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**MISSISSIPPI EMERGENCY MANAGEMENT AGENCY  
JACKSON, MISSISSIPPI**

**AUDITED PROGRAM FINANCIAL STATEMENT  
AND OTHER INFORMATION**

**FOR THE YEAR ENDED  
JUNE 30, 2016**

MISSISSIPPI EMERGENCY MANAGEMENT AGENCY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	3
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	4
SUPPLEMENTARY INFORMATION	
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	6
Independent Auditors' Report on Compliance for a Federal Program and Report on Internal Control Over Compliance	8
Schedule of Findings and Questioned Costs	11

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## INDEPENDENT AUDITORS' REPORT

**The Board of Directors  
Mississippi Emergency Management Agency, Inc.  
Pearl, Mississippi**

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

We have audited the accompanying schedule of expenditures of federal awards for the Federal Emergency Management Agency Disaster Grant - Public Assistance Grant of Mississippi Emergency Management Agency for the year ended June 30, 2016 and the related notes (the financial statement).

### **Management's Responsibility for the Schedule of Expenditures of Federal Awards**

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

### **Auditors' Responsibility**

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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the 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. 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 opinion.

### **Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the federal awards for the Federal Emergency Management Agency Disaster Grant - Public Assistance Grant of Mississippi Emergency Management Agency for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated Date Pending, on our consideration of Mississippi Emergency Management Agency'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 Mississippi Emergency Management Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Matthews, Carter & Lindsay, P.A." in a cursive script.

January 25, 2017

MISSISSIPPI EMERGENCY MANAGEMENT AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/ Pass- Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<i>Department of Homeland Security</i> <i>Federal Emergency Management Agency</i> Disaster Grant - Public Assistance	97.036	1604 DRMSP 00000001	\$89,708,507	\$83,586,175

# MISSISSIPPI EMERGENCY MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Statement Presentation

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Mississippi Emergency Management Agency for its Federal Emergency Management Agency Disaster Grants - Public Assistance Grant under programs of the federal government for the year ended June 30, 2016. 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. Because the Schedule presents only a selected portion of the operations of Mississippi Emergency Management Agency, it is not intended to and does not present the financial position or changes in fund balances of Mississippi Emergency Management Agency.

#### Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### Pass-Through entity Identifying Numbers

Pass-Through Entity Identifying Numbers are presented where available.

### 2. AMOUNTS PROVIDED TO SUBRECIPIENTS

The following amounts were provided to subrecipients during the year ended June 30, 2016:



## SUPPLEMENTARY INFORMATION

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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Office of the Governor  
Mississippi Emergency Management Agency  
Pearl, Mississippi

We have audited, 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 of State Treasury Funds 3729, 372K, 3728, and 372U of Mississippi Emergency Management Agency, as of and for the year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2017.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mississippi Emergency Management Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mississippi Emergency Management Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Mississippi Emergency Management Agency'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 Mississippi Emergency Management Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no Instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

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

January 25, 2017

*Mathews, Carter & Lindberg, P.A.*

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MATTHEWS  
CUTRER *and*  
LINDSAY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Office of the Governor  
Mississippi Emergency Management Agency  
Pearl, Mississippi

### Report on Compliance for the Federal Emergency Management Agency Disaster Grant Public Assistance Grant

We have audited Mississippi Emergency Management Agency's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on its Federal Emergency Management Agency Disaster Grant - Public Assistance Grant for the year ended June 30, 2016.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal Emergency Management Agency Disaster Grant - Public Assistance Grant.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Mississippi Emergency Management Agency's Federal Emergency Management Agency Disaster Grant - Public Assistance Grant 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 Federal Emergency Management Agency Disaster Grant - Public Assistance Grant occurred. An audit includes examining, on a test basis, evidence about Mississippi Emergency Management Agency'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 Mississippi Emergency Management Agency's Federal Emergency Management Agency Disaster Grant - Public Assistance Grant. However, our audit does not provide a legal determination of Mississippi Emergency Management Agency's compliance.

### **Opinion on Compliance for the Federal Emergency Management Agency Disaster Grant – Public Assistance Grant**

In our opinion, Mississippi Emergency Management Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Disaster Grant - Public Assistance Grant for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of Mississippi Emergency Management Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mississippi Emergency Management Agency's internal control over compliance with the types of requirements that could have a direct and material effect on its Disaster Grant - Public Assistance Grant to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its Disaster Grant - Public Assistance Grant 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 Mississippi Emergency Management Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Mathews, Cutler & Lindsay, P.A.*

January 25, 2017

MISSISSIPPI EMERGENCY MANAGEMENT AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016

Section 1: Summary of Auditors' Results

Program Specific Federal Awards

Internal control over federal program:

Material weakness(es) identified?

\_\_\_ yes X no

Significant deficiency(s) identified that are

not considered to be material weaknesses?

\_\_\_ yes X no

Type of auditors' report issued:

Unmodified

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

\_\_\_ yes X no

Auditee qualified as a low risk auditee?

\_\_\_ yes X no

Financial Statements

N/A

Federal Awards Findings and Questioned Costs

None reported.