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**Mississippi Military Department
(A Department of the State of Mississippi)**

**FINANCIAL STATEMENTS OF FUNDS SELECTED FOR AUDIT,
AND INDEPENDENT AUDITORS' REPORT ON PROGRAM-
SPECIFIC AUDIT UNDER OMB CIRCULAR A-133**

June 30, 2014



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**Mississippi Military Department
(A Department of the State of Mississippi)
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June 30, 2014**

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NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS –
CFDA #12.401**

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**INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS OF SELECTED FUNDS**

Major General Augustus L. Collins
The Adjutant General of Mississippi
Mississippi Military Department
Jackson, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of General Funds 3701, 3705 and 3709 of the Mississippi Military Department ("the Department"), as of and for the year ended June 30, 2014, and the related notes to the financial statements. These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements of General Funds 3701, 3705 and 3709 referred to above present fairly, in all material respects, the financial position of General Funds 3701, 3705 and 3709 as of June 30, 2014, and the related changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of General Funds 3701, 3705 and 3709 of the Department present only the financial position and changes in financial position of that portion of the governmental activities of the Department and of the State of Mississippi that is attributable to the transactions of General Funds 3701, 3705 and 3709. They do not purport to, and do not, present fairly the financial position of the Department or the State of Mississippi as of June 30, 2014, or the changes in financial position of each entity for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2015, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Department's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
January 27, 2015

Mississippi Military Department
(A Department of the State of Mississippi)
Balance Sheets of Funds Selected for Audit

<i>June 30, 2014</i>	General Funds		
	Fund 3701	Fund 3705	Fund 3709
Assets			
Cash	\$ -	\$ 3,588,786	\$ -
Due from Federal Government	16,655,399	414,427	3,962,522
Inventory	1,848,805	-	-
Total Assets	18,504,204	4,003,213	3,962,522
Liabilities and Fund Balance			
Accounts payable	5,852,981	302,607	665,009
Managed cash overdraft	8,822,219	-	2,320,816
Due to other governments	341,738	23,820	64,755
Accrued expenses	64,365	29,582	11,094
Total liabilities	15,081,303	356,009	3,061,674
Deferred Inflows of Resources:			
Deferred revenues	-	-	-
Contingencies (Note 4)			
Nonspendable	1,848,805	-	-
Restricted	1,574,096	3,647,204	900,848
Total fund balance	3,422,901	3,647,204	900,848
Total liabilities, deferred in flows of resources, and fund balance	\$ 18,504,204	\$ 4,003,213	\$ 3,962,522

*See independent auditors' report on financial statements of selected
funds and accompanying notes to financial statements.*

Mississippi Military Department
(A Department of the State of Mississippi)
Statements of Revenues, Expenditures and
Changes in Fund Balances of Funds Selected for Audit

<i>Year ended June 30, 2014</i>	General Funds		
	Fund 3701	Fund 3705	Fund 3709
Revenues:			
National Guard revenue	\$ 60,272,342	\$ 4,464,671	\$ 16,073,343
Other income	40,332	1,374,807	-
Total revenues	60,312,674	5,839,478	16,073,343
Expenditures:			
Salaries	18,364,630	4,397,037	11,509,013
Travel	121,809	11,571	37,366
Contractuals	29,559,518	1,425,967	4,693,326
Commodities	2,363,285	1,340,659	495,077
Capital outlay	11,329,505	311,795	181,642
Subsidies	5	-	
Total expenditures	61,738,752	7,487,029	16,916,424
Excess of expenditures over revenues	(1,426,078)	(1,647,551)	(843,081)
Other financing sources:			
Transfers in	1,010,862	2,211,828	935,000
Net other financing sources	1,010,862	2,211,828	935,000
Excess (deficit) of revenues and other financing sources over (under) expenditures	(415,216)	564,277	91,919
Fund balance, beginning of year	3,838,117	3,082,927	808,929
Fund balance, end of year	\$ 3,422,901	\$ 3,647,204	\$ 900,848

The accompanying footnotes are an integral part of these financial statements.

Mississippi Military Department
(A Department of the State of Mississippi)
Notes to Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Background Information

The Mississippi Military Department ("the Department") is a state agency whose main function is to provide trained military units and individuals to the Army and Air Force of the United States in time of war or national emergency. The Department also provides sufficient organization within the state so that trained and equipped forces can function efficiently at existing strength in the protection of life and property and the preservation of peace, order, and public safety under competent orders of the state authorities.

Purpose of General Funds 3701, 3705 and 3709

General Funds 3701 and 3709 are related to National Guard military operations and maintenance projects and special military operations and projects, respectively. Fund 3705 is related to the National Guard Youth Program. The National Guard Bureau enters into cooperative agreements for Army National Guard Facilities Programs and Air National Guard Facility Operations & Maintenance Activities with States to provide Federal support for services provided by the State Military Departments for authorized facilities for leases, facilities operations, and sustainment, restoration, and modernization, including operations and maintenance and minor construction costs.

Basis of Presentation

The accompanying program specific financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). General fund types are used for General Funds 3701, 3705 and 3709. These fund types are accounted for on a flow of current financial resources measurement focus. These focus measures financial resources available to the entity in the near future as a result of transactions and events of the fiscal period reported. The modified accrual basis of accounting is utilized. Under this method, revenues are recognized when they become measurable and available, and expenditures are generally recognized when they are incurred. In connection with the preparation of the financial statements, management of the Department evaluated subsequent events through January 27, 2015, which is the date the financial statements were available to be issued.

Use of Estimates

The Department's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. In preparing its financial statements, the Department is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates of the balance sheets and the reported amounts of revenues and expenditures for the years then ended. Actual results could differ significantly from those estimates.

Mississippi Military Department
(A Department of the State of Mississippi)
Notes to Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The financial activities of the Army National Guard and Air National Guard funds are recorded in individual funds and account groups used to report financial position and results of operations. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. The Department funds presented herein utilize the governmental fund category, which is further divided into separate "fund types". General funds are used to account for the proceeds of revenue sources that are not legally restricted to expenditures for specified purposes.

Receivables

Receivables are reported net of allowances for uncollectible accounts, where applicable. At June 30, 2014 there were no allowance deemed necessary for Fund 3701, 3705 or 3709. All of the receivables for Fund 3701, 3705, and 3709 are receivable from the federal government.

Inventory

Inventory is stated using the average cost basis of accounting.

Fund Balance

Inventories are not in spendable form and are thus reflected as nondspendable fund balance. Remaining fund balances are restricted for military operations.

Future Accounting Pronouncements

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* – An amendment of GASB No. 27. GASB No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB No. 50, as they relate to governments that provide pensions through pension plans administered as trust or similar arrangements that meet certain criteria. GASB No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB No. 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB No. 68 are effective for fiscal years beginning after June 15, 2014.

Mississippi Military Department
(A Department of the State of Mississippi)
Notes to Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management has not completed its evaluation to determine the effect, if any, the adoption of this statement will have on the Department's financial statements.

Deferred Inflows of Resources

In addition to liabilities, the governmental funds' balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents items that are deferred revenues that will not be recognized as an inflow of resources until future period(s) when they become available. Deferred inflows of resources consist of cumulative receipts of federal funding in excess of cumulative expenditures on specific grant awards that will not be recognized as an inflow of resources until future periods when they become available.

Risk Management

The Department is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters. The State of Mississippi has elected to finance most exposures to risk through the retention of risk. The State utilizes the internal service Risk Management Fund to account for these activities.

NOTE 2: CASH AND OTHER DEPOSITS

Cash consists of pooled cash held by the Treasurer of the State of Mississippi. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entities' funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

Mississippi Military Department
(A Department of the State of Mississippi)
Notes to Financial Statements

NOTE 3: TRANSFERS BETWEEN FUNDS AND FROM OTHER STATE AGENCIES

Transfers from other Department funds and other state agencies to General Funds 3701, 3705 and 3709 are detailed in the chart below. The amounts transferred from the Mississippi Emergency Management Agency were funds for the Readiness Center Generator Project.

<i>Year ended June 30, 2014</i>	General Funds		
	Fund 3701	Fund 3705	Fund 3709
Mississippi Military Department - General Fund No. 2701	\$ 1,010,862	\$ 203,962	\$ 935,000
Youth Challenge Program - Shelby - General Fund No. 2706	-	1,979,837	-
Office of the Attorney General - General Fund No. 3071	-	28,029	-
	\$ 1,010,862	\$ 2,211,828	\$ 935,000

NOTE 4: CONTINGENCIES

The Department is involved in litigation arising out of the normal course of operations and, in management's opinion, the outcome of these matters is not expected to have a material adverse effect on the Department's financial position.



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

Major General Augustus L. Collins
The Adjutant General of Mississippi
Mississippi Military Department
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of General Funds 3701, 3705 and 3709 of the Mississippi Military Department (the "Department"), which comprise the balance sheet as of June 30, 2014, and the related statements of revenues, expenditures and changes in fund balances as of and for the year ended June 30, 2014, and the related notes to the financial statements and have issued our report thereon dated January 20, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements of General Funds 3701, 3705 and 3709 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
January 27, 2015

**Federal Program Selected for Audit:
National Guard Military Operations and
Maintenance (O&M) Projects
CFDA # 12.401**



**INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENT OF A FEDERAL
PROGRAM IN ACCORDANCE WITH THE PROGRAM-
SPECIFIC AUDIT OPTION UNDER OMB CIRCULAR A-133**

Major General Augustus L. Collins
The Adjutant General of Mississippi
Mississippi Military Department
Jackson, Mississippi

Report on Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of federal grant expenditures for the National Guard Military Operations and Maintenance Projects of the Mississippi Military Department ("the Department") for the year ended June 30, 2014.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement for the Department's National Guard Military Operations and Maintenance Projects based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the schedule of federal grant expenditures referred to above presents fairly, in all material respects, the expenditures of federal awards under the National Guard Military Operations and Maintenance Projects of the Department in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of management, members of the Legislature and federal awarding agencies 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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
January 27, 2015

Mississippi Military Department
(A Department of the State of Mississippi)
Schedule of Federal Grant Expenditures Selected for Audit
Year Ended June 30, 2014

<u>Federal Grantor / Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Defense:		
National Guard Military Operations and Maintenance (O&M) Projects	12.401	
Fund 3701		\$ 60,272,342
Fund 3705		5,807
Fund 3709		15,999,224
Total Program Expenditures for CFDA 12.401		\$ 76,277,373

See notes to schedule of federal grant expenditures.

**Mississippi Military Department
(A Department of the State of Mississippi)
Notes to the Schedule of Federal Grant Expenditures Selected for Audit
Year Ended June 30, 2014**

NOTE 1: BASIS OF PRESENTATION

The federal program included in the accompanying schedule is accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related liabilities are incurred. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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*.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON THE FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE PROGRAM-SPECIFIC AUDIT OPTION UNDER OMB
CIRCULAR A-133**

Major General Augustus L. Collins
The Adjutant General of Mississippi
Mississippi Military Department
Jackson, Mississippi

Report on Compliance for National Guard Military Operations and Maintenance Projects

We have audited the Mississippi Military Department (the "Department") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its National Guard Military Operations and Maintenance Projects ("the Projects") for the year ended June 30, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the National Guard Military Operations and Maintenance Projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Department's National Guard Military Operations and Maintenance Projects based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the Projects occurred. An audit includes examining, on a test basis, evidence about the Department'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 on compliance for the Department's National Guard Military Operations and Maintenance Projects. Our audit does not provide a legal determination of the Department's compliance.

Opinion

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Department's Projects audited for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The management of the Department is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to the federal programs. In planning and performing our audit, we considered the Department's internal control over compliance with requirements that could have a direct and material effect on the Projects in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

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

Our consideration of internal control over compliance 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, members of the Legislature and federal awarding agencies 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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
January 27, 2015

Mississippi Military Department
(A Department of the State of Mississippi)
Schedule of Findings and Questioned Costs

For the year ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weakness identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for programs audited:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510 (a))?	No

Identification of program(s) audited:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster Number</i>
12.401	National Guard Military Operations and Maintenance (O&M) Projects

Section II – Federal Award Findings and Questioned Costs

There were no current year Federal award findings or questioned costs.

Section III – Prior Year Findings and Questioned Costs

There were no prior year Federal award findings or questioned costs.