



MADISON COUNTY CITIZENS SERVICES AGENCY

140 West Center Street • Post Office Box 1358
Canton, Mississippi 39046-1358
601-855-5710 • Fax: 601-855-5662

February 4, 2013

Mr. Gerald Steen, President
Madison County Board of Supervisor
District 3
P.O. Box 608
Canton, MS 39046

Dear Mr. Steen:

Please find attached a copy of the Madison County Citizen Services Agency's 2011-2012 Audit Report.

Thank you for your attention.

Sincerely yours,

Dr. Mary Sims-Johnson, MSW, LCSW
Executive Director
MCCSA

cc: Ms. Cynthia Parker, Board Secretary

Enclosure

Board of Directors

Timmy Pickett - Chairman

Will Sligh - Secretary/Treasurer

Rev. Floyd Chambers Carolyn Jones David Wilson Dr. Nelson Cauthen

Dr. Mary Sims-Johnson, Executive Director

MADISON COUNTY CITIZENS SERVICES AGENCY

A
AUDIT REPORT

For The Year Ended September 30, 2012



WILLIAMS CPA FIRM, PLLC
Accountants & Consultants

Audit Report
Year Ended September 30, 2012

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WILLIAMS CPA FIRM, PLLC
Accountants & Consultants

MAIN OFFICE:

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

We have audited the accompanying financial statements of the governmental activities of Madison County Citizens Services Agency, as of and for the year ended September 30, 2012, which collectively comprise the Madison County Citizens Services Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Madison County Citizens Services Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of governmental activities, of the Madison County Citizens Services Agency as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, 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 December 13, 2012, on our consideration of the Madison County Citizens Services Agency's internal control over financial reporting and on our test 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 or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 of the Madison County Citizens Services Agency's basic financial statements. The accompanying statements of general activities and program activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations, and is also not a required part of the basic financial statements of Madison County Citizens Services Agency. The accompanying statements of general activities and program activities and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams CPA Firm, PLLC

Ridgeland, MS
December 13, 2012

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis

September 30, 2012

Our discussion and analysis of the Madison County Citizens Service Agency financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2012.

FINANCIAL HIGHLIGHTS

This is the sixth year of operation of the Madison County Citizens Service Agency and is the fourth full year of operations. The agency is designed to assist the poor and elderly in Madison County with the payment of utility bills, transportation assistance and provide meal programs daily at two locations in Madison County.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities (see pages 6 and 8) provide information about the activities of the agency as whole and present a longer term view of the Agency's finances. The detail financial statements included in this report are details of expenses, grants and other non-operating or non-budgeted revenues and expenses. The Statement of Cash Flows presents the cash that is generated from the operations of the agency and the use of said cash. The main non-cash items are depreciation on capital assets and the receipt of in kind contributions of rental space and other support expenses from Madison County and the in-kind contributions of prepared meals through a grant program.

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis
September 30, 2012

CONDENSED COMPARATIVE FINANCIAL INFORMATION

The condensed comparative information is presented as follows:

	<u>2012</u>
Current Assets	\$ 133,301
Non-Current Assets	<u>213,235</u>
Total Assets	<u>\$ 346,536</u>
Current Liabilities	<u>\$ 23,565</u>
Net Assets:	
Invested in Capital Assets	\$ 213,235
Unrestricted	<u>109,736</u>
Total Net Assets	<u>\$ 322,971</u>

ANALYSIS OF THE AGENCY'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The financial position of the Agency has improved since its inception. The Agency's fourth full year of operation was successful. The major utility assistance program is running smoothly along with the meals program. The transportation program is also running well since the Agency got its full complement of vehicles. Several other smaller programs (congregate meals, elderly care, and information) have been permanent programs since the agency's inception as well.

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis
September 30, 2012

FUTURE OPERATIONS

The operation of the Agency will require new expenses as it continues to grow. This should mainly be funded by future grants.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, contributors, and other interested parties with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dr. Mary Simms Johnson at the Madison County Citizens Service Agency, 1005 West Peace Street, Canton, Mississippi 39046.

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF NET ASSETS
September, 30 2012

	<u>2012</u>
ASSETS	
<u>CURRENT ASSETS</u>	
Cash	\$ 56,660
Grant Receivable	76,642
Total Current Assets	<u>\$ 133,302</u>
<u>NON CURRENT ASSETS</u>	
Capital assets - net	213,235
Total Assets	<u>\$ 346,537</u>
LIABILITIES	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	3,000
Vacation Pay Liability	20,565
Total Current Liabilities	<u>\$ 23,565</u>
NET ASSETS	
Invested in Capital Assets	213,235
Unrestricted	109,556
Total Net Assets	<u>\$ 322,971</u>

MADISON COUNTY CITIZENS SERVICE AGENCY
ANALYSIS OF CHANGES IN NET ASSETS
September 30, 2012

	<u>2012</u>
Net assets, beginning of year	280,277
Add: Prior period adjustment (fixed assets)	70,338
Excess of (expenses) over revenues	<u>(27,644)</u>
Net assets, end year	<u><u>322,971</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY

STATEMENT OF ACTIVITIES

September 30, 2012

	<u>2012</u>
<u>OPERATING REVENUE</u>	
Intergovernmental Transfers	341,000
Other Income	<u>706</u>
<u>GRANT INCOME</u>	
Grant Income Received	1,306,546
Non Cash Intergovernmental Transfers	104,739
Program Income	<u>22,979</u>
TOTAL GRANT FUNDS RECEIVED	<u>1,434,264</u>
TOTAL REVENUE	<u><u>1,775,970</u></u>
 <u>OPERATING EXPENDITURES</u>	
Total Operating Expenditures	<u>316,000</u>
<u>PROGRAM EXPENDITURES</u>	
Total Program Expenditures	<u>1,487,614</u>
TOTAL EXPENDITURES	<u>1,803,614</u>
OPERATING (LOSS)/INCOME	<u><u>(27,644)</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF CASH FLOWS
September 30, 2012

	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Excess revenues over expenditures	(27,644)
Depreciation	54,177
(Increase) decrease in grant receivable	(3,763)
Increase (decrease) in accounts payable - Madison County	33
Increase (decrease) in vacation pay liability	<u>2,125</u>
CASH FLOWS FROM (USED) ACTIVITIES	<u>24,928</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(2,211)</u>
CASH USED IN INVESTING ACTIVITIES	<u>(2,211)</u>
NET INCREASE (DECREASE) IN CASH	22,717
CASH AT BEGINNING OF YEAR	<u>33,943</u>
CASH AT END OF YEAR	<u><u>56,660</u></u>

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County Citizen's Service Agency is an agency, created by the Madison County Board of Supervisors on November 6, 2006. The Agency was created under sections 17-51-1 through 11 of the Mississippi Code for the purpose of operating under local government control and is responsible for the administration of programs heretofore conducted by community action agencies, limited purpose agencies, and related programs authorized by federal law.

The Agency is a component unit of Madison County, Mississippi because its board is appointed by the Madison County Board of Supervisors.

Its main functions are the operation of a utility assistance program, a meal program, and a transportation program. These activities are designed to assist the poor and elderly in Madison County, Mississippi.

The actual operations of the agency commenced April 2007.

Revenues and expenditures are accounted for using the modified accrual basis of accounting.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

The Madison County Citizens Service Agency has adopted the provisions of Governmental Accounting Standards Board Statement 34, which requires the capitalization of infrastructure and other fixed asset costs as assets of the fund, at their estimated depreciable values. All assets are estimated to have a 5 year or longer useful life and straight line depreciation over those periods have been assumed.

Statement of Cash Flows

For purposes of the statement of cash flows, the Agency considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

NOTE 2 – ECONOMIC DEPENDENCY

The Agency receives 100% of its support from federal, state, and county governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Agency's programs and activities.

NOTE 3 – NON CASH REVENUES AND EXPENDITURES

The Agency receives substantial non cash items of support and operating revenues. The operating revenues received from the Madison County Board of Supervisors are rental space and various support activities including accounting, payroll and the like. These are shown as revenue received and a subsequent transfer back to the County.

The Agency also receives in kind food through grant program. This is shown as income received and the expenditures are shown as non cash grant expenditure for meals provided.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Plan Description: Madison County Citizens Service Agency contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. 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 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 Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are requested to contribute 7.25% of their annual covered salary and Madison County Citizens Service Agency is required to contribute at an actuarially determined rate of 14.26%. The contribution requirements of PERS members are established and are amended only by the State of Mississippi Legislature. Madison County Citizens Service Agency's contribution to PERS for the year ending September 30, 2012, was \$62,070, which also equaled their required contributions for the year.

NOTE 5 – CASH AND INVESTMENTS

At September 30, 2012, all of the Agency's funds had been placed in the State of Mississippi Treasurer's Pool for deposits. Therefore, all deposits are covered with either FDIC insurance or the State Treasurer's Pool.

MADISON COUNTY CITIZENS SERVICE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2012

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Identifying Number</u>	<u>Federal Expenditures</u>
Mississippi Department of Human Services			
LIHEAP 2011	93.568	683L111L	\$ 255,732
LIHEAP 2012	93.568	683L121L	402,748
LIHEAP 2012- Carryover	93.568	683L112L	<u>183,308</u>
			<u>\$ 841,789</u>
Mississippi Department of Transportation			
Rural General Transportation	20.509	502380	<u>\$ 476,078</u>
Central Mississippi Planning and Development District			
Title XX Transportation	93.667	396F77	94,628
Information & Referral	93.044	377M77	16,772
Outreach	93.044	377M77A	15,162
Ombudsman	93.044	377M77	16,034
Congregate Meals	93.045	378M77	<u>26,208</u>
			<u>\$ 168,804</u>
Total Pass Through Programs			<u><u>\$ 1,486,671</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF GENERAL FUND ACTIVITIES
September 30, 2012

OPERATING REVENUES

Refunds- Allowances	356
Local Match/In Kind	350
Intergovernmental Transfers	327,000
	<u>327,706</u>

OPERATING EXPENDITURES

Salaries and Related Expenses	125,889
Fringe Benefits	40,872
Travel	3,109
Professional Services	3,241
Training Conferences	2,043
Meals & Entertainment	118
Postage	-
Utilities	1,507
Advertising	165
In-Kind Expense	-
Legal & Professional Fees	1,050
Audit	5,950
Bank Charges	
Bookkeeping Sevices	1,228
Property Insurance	3,677
Dues & Subscriptions	300
Office Supplies	3,203
Vehicle Expense	2,611
Program Supplies	349
Program Cost	169
Stationery & Printing	228
Software	4,160
Depreciation	1,371
Miscellaneous	312
Office Equipment Maintenance	2,698
Transfer Expense	110,074
Equipment	1,676

TOTAL OPERATING EXPENSES

316,000

OTHER INCOME

Other Income	14,000
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EXCESS (DEFICIT) OF OPERATING INCOME OVER EXPENSES

25,706

MADISON COUNTY CITIZENS SERVICE AGENCY
 STATEMENT OF PROGRAM ACTIVITIES
 September 30, 2012

REVENUES

Grant Income	\$ 1,218,726
Local Match - In Kind	93,067
Program Income	22,979
Non-Cash Food	9,398
USDA Food Credit	2,274
Other	87,820
TOTAL REVENUES	<u><u>\$ 1,434,264</u></u>

EXPENSES

Congregate Meal Expense	\$ 11,672
LIHEAP ECIP	724
LIHEAP Program Assistance	646,663
Salaries and Related Expenses	380,139
Fringe Benefits	150,873
Travel	5,499
Professional Services	4,391
Training Conferences	11,929
Postage	1,644
Utilities	4,998
Advertising	78
In-Kind Expense	2,285
Audit	3,000
Bank Charges	101
Property Insurance	27,738
Dues & Subscriptions	2,610
Office Supplies	12,455
Vehicle Expense	56,408
Program Supplies	96
Program Cost	2,081
Software	1,050
Depreciation	52,807
Office Equipment Maintenance	2,134
Transfer Expenses	82,878
Equipment	23,359
TOTAL EXPENSES	<u><u>\$ 1,487,614</u></u>

OTHER INCOME

Other Income	<u> </u>
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EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u><u>\$ (53,351)</u></u>
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MADISON COUNTY CITIZENS SERVICE AGENCY
 DETAIL OF GRANT ACTIVITIES
 For the Years Ended September 30, 2012

MADISON COUNTY CITIZENS SERVICE A
 DETAIL OF GRANT ACTIVITIES
 For the Years Ended September 30, 2

	LIHEAP	SEC 5311	TITLE XX TRANSPORT	TITLE III MEALS	INFORMATION	OMBUDSMAN	OUTREACH	Fund 032	UNEMPLOYMENT FUND	TOTAL
REVENUE										
Grant Income	841,789	255,658	67,513	12,028	14,837	13,424	13,477	-	-	1,218,721
Refunds- Allowances	-	-	-	-	-	-	-	-	-	-
Local Match - In Kind	-	60,000	24,329	2,508	1,935	2,610	1,685	-	-	93,067
Program Income	-	20,194	2,785	-	-	-	-	-	-	22,979
Non-Cash Food	-	-	-	9,398	-	-	-	-	-	9,398
USDA Food Credit	-	-	-	2,274	-	-	-	-	-	2,274
Intergovernmental Transfers	-	-	-	-	-	-	-	-	-	-
Other	-	87,420	-	-	-	-	-	-	400	87,820
Grant Funds Received	841,789	423,271	94,628	26,208	16,772	16,034	15,162	-	400	1,434,266
EXPENDITURES										
DIRECT PROGRAM EXPENSES										
Congregate Meal Expense	-	-	-	11,672	-	-	-	-	-	11,672
LIHEAP ECIIP	724	-	-	-	-	-	-	-	-	724
LIHEAP Program Assistance	646,538	-	-	-	-	-	-	126	-	646,664
	647,262	-	-	11,672	-	-	-	126	-	659,054
OTHER EXPENSES										
Salaries and Related Expenses	115,109	205,973	17,600	9,790	9,516	12,636	9,516	-	-	380,139
Fringe Benefits	47,420	84,394	6,894	1,129	4,660	998	4,660	-	717	150,874
Travel	1,264	593	-	81	175	2,400	986	-	-	5,499
Professional Services	4,391	-	-	-	-	-	-	-	-	4,391
Training Conferences	3,510	8,281	138	-	-	-	-	-	-	11,929
Meals & Entertainment	-	-	-	-	-	-	-	-	-	-
Postage	1,644	-	-	-	-	-	-	-	-	1,644
Utilities	747	4,252	-	-	-	-	-	-	-	4,999
Advertising	-	78	-	-	-	-	-	-	-	78
In-Kind Expense	-	-	-	-	2,285	-	-	-	-	2,285
Legal & Professional Fees	-	-	-	-	-	-	-	-	-	-
Audit	-	3,000	-	-	-	-	-	-	-	3,000
Bank Charges	-	-	-	-	-	-	-	-	101	101
Bookkeeping Services	-	-	-	-	-	-	-	-	-	-
Property Insurance	-	27,738	-	-	-	-	-	-	-	27,738
Dues & Subscriptions	-	2,610	-	-	-	-	-	-	-	2,610
Office Supplies	5,300	4,543	1,118	1,358	136	-	-	-	-	12,455
Vehicle Expense	-	56,408	-	-	-	-	-	-	-	56,408
Program Supplies	-	-	-	96	-	-	-	-	-	96
Program Cost	-	-	-	2,081	-	-	-	-	-	2,081
Stationery & Printing	-	-	-	-	-	-	-	-	-	-
Software	1,050	-	-	-	-	-	-	-	-	1,050
Depreciation	-	52,807	-	-	-	-	-	-	-	52,807
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Office Equipment Maintenance	91	2,043	-	-	-	-	-	-	-	2,134
Transfer Expenses	14,000	-	68,878	-	-	-	-	-	-	82,878
Equipment	-	23,359	-	-	-	-	-	-	-	23,359
TOTAL	194,527	476,078	94,628	14,536	16,772	16,034	15,162	-	818	828,545
OTHER INCOME/EXPENSE										
REVENUES OVER/(UNDER) EXPENDITURES	-	(52,807)	(0)	-	-	-	-	(126)	(418)	(53,341)

MADISON COUNTY CITIZENS SERVICE AGENCY
 Section 5311 Rural Transportation Program
 September 30, 2012

Computation of Section 5311 Funds Allowable for Grant Participation and Amount Due Grantee
 Contract No. 502486

<u>Expenditure Category</u>	<u>Expenditures</u>	<u>Sec. 5311 Participation Percentage</u>	<u>Section 5311 Amount</u>	<u>Maximum Amount Per Grant</u>	<u>Balance</u>
Administration	122,411	80%	97,929	114,560	
Capital Purchases	19,807	80%	15,846	19,200	
Operations	248,762	50%	124,381	162,531	
	<u>390,981</u>		<u>238,156</u>	<u>296,291</u>	
Less: Excess Local			<u>238,156</u>		
Total Allowable Expenditures from Section 5311 Grant Funds				<u>238,156</u>	
Less: Section 5311 Funds Received-					
Cash reimbursements received for expenditures through September 30, 2012				203,896	
Cash reimbursements received after September 30, 2012				<u>18,431</u>	
TOTAL SECTION 5311 FUNDS DUE TO (FROM) GRANTEE				<u>15,829</u>	

Reconciliation for FY 2012

MADISON COUNTY CITIZENS SERVICE AGENCY
 Section 5311 Rural Transportation Program
 September 30, 2012

Statement of Revenues and Expenditures
 Contract No. 502486

	Section 5311 Grant	Local Matching Funds	Total
Revenues:			
Section 5311 Grant	238,156	-	238,156
Local Match Funds:			
Cash Contribution from County	-	84,289	84,289
Contract Services	-	68,104	68,104
Total Revenues	<u>238,156</u>	<u>152,393</u>	<u>390,549</u>
Expenditures:			
Administration	97,929	24,482	122,411
Capital Purchases	15,846	3,529	19,375
Operations	124,381	124,381	248,762
Total Expenditures	<u>238,156</u>	<u>152,393</u>	<u>390,549</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>



WILLIAMS CPA FIRM, PLLC
Accountants & Consultants

MAIN OFFICE:

301 Highland Park Cove, Suite A

Ridgeland, Mississippi 39157

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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 GOVERNMENTAL ACCOUNTING STANDARDS

Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

We have audited the financial statements of Madison County Citizens Services Agency, as of and for the year ended, September 30, 2012, which collectively comprise Madison County Citizens Agency's basic financial statements and have issued our report thereon, dated December 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issues by Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison County Citizens Services Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions the on financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Madison County Citizens Services Agency'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 a control deficiencies, that adversely affects Madison County Citizens Services Agency'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 Madison County Citizens Services Agency's financial statements that is more than inconsequential will not be prevented or detected by Madison County Citizens Services Agency's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section would be 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County Citizens Services Agency's financial statements are free of material misstatements, 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*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity and 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.

Williams CPA Firm, PLLC

Ridgeland, Mississippi
December 13, 2012



WILLIAMS CPA FIRM, PLLC
Accountants & Consultants

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

Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

Compliance

We have audited the compliance of Madison County Citizens Services Agency 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 September 30, 2012. Madison County Citizens Services Agency'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 Madison County Citizens Services Agency's management. Our responsibility is to express an opinion on Madison County Citizens Services Agency'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 the financial audits contained in *Government Auditing Standards*, issues 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-122 require 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 Madison County Citizens Services 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. Our audit does not provide a legal determination of Madison County Citizens Services Agency's compliance with those requirements.

In our opinion, Madison County Citizens Services Agency 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 September 30, 2012.

Internal Control over Compliance

The management of Madison County Citizens Services Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable for federal programs. In planning and performing over audit, we considered Madison County Citizens Services Agency's internal control over compliance with the 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 our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of Madison County Citizens Services Agency'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 a 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.

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.

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 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 management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should be used by anyone other than these specified parties.

Williams CPA Firm, PLLC

Ridgeland, Mississippi
December 13, 2012

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2012

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses unqualified opinion on the financial statements of Madison County Citizens Services Agency.
2. No reportable conditions were disclosed during the audit of the financial statement.
3. No instances of noncompliance material to the financial statements of Madison County Citizens Services, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Madison County Citizens Services Agency expresses an unqualified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Madison County Citizens Services Agency, which would be required to be reported, were disclosed during the audit.
7. The program tested as a major program consisted of: U.S. Department of Health & Human Services, Low Income Home Energy Assistance, and CFDA Number 93.568.
8. The Threshold used for distinguishing between A and B programs was \$300,000.
9. Madison County Citizens Services Agency qualifies as a low – risk auditee.