approximately \$1.5 million relating to the federal portion of the Federal Perkins loan program. The Federal Perkins loan program is funded through a combination of Federal and university resources and the portion of these programs funded with Federal funds is ultimately refundable to the U. S. Government upon termination. Accordingly, the Federal portion represents a government advance refundable liability and an audit adjustment was required to recognize the Federal portion as a refundable liability. Because these Federal funds are treated differently in the University's internal fund reporting, we recommend that management create a formalized bridging

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

methodology that is standard among all the IHL System reporting institutions to convert the respective university's internal financial statements to reporting pursuant to GASB Statement No. 34. Further, management should adopt a formal review process so that this conversion is reviewed by a responsible person knowledgeable with the required GASB reporting process.

FR07-JSU-3: Capital Assets

We also noted during our audit of Jackson State University, that the University misstated capital asset additions for 2007 by approximately \$1.3 million as a result of incorrectly recording the cost of a capital asset. As a result, the cost basis of the capital asset reflected on the University's detail depreciation records was also overstated. We recommend that management strengthen its control process by requiring closer scrutiny of plant expenditures and the assets capitalized for GASB reporting.

Mississippi State University

FR07-MSU-1: Classification of Net Assets

During our audit procedures at Mississippi State University, we noted that the University had incorrectly classified its quasi-endowment net assets as nonexpendable restricted net assets. Quasi-endowment are amounts that the institution's governing board, rather than a donor or other outside entity, has determined should be managed as if they were a permanent or term endowment. Net assets should be reported as if the board had not designated the amounts as quasi-endowments. Thus, net assets should be reported as restricted and expendable or as unrestricted, depending on whether there are restrictions on the resources used to create the quasi-endowment. As a result an audit adjustment approximating \$4.5 million was required to properly classify quasi-endowments as unrestricted net assets. In addition, we noted certain misclassifications among the restricted expendable and restricted nonexpendable net asset classifications. We recommend that management strengthen controls over the conversion of net assets from its fund balance presentation to GASB and scrutinize the classifications based upon donor stipulations and intent.

Mississippi University for Women

FR07-MUW-1: Classification of Net Assets

During our audit procedures at Mississippi University for Women, we noted that the University had incorrectly classified its true endowment net assets as unrestricted net assets. True endowment are amounts for which donors or other outside entities have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity. Net assets of permanent endowments should be reported as restricted and nonexpendable and as a result an audit adjustment of approximately \$2.7 million was required to reclassify unrestricted net assets and nonexpendable restricted net assets. We recommend that management strengthen controls over the conversion of net assets from its fund balance presentation to GASB and scrutinize the classifications based upon donor stipulations and intent.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Mississippi Valley State University

FR07-MVSU-1: Student Accounts Receivable and Allowance for Doubtful Accounts

During our review of management's development of the allowance for doubtful accounts relating to the student accounts receivable for Mississippi Valley State University, we noted the current aging of student accounts receivable does not provide for sufficient analysis of past due accounts and groups all significant past due accounts into amounts past due 91 days and older. This classification represents over 97% of total student accounts receivable outstanding as of June 30, 2007. We requested management to provide an analysis itemizing the balance outstanding for all student accounts in which no activity had occurred to the student's account since the prior year, which approximated \$3.1 million. As a result, management recorded a post closing audit adjustment of approximately \$1 million to increase the analysis to 75% of these outstanding amounts. We recommend that management develop a more formal methodology for providing an adequate allowance for doubtful accounts by modifying the aging criteria within the system to better reflect the year and semester relating to these old outstanding receivables. Further, management should consider recording an allowance that sufficiently provides for the outstanding balances of students that have not re-enrolled in the University in the last two years and who have not remitted any subsequent collections or evidence of intent to repay.

FR07-MVSU-2: Grants, Contracts and Other Receivables

During our review and testing of the validity of accounts receivable reported by the University, we noted that certain accounts receivable were overstated as a result of errors and a lack of a formal analysis and review of the general ledger accounts comprising this financial statement line item. Our testing and audit procedures detected the following potential misstatements:

- State appropriations receivable reported by the University was overstated by approximately \$348,000 as a result of the University's request for reimbursement for encumbered amounts that did not represent valid expenditures as of the current year.
- The grants and contracts receivable reported by the University were overstated due to errors and cumulative differences from prior years which had not been corrected. As a result an audit adjustment of approximately \$1.9 million was recorded to reduce grants and contracts receivable to their proper balance.

We recommend that management develop a more formalized approach which includes accountability and reconciliation of accounts receivable balances to the underlying supporting detail information on a timely and more periodic basis. This reconciliation approach should be performed monthly and reviewed by a responsible person independent of the reconciliation process as evidenced by their signature and approval.

FR07-MVSU-3: Classification and Presentation of Investments

During our audit procedures at the University, we noted certain classification discrepancies relating to the reporting of investments. As a result, we identified investments approximating \$14 million that were presented as short-term investments which more appropriately should have been classified as restricted short-term investments. As a result, a reclassification was recorded to reclassify these investments from current assets to a noncurrent asset category. We also identified approximately

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

\$1.2 million of investments in repurchase agreements that we inaccurately classified as accounts receivable. In addition, we noted that the responsibilities of one university employee span across the functions of recording investment activity, reconciliation of investment accounts and preparation of investment reporting disclosures. Based upon inquiry with university management, there are certain oversight controls in place for the review of this employee's functions; however, evidence of the independent review was not formally documented. We recommend that controls be strengthened by implementing a formal review process of the investment functions, including reporting disclosures and that evidence of the review process be properly documented by appropriate signature, month end reporting checklists or review logs.

FR07-MVSU-4: Capital Assets

During our audit procedures relative to capital assets at the University, we noted the following matters which resulted in potential misstatements to the University's financial statements:

- The prior year financial statements did not reflect the completed cost incurred to date for the construction of the University's new Business Education building with an approximate cost incurred in 2006 of \$7.6 million. Because of this error, a prior period adjustment was required in 2007 to correct for this addition. Based upon inquiries with management, the removal of the asset resulted from an adjustment by the prior independent audit firm as a result of a miscoding of the asset category on the Bureau of Buildings annual report.
- During 2007, university personnel recorded the acquired value for the new Business Education building based upon information provided by internal property personnel which was understated by approximately \$395,000. As a result the value recorded in 2007 did not reconcile to the cost incurred as reported by the Bureau of Buildings in its annual 2007 report.
- During 2007, university personnel failed to capitalize the furniture and equipment acquired for the new Business Education building which approximated \$565,000. University property accounting personnel became aware of this oversight subsequent to year end and plan on reporting these assets on Form F to the State Property Office in fiscal 2008.
- The University maintains a reconciliation which reconciles the general ledger to information reported to the State Property Office on Form F. During our review and inquiry, we noted numerous of the reconciling items applicable to furniture and equipment represent book errors for items that should not be reported as capital assets but were posted to the general ledger control account. These reconciling errors have no impact on the GASB financial statements as the items appear to represent expenditures under the \$5,000 capitalization threshold or represent old outstanding differences (i.e. before January 1, 2000) that would have been fully depreciated by the current fiscal year.

The majority of the deficiencies noted above occurred as a result of misinterpretation and a lack of effective reconciliation by the University with capital asset projects managed by the Bureau of Buildings. The University should develop a formalized and effective reconciliation and review process to ensure the information provided by the Bureau is appropriately recorded and presented. Additionally, management should research the reconciling items between the equipment general ledger control account and the detail fixed asset listing of capital assets reported under Form F and correct any differences on a timely basis.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

University of Mississippi

FR07-UM-1: Classification and Presentation of Investments

During our audit procedures at the University of Mississippi, we noted certain classification discrepancies relating to the reporting of investments. As a result, we identified investments approximating \$4 million that were presented as restricted short term investments which more appropriately should have been classified as restricted cash and cash equivalents. In addition, we noted that the responsibilities of one university employee span across the functions of recording investment activity, reconciliation of investment accounts and preparation of investment reporting disclosures. Based upon inquiry with university management, there are oversight controls in place for the review of this employee's functions; however, evidence of the independent review was not formally documented. We recommend that controls be strengthened by implementing a formal review process of the investment functions, including reporting disclosures and that evidence of the review process be properly documented by appropriate signature, month end reporting checklists or review logs.

University of Mississippi Medical Center

FR07-UMMC-1: Tort Fund Unpaid Claim Liabilities

During our audit procedures at the University of Mississippi Medical Center (UMMC), we noted that the UMMC financial statements did not reflect the claims liability of the UMMC Tort Claims Fund which is required to be consolidated with the financial statements of the hospital as a blended component unit pursuant to GASB No. 14. The claims liability was improperly recorded as net assets and resulted in an audit adjustment of approximately \$25.7 million to reduce net assets and properly present the liability. UMMC personnel maintain the books and related records of the Tort Claims Fund and also perform the consolidation of the financial statements for GASB reporting. To strengthen its financial reporting process, management should consider performing a detailed review of all consolidating and eliminating entries and related schedules to ensure the assets, liabilities and net assets of each blended component unit are properly reflected in its financial statements and related footnote disclosures. This review should include a comparison of financial line items, as presented in the financial statements of the blended component units, with the financial statements of UMMC.

University of Southern Mississippi

FR07-USM-1: Grants and Contracts Receivable

During our audit procedures at the University of Southern Mississippi, we noted the following deficiencies relating to the University's accounting for grants and contracts:

- With respect to grants and contracts receivable, as a part of our audit procedures we noted minor errors that resulted from a lack of evaluation of potentially uncollectible accounts. In addition, we noted cut-off issues, such as establishing a minor receivable balance for a grant which had not yet been awarded and the lack of recording a receivable balance of \$432,000 related to a fixed price contract in which all requirements were completed prior to year-end. Also, we noted various mispostings of cash receipts to accounts receivable balances which resulted in minor errors. Lastly, we noted an oversight in recording the impact of the FEMA Public Assistance grant in the financial statements, which resulted in accounts receivable

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

being understated by approximately \$11.5 million. Since the FEMA grant was administered by Administration – Physical Plant, it was not under the oversight of either the Controller's Office or of the Contracts and Grants Department.

- With respect to grant deferred revenue, we noted that the process the University has in place to record deferred revenue is a manual process which has a greater potential for error than an automated process. We also noted various cost-reimbursement grants and gifts of approximately \$227,000 which incorrectly reflected deferred revenue balances. In addition, we noted various mispostings of cash receipts which resulted in minor errors.

For grants and contracts receivable, we recommend that management implement a process to identify uncollectible accounts and establish an allowance for estimated uncollectible accounts identified. In addition, management should implement more rigorous controls surrounding the cut-off of accounts receivable and the periodic review of those receivable balances. Management should also establish a review process for potential grants that are outside the scope of the restricted fund (such as the FEMA grant) but should be handled in a similar manner as other grants and contracts.

For deferred revenue associated with grants, we recommend that management consider the possibility of implementing a more automated process. In addition, management should adopt a more formalized process for the periodic review of the University's deferred revenue accounts.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 3: Findings and Questioned Costs Related to Federal Awards

Alcorn State University

FA07-ASU-01: Internal Controls over Davis-Bacon Act Compliance

Finding Type: Significant Deficiency

Program Tested: N/A – Ineffective Internal Control

Questioned Cost: None

Criteria

Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6).

Condition and Cause

During our review of internal controls at Alcorn State University, we noted that the University had not implemented procedures into its purchasing policy to monitor compliance with the Davis-Bacon Act for construction projects.

Effect

Failure of a non-federal entity to monitor its contractors and sub-contractors compliance with the provisions of the Davis-Bacon Act could result in questioned costs and a loss of federal funds.

Recommendation

Although we did not identify any major program expenditures at the University where the Davis-Bacon Act was applicable, we recommend that the University adopt formalized monitoring procedures to document compliance with the requirements of the Davis-Bacon Act.

FA07-ASU-02: Internal Controls over Suspension and Debarment Compliance

Finding Type: Significant Deficiency

Program Tested: N/A – Ineffective Internal Control

Questioned Cost: Undeterminable

Criteria

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Condition and Cause

During our review of internal controls at Alcorn State University, we noted that the University had not adopted formalized procedures to monitor compliance with suspension and debarment requirement for its construction projects.

Effect

Failure of a non-Federal entity to incorporate into its procurement procedures compliance with suspension and debarment requirements could result in questioned costs and a loss of Federal funds.

Recommendation

We recommend that the University implement formalized monitoring procedures to document compliance with the suspension and debarment requirements for federal award programs.

FA07-ASU-03: Internal Control over Allowable Costs

Finding Type: Significant Deficiency

Program Tested: Cooperative Extension Service – CFDA # 10.500

Questioned Cost: None

Criteria

In accordance with A-21, *Cost Principles for Educational Institutions*, the recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable. In accordance with A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, a recipient's financial management systems shall provide for effective internal control accountability for all funds. Also, the recipient should maintain accounting records, including cost accounting records, which are supported by source documentation.

Condition and Cause

During our test of controls over expenditures for the Cooperative Extension Service Program at Alcorn State University, we detected documentation deficiencies in the internal control environment as follows:

- Two (2) instances out of a sample of 25 items, where purchase requisitions were not signed for approval by either the principal investigator, department head, grants accountant or the director of business services.
- Three (3) instances where charges were not supported by a contract file that documented the significant history of the procurement selection.

Effect

Failure to maintain effective internal controls could result in disallowed costs.

Recommendation

The University should adopt accounting control procedures to ensure that an executed vendor contract is completed and maintained on file and that purchase requisitions are approved by the appropriate personnel. Additionally, all vendor contracts should reflect actual rates being charged for

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

goods and services rendered. Any changes made to vendor contracts should be evidenced in writing and approved by an authorized official of the University.

Jackson State University

FA07-JSU-01: Internal Control over Cash Management and Financial Reporting

Finding Type: Significant Deficiency

Program Tested: National Science Foundation (Education Human Resources - CFDA #47.076); Department of Education (Higher Education – Institutional Aid – CFDA #84.031)

Questioned Cost

For purposes of this finding, we have not questioned any costs as the programs remain open and management has made corrections prior to the issuance of the audit report.

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section L stipulates that reports for federal awards shall include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with program requirements. Also, OMB Circular A-133 Compliance Supplement Part 4, Section L stipulates that cumulative draw down amounts in the Grant Administration and Payment System should accurately reflect the grantee's actual disbursement of funds by award.

Further, OMB Circular A-133 Compliance Supplement Part 3, Section C stipulates that when entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.

Condition and Cause

We noted for the following programs, that the difference between the requested manual drawn downs and those reflected in the Grant Administration and Payment System (GAPS) for draw-downs did not reconcile to grant expenditures when considering accrued receivables as follows:

<u>Grant Name</u>	<u>Over (Under)</u>
Higher Education - Institutional Aid Grant	\$ 208,676
Education Human Resources	(19,387)

Jackson State University failed to follow established procedures which require personnel to reconcile amounts per the financial records to the amounts in the financial reports.

Effect

It appears that certain federal financial reports contained inaccurate financial information.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Recommendation

We recommend that management of the University continue in its efforts to correct the noted conditions and ensure that accurate financial information is submitted to the federal government in the future.

FA07-JSU-02: Internal Control over Subrecipient Monitoring

Finding Type: Significant Deficiency

Program Tested: Education Human Resources - CFDA #47.076

Questioned Cost: None

Criteria

OMB Circular A-133 Compliance Supplemental Part 3, Section M stipulates that a pass-through entity should monitor the subrecipients' use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Condition and Cause

During our audit we noted that management of Jackson State University failed to fully document fiscal monitoring procedures for five (5) out of five (5) subrecipients receiving disbursements of federal funds through the University. Accordingly, the University failed to follow established procedures which require all subrecipients to be monitored throughout the year.

Effect

It appears that the Jackson State University has not properly documented its compliance with the subrecipient monitoring compliance requirements.

Recommendation

We recommend that management of the University develop a monitoring plan, which includes all required documentation, to provide corroborative evidence that all subrecipients receiving pass-through federal funds are appropriately monitored.

University of Southern Mississippi

FA07-USM-01: Compliance with Matching Requirements

Finding Type: Immaterial Noncompliance

Program Tested: Research and Development Cluster (National Oceanic and Atmospheric Administration – CFDA #11.417; MRI: Nanaoprobe Cluster – CFDA #47.049; SBA Development Center – CFDA #59.037; MS Higher Ed Consortium – CFDA #94.005)

Questioned Cost: \$125,949

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Criteria

In accordance with A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, cost share amounts must be verifiable from the recipient's records.

Condition and Cause

During our testing of the matching compliance requirement, we noted three instances out of nine in which the University did not meet their cost share requirement by \$50,627 in total. In addition, we noted two instances in which the University did not maintain appropriate supporting documentation for in-kind salary and fringe cost share amounts in the amount of \$75,323.

Effect

Failure to comply with the matching requirement and to maintain appropriate supporting documentation could result in disallowed costs.

Recommendation

We recommend that the University put additional control procedures, including review procedures, and policies in place to ensure that matching requirements are met and the appropriate supporting documentation is maintained.

FA07-USM-02: Internal Control over Time and Effort Reporting

Finding Type: Significant Deficiency

Program Tested: Research and Development Cluster (MS Functional Genomics – CFDA #93.389); Edward Byrne Memorial State and Local Law Enforcement Assistance – CFDA #16.580

Questioned Cost: None

Criteria

In accordance with A-21, *Cost Principles for Educational Institutions*, after-the-fact effort reports, for professorial and professional staff, should be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports should be prepared no less frequently than monthly and should coincide with one or more pay periods.

Condition and Cause

During our disbursements testing of both the R&D Cluster and Edward Byrne major program, we noted three effort reports out of eight which were not approved. Therefore, reimbursements were made from budgeted amounts that were never certified by the individuals providing the service as to authenticity of the time and effort expended.

Effect

Failure to approve effort reports on a timely basis may result in inaccurate reporting of expenditures which could subsequently result in disallowed costs.

State of Mississippi Institutions of Higher Learning

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Recommendation

We recommend that the University implement additional control procedures to ensure that effort reports are certified in a timely manner. In addition, we recommend that the University update their effort reporting policy to include more stringent time requirements.

FA07-USM-03: Compliance with Cash Management Requirements

Finding Type: Immaterial Noncompliance

Program Tested: Edward Byrne Memorial State and Local Law Enforcement Assistance – CFDA # 16.580

Questioned Cost: \$15,218

Criteria

In accordance with A-21, *Cost Principles for Educational Institutions*, the recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable.

Condition and Cause

During our cash management testing of the Edward Byrne major program, we noted one instance out of three tested in which the University drew down an additional \$15,218 in which no expenditures had been incurred related to this amount at the time of the draw down.

Effect

Failure to draw down the appropriate amount due to a noncompliant cost accounting practice used to estimate, accumulate, or report costs could result in funds being credited or refunded to the Federal agency.

Recommendation

We recommend that the University implement additional control procedures, including review procedures, to ensure that the amount drawn down by the University does not exceed the expenditures incurred.

Auditee's Corrective Action Plan

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State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

System Wide Significant Deficiency:

FS07-IHL-1: Elimination Entries

Name(s) of Contact Person(s) Responsible for Corrective Action:
Chris Halliwell, Director of Accounting and Financial Analysis

Management Response and Corrective Action Planned:
The management of the IHL System concurs with the deficiency and has implemented policies and procedures designed to identify all significant inter-campus balances and transactions among the institutions within the IHL System. For financial reporting purposes, appropriate adjustments will be summarized and prepared to eliminate all significant inter-agency balances and transactions at each reporting period.

Anticipated Completion Date:
The anticipated completion date of the corrective action is June 30, 2008.

Institutional Campus Significant Deficiencies:

Alcorn State University

FR07-ASU-1: Accounts Payable

Name(s) of Contact Person(s) Responsible for Corrective Action:
Cassandra Lewis, Director of Accounting

Management Response and Corrective Action Planned:
Alcorn State University has generated an open invoice report to determine which items will not be paid for the prior years. Any invoices that will not be paid will be written off. The University will also ensure that the general ledger control account and the open invoice reports are reconciled on a monthly basis.

Anticipated Completion Date:
This will be completed on a monthly basis.

FR07-ASU-2: Allowance for Doubtful Accounts

Name(s) of Contact Person(s) Responsible for Corrective Action:
Theodora Rowan, Comptroller

Management Response and Corrective Action Planned:
Alcorn State University has adopted a year end allowance policy in order to evaluate the reasonableness of the uncollectible accounts receivables. Those accounts that are inactive for a pre-determined period will be considered uncollectible.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

Anticipated Completion Date:

This review process will be ongoing during the current fiscal year to ensure the allowance properly reflects the uncollectibility of accounts receivables at fiscal year end.

Delta State University

FR07-DSU-1: Governmental Advances Refundable Liability

Name(s) of Contact Person(s) Responsible for Corrective Action:
Becky Foster, Director of Accounting

Management Response and Corrective Action Planned:
Delta State University will report the federal share of the Perkins loan program as a long-term liability effective with the fiscal year ending June 30, 2008.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

Jackson State University

FR07-JSU-1: Student Accounts Receivable and Allowance for Doubtful Accounts

Name(s) of Contact Person(s) Responsible for Corrective Action:
Sherry Wilson, Comptroller

Management Response and Corrective Action Planned:
The legacy student detail to support the \$7.1 million will be converted to Banner. Once these records are converted, the reconciling process between the accounts receivable module and finance module will reflect accurate balances. In order to ensure that we are also properly reconciling, employees have been enrolled in a comprehensive training session on the Banner Accounts Receivable module to gain insight on the reconciliation process. The benefit of such training will result in the development of control procedures to ensure that the students' accounts receivable ledger and the general ledger control are properly and accurately reconciled and allowances are adequate. Regarding the current aging report, the current system criteria defined only allows the report to be generated on a current date basis. It is not possible to run the student aging report with a prior as of date. A Request for Product Enhancement will be considered for submission requesting the parameter for this system generated report to be redefined to allow the user to retroactively run the aging report.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

FR07-JSU-2: Governmental Advances Refundable Liability

Name(s) of Contact Person(s) Responsible for Corrective Action:
Sherry Wilson, Comptroller

Management Response and Corrective Action Planned:

Jackson State University's management will adopt a formalized bridging methodology that is standard among all the IHL System reporting institutions to convert the University's internal financial statements to reporting pursuant to GASB Statement No. 34. A knowledgeable and responsible level of management will review this conversion to ensure that it meets the GASB reporting requirements.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

FR07-JSU-3: Capital Assets

Name(s) of Contact Person(s) Responsible for Corrective Action:
Sherry Wilson, Comptroller

Management Response and Corrective Action Planned:

Currently, items are added to the fixed asset system (Protégé) based on a three-way matching process. When the items are received, they are compared to the purchase orders used to make the acquisition, the receiving documents and the invoices for payment. When all three match, the items are entered into the Protégé system. The expenditure information (purchase orders, invoices, payments, refunds, etc.) resides on a separate system (Banner). Therefore, the possibility of human error exists in the data input process. Beginning with the January 2008 inventory report to the state auditor, the Financial Services and Inventory departments will run a monthly report comparing asset additions and deletions in Protégé to expenditures in Banner. Discrepancies will be resolved so that plant expenditures and the assets capitalized for GASB reporting are consistent.

Anticipated Completion Date:

The anticipated completion date of the corrective action is January 1, 2008.

Mississippi State University

FR07-MSU-1: Classification of Net Assets

Name(s) of Contact Person(s) Responsible for Corrective Action:
Wayne Bland, Associate Vice President for Finance and Administration

Management Response and Corrective Action Planned:

Mississippi State University will review all funds classified as endowments to ensure the correct classification in the Statement of Net Assets.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

Mississippi University for Women

FR07-MUW-1: Classification of Net Assets

Name(s) of Contact Person(s) Responsible for Corrective Action:
Nora R. Miller, Vice President for Finance and Administration

Management Response and Corrective Action Planned:
Endowment accounts are appropriately classified in the general ledger and in our financial accounting system, in accordance with donor intent. Management will strengthen the review of the transfer of this information to the Statement of Net Assets to ensure the proper classification of these accounts in the reporting format.

Anticipated Completion Date:
The anticipated completion date of the corrective action is June 30, 2008.

Mississippi Valley State University

FR07-MVSU-1: Student Accounts Receivable and Allowance for Doubtful Accounts

Name(s) of Contact Person(s) Responsible for Corrective Action:
Andre Curry, Vice President for Fiscal and Administrative Affairs

Management Response and Corrective Action Planned:
At the end of the fiscal year, the receivable accounts are to be reviewed. An analysis consisting of all accounts receivable balances will be prepared and calculations will be made to determine the amount of the bad debt allowance. This assignment is the responsibility of the Student Receivables Office. Upon completion of the analysis, the information contained thereon must be reviewed and approved by the Vice President of Fiscal and Administrative Affairs or his designee. Journal entries will be prepared by appropriate personnel in the Accounts Receivable Office and submitted for approval by the Assistant Vice President for Fiscal and Administrative Affairs. After approval has been granted, the information will be posted to the affected accounts in the general ledger. A methodology for determination of uncollectibility has been established and outlined in the University's Procedures Manual.

Anticipated Completion Date:
The anticipated completion date of the corrective action is June 30, 2008.

FR07-MVSU-2: Grants, Contracts and Other Receivables

Name(s) of Contact Person(s) Responsible for Corrective Action:
Andre Curry, Vice President for Fiscal and Administrative Affairs

Management Response and Corrective Action Planned:
The errors detected occurred in prior years and procedures are now in place for the maintenance and control of receivable activities. All restricted grant activities are assigned to designated staff accountants who are responsible for reviewing grant expenditures, determining reimbursable

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

amounts due and updating applicable grant receivable balances. Grant assignments are made by the Assistant Vice President for Fiscal and Administrative Affairs to the staff accountants. Periodically (at least quarterly), all restricted grants activity is reviewed and approved by the Assistant Vice President for Fiscal and Administrative Affairs. Any adjustments and/or corrections required are processed by the appropriate staff accountant so that each grant will reflect accurate information. All adjustments and corrections are processed through the use of general journal vouchers which must be approved by the Associate Vice President for Fiscal and Administrative Affairs.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

FR07-MVSU-3: Classification and Presentation of Investments

Name(s) of Contact Person(s) Responsible for Corrective Action:

Andre Curry, Vice President for Fiscal and Administrative Affairs

Management Response and Corrective Action Planned:

Report format changes have been put in place to ensure that the proper classifications are reported for all investments of the University. The existing report format has been expanded to include space for listing restricted non-current investments, as well as, repurchase agreements. Overall recording, reconciling and reporting investment activity responsibilities reside with the Associate Vice President for Fiscal and Administrative Affairs. At the end of each accounting period, prior to updating investment account balances, prepared reports of investment activity and reconciliations are reviewed and subsequently approved by the Vice President for Fiscal and Administrative Affairs. After this approval, postings will be made to affected accounts on the general ledger. A file of all approved general journal vouchers relating to investment activities will be maintained in the office of the Vice President for Fiscal and Administrative Affairs which serves as an indicator of the review process.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

FR07-MVSU-4: Capital Assets

Name(s) of Contact Person(s) Responsible for Corrective Action:

Andre Curry, Vice President for Fiscal and Administrative Affairs

Management Response and Corrective Action Planned:

The University continues to maintain property reports in accordance with procedures outlined by the State Property Office and in accordance with University requirements. Also, the following procedures are established and will be added to the Procedure Manual of the University:

- Paid vouchers for furniture and equipment are presently forwarded to the Property Accountant by the Accounts Payable Clerk on a weekly basis. The vouchers are reviewed to ensure that the coding is correct and items are added to the MVSU Inventory listing as outlined by the State Property Office and the University. The Property Accountant will make the necessary adjustments through journal entries.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

-
- The Bureau of Buildings and Real Property has been advised to add the name of the Property Accountant to the distribution list used for forwarding the Property Accounting and Tracking System Report – Project Management Summary. The report will be reviewed by the Director of Facilities Management and the Property Accountant. Adjustments will be made where necessary through journal entries in accordance with policies and procedures outlined by the State Property Office and the University.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

University of Mississippi

FR07-UM-1: Classification and Presentation of Investments

Name(s) of Contact Person(s) Responsible for Corrective Action:

Sam Thomas, Controller

Management Response and Corrective Action Planned:

The University will formally document the independent review process of its investment functions, including report disclosures.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

University of Mississippi Medical Center

FR07-UMMC-1: Tort Fund Unpaid Claim Liabilities

Name(s) of Contact Person(s) Responsible for Corrective Action:

Charles Mullins, Controller

Management Response and Corrective Action Planned:

In previous years, the University of Mississippi Medical Center (UMMC) has consolidated the Tort Claims Fund blended component as only investments and related fund balance accounts. In actuality, the component should have reflected the claims liability balance calculated annually by actuary, rather than a simple fund balance opposite the investment balance. The actuary calculates the claims liability subsequent to UMMC's year-end close. This has prevented an accurate liability amount until October or November, several months after the financials have been closed. In the fiscal year ended June 30, 2007 UMMC requested the actuary perform budget calculations two to three months before the fiscal year ended. This advance calculation allowed UMMC to more accurately budget tort self insurance funding for the next fiscal year and to view a calculation of a claims liability amount in proximity to the actual year-end figure.

The corrective action plan UMMC will implement will be to set up a claims liability account for the Tort Claims Fund component. UMMC will use the advance budgeting calculations to determine whether an adjustment is necessary to the claims liability account prior to fiscal year-end closing. Barring substantial claims litigation in the last two months of the fiscal year, this corrective action

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

plan should result in a year-end claims liability balance that will be materially accurate. Further adjustment will be made when the final actuarial report is received in October or November of each year.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

University of Southern Mississippi

FR07-USM-1: Grants and Contracts Receivable

Name(s) of Contact Person(s) Responsible for Corrective Action:

Douglas Hancock, Director, Office of Contracts and Grants Accounting

Management Response and Corrective Action Planned:

The University is instituting the following procedures for grants and contracts receivable:

- The University is implementing new procedures at the time of final billing to request any unpaid invoice amounts that are still outstanding. In addition, as part of normal closing process of grants, unpaid invoices are communicated to the accounts receivable clerk for additional follow-up. Aging reports will be prepared quarterly to determine grants that have ended with outstanding balances. As part of the University's year-end process, an aging report will be prepared to identify outstanding accounts and an allowance will be established based on historical information.
- Cut-off issues and periodic review of receivable balances:
 - Beginning January 2008, new procedures are being implemented to identify cash receipts by invoice which will allow the automated Accounts Receivable system to record cash directly to grant accounts. The process stages are segregated allowing for independent review of the recording of deposits prior to posting to the general ledger. In addition, fixed priced contracts will be monitored periodically to determine when all requirements have been completed allowing for recording of the proper amount of revenue or receivables. Finally, as part of the year-end procedures, grants which do not have agreements that are finalized but have expenditures due to pre-award spending will be reviewed to ensure the proper amounts of receivables are recorded.
- Recording the impact of the FEMA Public Assistance grant:
 - Year end procedures are being changed requiring review of all receivables related to external funding by the Office of Contracts and Grants Accounting to ensure that grants outside of the normal process are accrued at year end.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2007

The University is instituting the following procedures for grant deferred revenue:

- Beginning January 2008, new procedures are being implemented to match cash receipts to invoices which will allow the Accounts Receivable system to record cash directly to the grant accounts. This allows for a more automated review of cash on hand which will be monitored quarterly to ensure accurate recording of deferred revenue. In addition, as part of our normal year-end process, a detailed review will be performed on grants with cash on hand.

Anticipated Completion Date:

The anticipated completion date of the corrective action is February 1, 2008.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2007

Alcorn State University

FA07-ASU-01: Internal Controls over Davis-Bacon Act Compliance

Name(s) of Contact Person(s) Responsible for Corrective Action:
Claudine Gee, Vice President for Business Affairs

Management Response and Corrective Action Planned:
Alcorn State University will implement a policy to ensure that monitoring procedures are in place to document compliance with the Davis-Bacon Act. The University contract will be updated to require certification from contractors that they are in compliance with the Davis-Bacon Act.

Anticipated Completion Date:
The anticipated completion date of the corrective action is January 31, 2008.

FA07-ASU-02: Internal Controls over Suspension and Debarment Compliance

Name(s) of Contact Person(s) Responsible for Corrective Action:
Patricia Smith, Purchasing

Management Response and Corrective Action Planned:
Alcorn State University will implement a policy to ensure that monitoring procedures are in place to document compliance with the suspension and debarment requirements.

Anticipated Completion Date:
The anticipated completion date of the corrective action is January 31, 2008.

FA07-ASU-03: Internal Control over Allowable Costs

Name(s) of Contact Person(s) Responsible for Corrective Action:
Patricia Smith, Purchasing

Management Response and Corrective Action Planned:
Alcorn State University will adopt procedures to ensure that executed vendor contracts are completed and maintained in a file along with purchase requisitions. Contracts will be reviewed to ensure that the current contract amount is the same as the amount reflected on the purchase order. In addition, all requisitions that have not been signed by the appropriate person evidencing approval will default to the approval queue of the Director of Accounting so that the approval queues can be properly reflected in the Banner System.

Anticipated Completion Date:
Procedures will be ongoing during the fiscal year to ensure that disbursements are properly authorized, recorded and documented effective January 31, 2008.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2007

Jackson State University

FA07-JSU-01: Internal Control over Cash Management and Financial Reporting

Name(s) of Contact Person(s) Responsible for Corrective Action:
Sallie R. Griffin, Director of Office of Grants and Contracts

Management Response and Corrective Action Planned:
Jackson State University takes very seriously its fiduciary role in ensuring the proper management of all federal funds. To that end, we have put in place several corrective actions that address the 2006-2007 findings, as follows:

47.076 – Education Human Resources

Jackson State University ensures that all transactions are posted in the correct period. A manual journal voucher was entered on July 1, 2007 to properly record the University's cost share and to correct a prior entry in the amount of \$14,387.11. The accrual for year end should have been \$15,000, but due to a manual posting to the unbilled receivable (\$5,000), the financial system only recognized a receivable of \$10,000 for fiscal 2007. The financial system recognized the \$5,000 in fiscal 2008 (July 16, 2008).

84.031 – Higher Education – Institutional Aid

Jackson State University ensures that all funds requested and received will be posted in the correct period. Draws were prepared on June 27, 2007 and June 28, 2007 through GAPS and are reflected in the GAPS amount requested. However, those funds were not posted against the University's receivable until fiscal 2008 (July 17, 2008).

Anticipated Completion Date:

The anticipated completion dates of the corrective actions are July 16, 2008 and July 17, 2008, respectively.

FA07-JSU-02: Internal Control over Subrecipient Monitoring

Name(s) of Contact Person(s) Responsible for Corrective Action:
Felix Okojie, Vice President of Research and Development and Federal Relations
Ella Holmes, Internal Auditor

Management Response and Corrective Action Planned:
Jackson State University takes very seriously its responsibility to ensure that grant subrecipients are meeting both programmatic and fiscal responsibilities per the grant award. To date, the University has been performing selected monitoring of its subrecipients and in the cases identified had performed monitoring for some months of the grants in question but not for the full year.

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2007

The University has already begun a process whereby the Office of Sponsored Programs will dedicate an individual to monitor the financial aspects of the subrecipients. This process will involve:

- Requiring all subrecipients to submit full documentation to the University when requiring any reimbursement;
- Quarterly reviews (“desk audits”) of invoices submitted by the subrecipients, to ensure full documentation is being submitted as well as site visits;
- The University’s Internal Auditor will review the desk audits to ensure A133 compliance;
- If any findings are discovered in an A-133 audit of the subrecipient’s fiscal management of the award, the subrecipient must take appropriate and timely corrective action;
- Requiring each subrecipient to permit the University and/or its auditors to have access to the records and financial statements as necessary for audit purposes.

Anticipated Completion Date:

The anticipated completion date of the corrective action is March 1, 2008

University of Southern Mississippi

FA07-USM-01: Compliance with Matching Requirements

Name(s) of Contact Person(s) Responsible for Corrective Action:

Douglas Hancock, Director, Office of Contracts and Grants Accounting

Management Response and Corrective Action Planned:

All supporting documentation has been obtained to support the \$75,323 in-kind salary and fringe cost share amounts. In addition, \$6,478 of the \$50,626 unmet match has been satisfied. The remaining \$44,149 unmet match was placed in a specifically designated account by the University to cover maintenance and operation costs for the life of the equipment purchased through this project. The University is implementing additional control procedures and policies to ensure that matching requirements are met and the appropriate documentation obtained.

Anticipated Completion Date:

The anticipated completion date of the corrective action is February 15, 2008.

FA07-USM-02: Internal Control over Time and Effort Reporting

Name(s) of Contact Person(s) Responsible for Corrective Action:

Connie Wyldmon, Director, Sponsored Programs Administration

State of Mississippi Institutions of Higher Learning

Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2007

Management Response and Corrective Action Planned:

The University has written and will implement a new time and effort policy to ensure reports are certified in a more timely manner. After the time and effort reports are generated each semester, the Principal Investigators will be given thirty days to complete them.

Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2008.

FA07-USM-03: Compliance with Cash Management Requirements

Name(s) of Contact Person(s) Responsible for Corrective Action:

Douglas Hancock, Director, Office of Contracts and Grants Accounting

Management Response and Corrective Action Planned:

The University received written permission from the funding agency to draw down the remaining funds of \$15,218. There was no cash on hand for the combined Edward Byrne Memorial State and Local Law Enforcement Assistance projects at the time of the drawdown. Also, these funds were totally expended prior to the end of the project in question. In addition, the University is strengthening the review of expenditures to ensure drawdowns are not requested in excess of cumulative expenditures.

Anticipated Completion Date:

Currently implemented.

**Auditee's Summary Schedule
of Prior Audit Findings**

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State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

JACKSON STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over Cash Reconciliations Should be Strengthened

Reference Number(s): 2006-JSU-1

Initial Year of Finding: Fiscal 2006

Amount of Questioned Costs in Finding: None

Status of Questioned Costs (check one): N/A

*Briefly describe the status of the Questioned Costs.
Were they refunded to the federal government?* N/A

Page Number (from Single Audit Report): 156

Program Name(s): N/A

Federal Grantor Agency: N/A

CFDA Number(s): N/A

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University performs daily and monthly reconciliations with quarterly reviews by the Vice President.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

JACKSON STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over the Recording and Reconciliation of Investment Transactions Should be Strengthened

Reference Number(s): 2006-JSU-2

Initial Year of Finding: Fiscal 2006

Amount of Questioned Costs in Finding: None

Status of Questioned Costs (check one): N/A

*Briefly describe the status of the Questioned Costs.
Were they refunded to the federal government?* N/A

Page Number (from Single Audit Report): 156-157

Program Name(s): N/A

Federal Grantor Agency: N/A

CFDA Number(s): N/A

Status of Finding (check one):

Fully Corrected X
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University performs monthly reconciliations with quarterly reviews by the Senior Vice President.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

JACKSON STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over the Reconciliation of the Fixed Asset and General Ledger Should be Strengthened

Reference Number(s): 2006-JSU-3

Initial Year of Finding: Fiscal 2006

Amount of Questioned Costs in Finding: None

Status of Questioned Costs (check one): N/A

*Briefly describe the status of the Questioned Costs.
Were they refunded to the federal government?* N/A

Page Number (from Single Audit Report): 157

Program Name(s): N/A

Federal Grantor Agency: N/A

CFDA Number(s): N/A

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Monthly reviews with Facilities Management and Inventory Management to ensure the proper adjustments made for construction-in-progress and fixed asset disposal and additions.

The required data is forwarded to the State of MS each month to ensure proper recording is done.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over Compliance with Davis-Bacon Requirements Should Be Strengthened.

Reference Number(s): 2006-MSU-1

Initial Year of Finding: Year Ended June 30, 2006

Amount of Questioned Costs in Finding: Amount undetermined

Status of Questioned Costs (check one): All contractor payrolls were examined prior to March 5, 2007 by the project manager who determined that all were in compliance with specified wage determination; therefore, no question costs .

Page Number (from Single Audit Report): 157

Program Name(s): Grants for Public Works and Economic Development Facilities; Brownsfield Economic Development Initiative

Federal Grantor Agency: Department of Commerce Housing and Urban Development

CFDA Number(s): 11.300, 14.246

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Payroll Certifications were complete March 2007, procedure modifications to prevent reoccurrence were fully in place May 2007.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over Federal Compliance With Special Tests Should Be Strengthened.

Reference Number(s): 2006-MSU-2

Initial Year of Finding: Year Ended June 30, 2006

Amount of Questioned Costs in Finding: None noted

Status of Questioned Costs (check one): Not applicable

Page Number (from Single Audit Report): 158

Program Name(s): Grants for Public Works and Economic Development Facilities; Brownsfield Economic Development Initiative

Federal Grantor Agency: Department of Commerce Housing and Urban Development

CFDA Number(s): 11.300, 14.246

Status of Finding (check one):

Fully Corrected X
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Effective May 2007, all solicitations for offers and bids on all Federal and federally assisted construction contracts or subcontracts in excess of \$10,000 include the "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity" (Executive Order 11246) as prescribed in 41CFR 60-4.2.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over Federal Compliance over Allowable Costs Should Be Strengthened.

Reference Number(s): 2006-MSU-3

Initial Year of Finding: Year Ended June 30, 2006

Amount of Questioned Costs in Finding: \$40,120

Status of Questioned Costs (check one): An adjustment was made in March 2007 to correct the questioned costs related to salary distribution.

Page Number (from Single Audit Report): 159

Program Name(s): Research and Development Cluster;
Basic Scientific Research

Federal Grantor Agency: Office of Naval Research

CFDA Number(s): 12.431

Status of Finding (check one):

Fully Corrected _____
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Questioned salary costs corrected March 2007. Procedures were strengthened in November 2007 to ensure principal investigators are aware of salaries being charged to their projects and any necessary changes are identified and made in a timely manner.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls over Federal Compliance over Allowable Costs Should Be Strengthened.

Reference Number(s): 2006-MSU-4

Initial Year of Finding: Year Ended June 30, 2006

Amount of Questioned Costs in Finding: None noted

Status of Questioned Costs (check one): Not applicable

Page Number (from Single Audit Report): 159

Program Name(s): Grants for Public Works and Economic Development Facilities; Brownsfield Economic Development Initiative; Basic Scientific Research University-Laboratory Cooperative Program; Cooperative Extension Service

Federal Grantor Agency: Department of Commerce Housing and Urban Development
Office of Naval Research
Department of Energy
Department of Agriculture

CFDA Number(s): 11.300, 14.246, 12.431, 81.004, 10.500

Status of Finding (check one):

Fully Corrected _____
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

November 2007 modifications were made to policies and procedures to ensure the review of grant financial activity/expenditures by the principal investigator or project director.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

THE UNIVERSITY OF MISSISSIPPI

For the Year Ended June 30, 2006

Finding Title: Controls over Allowable Costs Should Be Strengthened

Reference Number(s): 2006-UM-1

Initial Year of Finding: FY 2006

Amount of Questioned Costs in Finding: \$258,056

Status of Questioned Costs (check one):

Briefly describe the status of the Questioned Costs. Were they refunded to the federal government?

The Centers for Disease Control and Prevention issued a revised notice of award and granted retroactive approval to redirect funds in order to support the purchase of the questioned equipment – Bruker Apex II Single Crystal Diffraction System.

Page Number (from Single Audit Report): 161 - 162

Program Name(s): Research and Development Cluster;
Project Title: Development and Testing
Of New Antimalarial Drug

Federal Grantor Agency: Centers for Disease Control and
Prevention, Department of Health and
Human Services

CFDA Number(s): 93.283

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The Centers for Disease Control and Prevention issued a revised notice of award and granted retroactive approval to redirect funds in order to support the purchase of the questioned equipment – Bruker Apex II Single Crystal Diffraction System.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

THE UNIVERSITY OF SOUTHERN MISSISSIPPI

For the Year Ended June 30, 2006

Finding Title: Controls over Equipment and Real Property Management Should be Strengthened

Reference Number(s): 2006-USM-1

Initial Year of Finding: 2004

Amount of Questioned Costs in Finding: Amount undetermined

Status of Questioned Costs (check one): Completed

Briefly describe the status of the Questioned Costs. Were they refunded to the federal government?

Finding completely resolved. No funds were returned.

Page Number (from Single Audit Report): 162

Program Name(s): Edward Byrne Memorial State and Law Enforcement Assistance Discretionary Grants Program

Federal Grantor Agency: U.S. Department of Justice

CFDA Number(s): 16.580

Status of Finding (check one):

Fully Corrected	<input checked="" type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI UNIVERSITY FOR WOMEN

For the Year Ended June 30, 2006

Finding Title: Controls over Special Tests and Provisions Related to the Return of Title IV Funds Should be Strengthened ---Immaterial Noncompliance

Reference Number(s): 2006-MUW-1

Initial Year of Finding: 2006-07

Amount of Questioned Costs in Finding: Undetermined

Status of Questioned Costs (check one): R2T4 withdrawal refunds were made as required.

Briefly describe the status of the Questioned Costs. Were they refunded to the federal government? Yes

Page Number (from Single Audit Report): 160

Program Name(s): Financial Aid Cluster

Federal Grantor Agency: N/A

CFDA Number(s): Various

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The Registrar reports all "official withdrawals" to the Financial Aid Office within 5 days of the actual withdrawal date so that the calculation of any Title IV funds is made within the required period. "Unofficial withdrawals" will be determined after the end of each semester for students who receive all F grades. The date of determination is the date for final grades to be posted by the Registrar.

(Faculty are required to report the Last Date of Attendance for all students who receive an F grade. The latest of these LDA dates will determine the date of withdrawal for these students who stopped attending but never officially withdrew.) The Financial Aid Office performs the

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI UNIVERSITY FOR WOMEN (Continued)

review of these unofficial withdrawals within 10 days of the end of the semester to perform the required refund calculations and return funds within the required 30 days from the date final grades are posted.

The Financial Aid Office maintains a copy of the R2T4 refund calculation worksheet for each withdrawn student in a spiral notebook, arranged by date of withdrawal for each semester/year. This notebook is the official withdrawal file to be submitted for audit review.

MUW began the new reporting process in January 2007. The Financial Aid Office has collected all R2T4 calculations previously prepared for Fall 2006 and assembled them in a spiral notebook. All unofficial withdrawals for Fall semester 2006 were reviewed and calculated in December as soon as grades were posted for all who received all F's. Spring semester withdrawals have been reviewed using this plan and all review and refund processes have been completed.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI VALLEY STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Revenue Drawn on Federal Grant Should Not Exceed Expenditures

Reference Number(s): 2006-MVSU-1

Initial Year of Finding: 2005-2006

Amount of Questioned Costs in Finding: \$34,204.00

Status of Questioned Costs (check one): Fully Corrected

**Briefly describe the status of the Questioned Costs.
Were they refunded to the federal government?**

N/A

Funds are expended prior to requesting reimbursement from Federal Government

Page Number (from Single Audit Report): #171

Program Name(s): Mass Transit

Federal Grantor Agency: U S Department of Transportation

CFDA Number(s): 20.507

Status of Finding (check one):

Fully Corrected _____
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Funds are expended prior to requesting reimbursement from the Federal government.

State of Mississippi Institutions of Higher Learning

Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

MISSISSIPPI VALLEY STATE UNIVERSITY

For the Year Ended June 30, 2006

Finding Title: Controls Over Reconciliation of Student Financial Aid Expenditures Should Be Strengthened

Reference Number(s): 2006-MVSU-2

Initial Year of Finding: 2005-2006

Amount of Questioned Costs in Finding: \$958,381.00

Status of Questioned Costs (check one): Fully Corrected

Briefly describe the status of the Questioned Costs. Were they refunded to the federal government? The funds have been refunded to the federal agency.

Page Number (from Single Audit Report): #171

Program Name(s): FSEOG, FFEL and PELL

Federal Grantor Agency: U S Department of Education

CFDA Number(s): FSEOG---84004, PELL---84063

Status of Finding (check one):

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Reconciliation is an ongoing process. Those responsible for the reconciliation of financial accounts and expenditures as they relate to student accounts continue to reconcile these accounts as needed.

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