

# **Mississippi Home Corporation**

Report on Compliance in Accordance with the Uniform Guidance

For the Year Ended June 30, 2018



# Mississippi Home Corporation

June 30, 2018

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**Report on Compliance for the Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

Board of Directors  
Mississippi Home Corporation  
Jackson, Mississippi

**Report on Compliance for the Major Federal Program**

We have audited the compliance of Mississippi Home Corporation (the Corporation) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Corporation's major federal program for the year ended June 30, 2018. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corporation'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 major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

***Opinion on the Major Federal Program***

In our opinion, Mississippi Home Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

Management of the Corporation 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 the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the basic financial statements of Mississippi Home Corporation as of and for the year ended June 30, 2018, and have issued our report thereon dated October 10, 2018, which contained a

reference to the report of other auditors and an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BKD, LLP*

Jackson, Mississippi  
October 10, 2018

**Mississippi Home Corporation**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U. S. Department of Housing and Urban Development</b>				
Direct				
Housing Counseling Assistance Program	14.169		\$ 268,372	\$ 364,661
Home Investment Partnerships Program (HOME)	14.239		5,694,331	6,126,519
Housing Trust Fund	14.275		-	52,222
Emergency Solutions Grant Program	14.231		1,999,832	2,088,005
Housing Opportunities for Persons with AIDS	14.241		1,045,832	1,070,438
Total Direct			<u>9,008,367</u>	<u>9,701,845</u>
Passed through State of Mississippi				
Mississippi Development Authority				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N1807-09-025-HB-01	-	97,245
Total Mississippi Development Authority			<u>-</u>	<u>97,245</u>
Total U.S. Department of Housing and Urban Development			<u>9,008,367</u>	<u>9,799,090</u>
<b>U. S. Department of Treasury</b>				
Hardest Hit Fund	21.Unknown		-	9,134,480
Total U.S. Department of Treasury			<u>-</u>	<u>9,134,480</u>
Total Expenditures of Federal Awards			<u>\$ 9,008,367</u>	<u>\$ 18,933,570</u>

**Mississippi Home Corporation**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

- Note 1:** The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Corporation under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net position or cash flows of the Corporation.
- Note 2:** Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122 or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Corporation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Mississippi Home Corporation**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

**Summary of Auditor's Results**

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ *Unmodified*      ☐ *Qualified*      ☐ *Adverse*      ☐ *Disclaimed*

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?      ☐ *Yes*      ☒ *None reported*

Material weakness(es)?      ☐ *Yes*      ☒ *No*

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ *Yes*      ☒ *No*

*Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?      ☐ *Yes*      ☒ *None reported*

Material weakness(es)?      ☐ *Yes*      ☒ *No*

5. The opinion expressed in the independent auditor's report on compliance for major federal awards programs was:

☒ *Unmodified*      ☐ *Qualified*      ☐ *Adverse*      ☐ *Disclaimed*

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

☐ *Yes*      ☒ *No*



**Mississippi Home Corporation**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

7. The Corporation's major program was:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Hardest Hit Fund	21.Unknown

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The Corporation qualified as a low-risk auditee? ☒ Yes ☐ No

**Findings Required to be Reported by *Government Auditing Standards***

No matters are reportable.

**Findings Required to be Reported by the Uniform Guidance**

No matters are reportable.

**Mississippi Home Corporation**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2018**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
No matters are reportable.		