



# MADISON COUNTY CITIZENS SERVICES AGENCY

140 West Center Street • Post Office Box 1358  
Canton, Mississippi 39046-1358  
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March 21, 2018

Mr. Shelton Vance, County Administrator  
For: Ms. Shelia Jones, President  
Madison County Board of Supervisor  
District 1  
P.O. Box 608  
Canton, MS 39046

Dear Ms. Jones:

Please find attached a copy of the Madison County Citizen Services Agency's 2016-2017 Audit Report.

Thank you for your attention.

Sincerely yours,

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

cc: Mrs. Gwendolyn C. Smith, Fiscal/HR Director

Enclosure

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**Board of Directors**

*Timmy Pickett - Chairman      Neal Riley - Vice Chairman*  
*Will Sligh - Secretary/Treasurer*  
*Jennifer Clanton      Dr. Nelson Caughen*  
*Dr. Mary Sims-Johnson, Executive Director*

# MADISON COUNTY CITIZENS SERVICES AGENCY

Audited Financial Statements and  
Independent Auditor's Reports  
September 30, 2017 and 2016



WILLIAMS CPA FIRM, PLLC  
*Accountants & Consultants*

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MADISON COUNTY CITIZENS SERVICES AGENCY  
September 30, 2017 and 2016

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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Madison County Citizens Service Agency (MCCSA) (a component unit of the State of Mississippi), as of and for the years ended September 30, 2017 and 2016 and the related notes to the financial statements, which comprises Madison County Citizens Service Agency as listed in the table of contents.

***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.

***Auditor's Responsibility***

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 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 opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Madison County Citizens Service Agency as of September 30, 2017 and respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 to 5 be presented to supplement the basic financial statement. Such information, although not a part of the basic financial information, is required by the Governmental Accounting Standards Board, who considers it to be essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Madison County Citizens Agency basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The Schedules of General Fund, Grant and Program Activities and the Schedules for Section 5311 Rural Transportation are not required parts of the basic financial statements.

The supplementary information listed in the preceding paragraph are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2018, on our consideration of Madison County Citizens Service 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 Madison County Citizens Service Agency's internal control over financial reporting and compliance.

Ridgeland, MS  
February 28, 2018



MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis  
September 30, 2017

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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, 2017.

**FINANCIAL ANALYSIS**

This is the tenth year of operation of the Madison County Citizens Service Agency and is the seventh 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 Position s and Statement of Revenues and Expenses (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, 2017

	2017	2016
Current Assets	208,893	228,840
Non-Current Assets	21,136	10,726
<b>Total Assets</b>	<b>230,029</b>	<b>239,566</b>
Deferred Outflows of Resources	29,693	29,117
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>259,722</b>	<b>268,683</b>
Current Liabilities	71,619	3,000
Noncurrent Liabilities	1,571,899	1,483,339
<b>Total Liabilities</b>	<b>1,643,518</b>	<b>1,486,339</b>
Deferred inflows of Resources	69,041	0
<b>Total Liabilities &amp; Deferred Intflows of Resources</b>	<b>1,712,559</b>	<b>1,486,339</b>
<b>Net Position</b>	<b>(1,452,837)</b>	<b>(1,217,656)</b>

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

Total Assets and Deferred Outflows of Resources decreased \$362 thousand due to GASB 68  
Total Liabilities and Deferred Outflows of Resources increased \$226 thousand due to GASB 68  
Net Position decreased as GASB 68 continues to impact the net position of the agency

See accompanying notes to the Financial Statements

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis  
September 30, 2017 and 2016

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**FUTURE OPERATIONS**

The operation of the Agency will require new income and 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 POSITION**  
September, 30 2017

	2017	2016
<b>ASSETS</b>		
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 114,055	\$ 56,770
Grant Receivable	94,839	172,070
<b>Total current assets</b>	<b>\$ 208,893</b>	<b>\$ 228,840</b>
<b><u>NON CURRENT ASSETS</u></b>		
Property, plant and equipment - net	21,136	10,726
Total Noncurrent Assets	\$ 21,136	\$ 10,726
<b>Total Assets</b>	<b>\$ 230,029</b>	<b>\$ 239,566</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows-pension	\$ 29,693	\$ 29,117
Total Deferred Outflows of Resources	\$ 29,693	\$ 29,117
Combined Assets and Deferred Outflows of Resources	\$ 259,722	\$ 268,683
<b>Liabilities</b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	4,000	3,000
Unearned Revenue	67,619	-
Total Current liabilities	\$ 71,619	\$ 3,000
<b><u>NON CURRENT LIABILITIES</u></b>		
Vacation Pay Liability	64,892	45,373
Net Pension Liability	1,507,007	1,437,966
Total Noncurrent liabilities	\$ 1,571,899	\$ 1,483,339
Total Liabilities	\$ 1,643,518	\$ 1,486,339
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred inflow-pension	69,041	-
Total liabilities and deferred inflows of resources	1,712,559	1,486,339

See accompanying notes to the Financial Statements

**MADISON COUNTY CITIZENS SERVICE AGENCY**  
**STATEMENT OF CHANGES IN NET POSITION**  
**September 30, 2017**

	<u>2017</u>	<u>2016</u>
Net Position , beginning of year, as adjusted	\$ (1,116,137)	\$ (749,922)
Prior-period adjustment	\$ -	\$ (101,519)
Invested in Capital Assets	21,136	10,766
Unrestricted	<u>(357,836)</u>	<u>(376,981)</u>
 Net Position, end year	 <u><u>\$ (1,452,837)</u></u>	 <u><u>\$ (1,217,656)</u></u>

See accompanying notes to the Financial Statements

MADISON COUNTY CITIZENS SERVICE AGENCY

STATEMENT OF REVENUES AND EXPENSES  
September 30, 2017

	<u>2017</u>	<u>2016</u>
<b><u>OPERATING REVENUE</u></b>		
Other Income	97,141	9,055
County Revenue	<u>290,140</u>	<u>462,867</u>
<b>TOTAL OPERATING REVENUE</b>	<b><u>387,281</u></b>	<b><u>471,922</u></b>
<b><u>GRANT INCOME</u></b>		
Grant Income Received	1,169,558	992,041
Non Cash Intergovernmental Transfers	271,313	232,659
Program Income	<u>32,099</u>	<u>37,518</u>
<b>TOTAL GRANT FUNDS RECEIVED</b>	<b><u>1,472,970</u></b>	<b><u>1,262,218</u></b>
<b>TOTAL REVENUE</b>	<b><u>1,860,251</u></b>	<b><u>1,734,140</u></b>
<b><u>OPERATING EXPENDITURES</u></b>		
Total Operating Expenditures	<u>739,833</u>	<u>833,433</u>
<b><u>PROGRAM EXPENDITURES</u></b>		
Total Federal Grants	1,368,840	1,246,152
Total Program Expenditures	<u>109,414</u>	<u>31,536</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,218,086</u></b>	<b><u>2,111,120</u></b>
<b>OPERATING (LOSS)/INCOME</b>	<b><u>(357,836)</u></b>	<b><u>(376,981)</u></b>

See accompanying notes to the Financial Statements

MADISON COUNTY CITIZENS SERVICE AGENCY

STATEMENT OF CASH FLOWS

September 30, 2017

	<u>2017</u>	<u>2016</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Excess expenses over revenues	(357,836)	(376,981)
Depreciation	5,284	20,247
(Increase) decrease in grant receivable	77,231	(108,269)
Increase (decrease) in accounts payable	1,000	(4,805)
Increase (decrease) in unearned revenue	67,619	(145,955)
Deferred outflows-pension	69,041	175,895
Net unfunded pension liability	149,007	363,104
Increase (decrease) in vacation liability	19,519	11,570
	<u>          </u>	<u>          </u>
CASH FLOWS FROM (USED) ACTIVITIES	<u>\$ 30,865</u>	<u>\$ (65,194)</u>
<b>CASH FLOWS FROM CAPTIAL AND RELATED FINANCINIG ACTIVITIES</b>		
Cash asset expenditures	<u>26,420</u>	<u>0</u>
	<u>          </u>	<u>          </u>
Net cash flows from capital and related financing activities	<u>26,420</u>	<u>0</u>
	<u>          </u>	<u>          </u>
NET INCREASE (DECREASE) IN CASH	57,285	(65,194)
CASH AT BEGINNING OF YEAR	<u>\$ 56,770</u>	<u>\$ 121,964</u>
CASH AT END OF YEAR	<u><u>\$ 114,055</u></u>	<u><u>\$ 56,770</u></u>

See accompanying notes to the Financial Statements

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**(a) Organization and Nature of Operations**

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.

**(b) Basis of Accounting and Measurement Focus**

MCCSA is accounted for as an enterprise fund and presents its financial statements in accordance with the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Disclosures*.

**(c) Cash and Cash Equivalents**

Mississippi law allows governmental entities to invest in collateralized bank deposits, Federal securities, or securities issued by other Mississippi governmental entities. For purposes of the statements of cash flows, the MCCSA considers restricted cash and all short-term debt securities purchased with maturities of three months or less to be cash equivalents.

**(d) Accounts Receivables**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The valuation allowance was \$0 at both September 30, 2017 and 2016.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**(e) Property, Plant and Equipment**

Property, plant and equipment are recorded at acquisition cost. Interest expense, net of income earned on construction bond proceeds, is capitalized during construction on those capital projects paid for from the bond proceeds and is amortized over the depreciable life of the related assets on a straight-line basis. No interest was capitalized in 2017 or 2016.

Depreciation has been provided using the straight-line method over the estimated useful lives of the assets.

**(f) Income Tax**

The MCCSA is exempt from federal and state income taxes.

**(g) Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The MCCSA's deferred outflows relate to debt refunding, which are being amortized over the life of the debt, and its net pension liability, which are being amortized over the estimated average remaining service life.

**(h) Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. The MCCSA deferred inflows relate to its net pension liability, which are being amortized over the estimated average remaining service life.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**(i) Use of Estimates in the Presentation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(j) Date of Management’s Review**

Management has evaluated subsequent events through February 28, 2018, the date on which the financial statements were available to be issued.

**(k) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense/expenditures, information about the fiduciary net position of the MCSSA’s pension plan with the Public Employees’ Retirement System of Mississippi (“PERS”) and the additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(l) Reclassifications**

Certain accounts in the 2016 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2017 financial statements. These reclassifications had no material effect on the financial statements

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**(m) Cash and Cash Equivalents**

The carrying amount of MCCSA's total cash deposits with financial institutions at September 30, 2017 and 2016 was \$170,501 and \$56,770 respectively. Collateral for public entities deposits in financial institutions is held in the name of eh Mississippi State Treasurer under a program established by the Mississippi

**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, 2017 and 2016

**NOTE 4 – CAPITAL ASSETS**

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. All property and equipment acquired by MCCA are considered to be owned by MCCA while used in the program for which they were purchased or in future authorized programs. However, the federal government and State of Mississippi have a reversionary interest in the property purchased or acquired with federal and state funds; its disposition, as well as the ownership of any proceeds therefrom, is subject to the regulations of the funding source.

Capital Asset	Beginning Balance Sept. 30, 2016	Addition	Deletions	Ending Balance Sept. 30, 2017
Building & Improvement	119,450	0	0	\$119,450
Office Furniture & Equip.	36,330	26,420	0	\$62,750
Vehicles	145,708	0	0	\$145,708
Accumulated depreciation	(290,762)	(16,010)		(\$306,772)
Net Book Value	\$10,726	10,410	0	\$21,136

Depreciation expense for the years ended September 30, 2017 and 2016 was \$5,284 and \$20,247, respectively.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**NOTE 5 - Pension Plan**

General Information about the Pension Plan

*Plan description.* The Madison County Citizens Service Agency contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. Membership for MCCSA employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentage of salaries and wages as specified by the Board of Trustees. A member may terminate employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contribution plus interest. Upon withdrawal of contribution, a member forfeits service credit represented by those contributions. PERS issues a publicly available financial report that can be obtained at <http://www.pers.ms.gov>

*Benefit provided.* Participating members who are vested and retire at or after age 60 or those who retire regardless of age with a least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable services up to and including 30 years (25 years for those who became members of PERS before July, 2011), plus 2.50% for each additional year of creditable services with an actuarial reduction in the benefit for each year of creditable services below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee earnings during the four highest compensation years of creditable services. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives for life or for a specified number of years. Benefits vest upon completion of eight years of membership services (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 % of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches 60 (55 for those who became members of PERS before July, 1, 2011), with 3.0% compounded for each fiscal year thereafter.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

**Pension Plan (Continued)**

*Contributions Plan.* Plan provisions and the Board's authority to determine contribution rates are established by Miss Code Ann. §25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. For the years ended September 30, 2017 and 2016 active employees contribution rate was 9.00% of annual pay, and MCCA contribution rate was 15.75% of annual payroll. MCCA contribution to PERS for the years ended September 30, 2017 and 2016 were \$91,596 and \$81,111, respectively.

**Net Pension Liability**

At September 30, 2017 and 2016, MCCA reported a liability of \$2,360,798 and \$2,307,667, respectively for its proportional share of the net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of those dates. MCCA's proportion of the net pension liability was based on the MCCA's contribution to the pension plan relative to the contribution of all pension plan participants. At June 30, 2017 and 2016, the MCCA's proportion was 0.00009066% and 0.00008050%, respectively.

Actuarial assumptions. The total pension liability in the June 30, 2017 and June 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Description</b>	<b>Assumption</b>
Inflation	3.00%
Salary Increases	3.25-18.50% (3.75 -19.00% in 2016 including inflation)
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022 (2016 in 2016), with males rates set forward on year.

The actuarial assumptions used in the June 30, 2017 and 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014 (July 1, 2010 to June 30, 2014 in 2016). The experience report is dated April 18, 2017 (May 4, 2015 in 2016).

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

**Pension Plan (Continued)**

Asset class	Target allocation	Long-term expected real rate of return
U.S. Broad	27.00%	4.60%
International equity	18.00%	4.50%
Emerging markets equity	4.00%	4.75%
Global	12.00%	4.75%
Fixed Income	18.00%	0.75%
Private Equity	8.00%	5.10%
Emerging debt	2.00%	%2.25
Real assets	10.00%	3.50%
Cash	1.00%	0.00%
	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the MCCSA’s proportionate share of the net pension liability of the cost sharing plan, calculated using the discount rate of 7.75%, as well as what the plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017 and 2016

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**Pension Plan (Continued)**

Description	1% Decrease 6.75%	Current Discount Rate	1% Increase 8.75%
June 30, 2017, net pension liability	<u>\$1,360,806</u>	\$ <u>1,507,007</u>	\$ <u>1,750,141</u>
June 30, 2016, net pension liability	<u>\$1,367,218</u>	\$ <u>1,437,966</u>	\$ <u>1,592,704</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended September 30, 2017 and 2016, MCCSA recognized pension expenses of \$238,547 and 215,689, respectively. The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended September 30, 2017 and 2016.

MADISON COUNTY CITIZENS SERVICE AGENCY  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2017 AND 2016

**Pension Plan Continued**

	<u>Balance Sept. 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2017</u>
<b>Deferred outflows of resources</b>				
Contribution subsequent to the measurement date	20,150	24,031	(20,150)	24,031
Differences between expected and actual experience	40,109	-	(38,456)	1,653
Changes in proportionate share of net pension liability	26,033	-	(28,456)	(2,423)
Changes in assumptions	67,796	1,256	(62,620)	6,432
<b>Total deferred outflows of resources</b>	<b>154,088</b>	<b>25,287</b>	<b>(149,682)</b>	<b>29,693</b>
<b>Deferred inflows of resources</b>				
Changes in proportionate share of net pension liability	27,561			27,561
Changes in assumptions	6,687	4,309		10,996
Changes in proportionate share of net pension liability	4,589			4,589
Net differences between projected and actual earnings on plan investments	25,895			25,895
<b>Total deferred outflows of resources</b>	<b>64,732</b>	<b>4,309</b>	<b>-</b>	<b>69,041</b>

MADISON COUNTY CITIZENS SERVICE AGENCY  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2017 AND 2016

**Pension Plan Continued**

	Balance Sept. 30, 2015	Additions	Deductions	Balance Sept. 30, 2016
<b>Deferred outflows of resources</b>				
Contribution subsequent to the measurement date	12,458			12,458
Differences between expected and actual experience	28,958	11,151	-	40,109
Changes in proportionate share of net pension liability	18,987	1,568	5,478	26,033
Changes in assumptions	107,376		(39,580)	67,796
Net differences between projected and actual earnings on plan investments	<u>976,607</u>	<u>          </u>	<u>(325,323)</u>	<u>651,284</u>
<b>Total deferred outflows of resources</b>	<b>167,779</b>	<b>12,719</b>	<b>(359,425)</b>	<b>146,396</b>
<b>Deferred inflows of resources</b>				
Changes in proportionate share of net pension liability	56,123		(28,562)	27,561
Changes in assumptions	<u>12,365</u>	<u>          </u>	<u>(5,678)</u>	<u>6,687</u>
<b>Total deferred outflows of resources</b>	<b>68,488</b>	<b>-</b>	<b>(34,240)</b>	<b>34,248</b>

**MADISON COUNTY CITIZENS SERVICE AGENCY**  
 Schedule of Proportionate Share of the Net Pension Liability  
 Public Employees Retirement System of Mississippi  
 Last 10 Fiscal Years - \*

**Year Ended June 30,**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
MCCSA's proportion of the net pension liability	<u>0.009066%</u>	<u>0.008050%</u>	<u>0.008063%</u>	<u>0.007833%</u>	<u>0.007708%</u>
MCCSA's proportionate share of the net pension liability	<u>1,507,007</u>	<u>1,437,966</u>	<u>1,246,436</u>	<u>950,804</u>	<u>1,068,064</u>
MCCSA covered payroll	<u>581,550</u>	<u>535,712</u>	<u>523,526</u>	<u>497,000</u>	<u>468,100</u>
MCCSA's proportionate share of net pension liability as a percentage of its covered-employee payroll	<u>259.14%</u>	<u>268.42%</u>	<u>238.08%</u>	<u>191.31%</u>	<u>228.17%</u>
Plan Fiduciary net position as a percentage of the total pension liability	<u>61.49%</u>	<u>57.47%</u>	<u>61.70%</u>	<u>67.21%</u>	<u>61.02%</u>

\* GASB Statement No. 68 was implemented in fiscal year 2015, information is not available to present a full ten years. MCCSA has presented information for the years available

The amounts presented for each fiscal year were determined as of the measurement date June 30 of the fiscal year presented

The notes to the schedules of proportionate share of the net pension liability and pension contributions are an integral part of this schedule



MADISON COUNTY CITIZENS SERVICE AGENCY  
 Schedule of Pension Contributions  
 Public Employees' Retirement System of Mississippi  
 Last 10 Fiscal Years \*

	2017	Year Ended September 30,		2014
		2016	2015	
Statutorily required contributions	91,596	81,111	79,341	75,387
Contributions in relation to the statutorily required contribution	91,596	81,111	79,341	75,387
Annual contribution deficiency (excess)	-	-	-	-
MCCSA covered payroll	581,550	515,000	503,600	478,500
Contribution as percentage of covered payroll	15.75%	15.75%	15.75%	15.75%

\* GASB Statement No. 68 was implemented in fiscal year 2015, information is not available to present a full ten years. MCCSA has presented information for the years available

The amounts presented for each fiscal year were determined as of the measurement date September 30 of the fiscal year presented

The notes to the schedule of proportionate share of the net pension liability and pension contributions are an integral part of this schedule

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND  
PENSION CONTRIBUTIONS

**Changes of Assumptions:**

**2017**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and services retirement rates were also adjusted to more closely reflect actual experience.

**2016**

- The percentage of active member disabilities assumed to be in the line of duty was changed from 3.5% to 2.00%.

**2015**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP 2000 Mortality table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and services retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumption were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**Changes in Benefit Provisions**

**2016**

- **Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on money market rates as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.**

MADISON COUNTY CITIZENS SERVICE AGENCY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2017

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Pass through the Mississippi Department of Human Services			
Low-Income Home Energy Assistance 2016	93.568	683L161LL	\$ 219,736
Low-Income Home Energy Assistance 2017	93.568	683L171LL	\$ 336,081
			<u>\$ 555,817</u>
Pass through the Central Mississippi Planning and Development District			
Social Service Block Grant	93.667	1537-38	85,891
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	1057-38	24,805
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	1237-38	15,915
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	1197-38	26,559
			<u>\$ 153,170</u>
Total U.S. Department of Human Services			\$ 708,987
<b><u>U.S. Department of Transportation</u></b>			
Pass through the State of Mississippi Department of Transportation			
Formula Grants for Rural Areas-Rural Area Program	20.509	502977	\$ 659,853
Total Federal Financial Assistance			<u>\$ 1,368,840</u>

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO SCHEDULES OF EXPENDITURE OF FEDERAL AWARDS

September 30, 2017

**1. Basis of Presentation**

The accompany schedule of expenditure of federal awards (the Schedule) includes the federal award activity of Madison County Citizens Services Agency (MCCSA) under programs of the federal government for the year ended September 30, 2017. 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 is presents only a selected portion of the operations of MCCSA, it is not intended to and does not present the financial position, changes in net asset or cash flows of MCCSA.

**2. Summary of Significant Accounting Policies**

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

**3. Indirect Cost Rate**

MCCSA has elected to use the indirect cost rate approved by its largest funding source, MDHS allowed under the Uniform Guidance.

**4. Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements**

A reconciliation of the total federal awards per the Schedule of Expenditures of Federal Awards to the statement of revenues, expenses and changes in net position is presented below:

Description	Amount
Total expenditure of Federal awards	<u>\$1,368,840</u>

**MADISON COUNTY CITIZENS SERVICE AGENCY**  
**SCHEDULE OF GENERAL FUND ACTIVITIES**  
**September 30, 2017**

<b>OPERATING REVENUES</b>	
County Revenue	290,140
Total operating revenue	<u>290,140</u>
<b>OPERATING EXPENDITURES</b>	
Salaries and Related Expenses	195,643
Fringe Benefits	295,381
Travel	1,129
Professional Services	700
Training Conferences	2,199
Telephone	837
Advertising	187
Audit	6,225
Bank Charges	585
Bookkeeping Services	21
Dues & Subscriptions	1,314
Office Supplies	1,756
Office Equipment maint.	323
Miscellaneous expense	1,153
Vehicle Expense	1,302
Program Cost	2,947
Rent or lease expense	3,900
Property Insurance	1,977
Transfer Expenses	221,830
Equipment repairs/software expenses	<u>426</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>739,833</u></u>
<b>OTHER INCOME</b>	
Other Income	97,141
<b>EXCESS (DEFICIT ) OF OPERATING INCOME OVER EXPENSES</b>	<u><u>(352,552)</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY  
SCHEDULE OF PROGRAM ACTIVITIES  
September 30, 2017

**REVENUES**

Grant Income	\$ 1,076,085
Local Match - In Kind	4,791
Program Income	32,099
Non-Cash Food	263,178
USDA Food Credit	3,344
Other	93,473
<b>TOTAL REVENUES</b>	<u><u>\$ 1,472,970</u></u>

**EXPENSES**

Congregate Meal Expense	\$ 13,358
LIHEAP ECIP	21,923
LIHEAP Program Assistance	366,777
Salaries and Related Expenses	465,991
Fringe Benefits	201,896
Workers compensation	2,508
Travel	4,049
Professional Services	5,538
Training Conferences	16,025
Postage	1,214
Utilities	11,237
Advertising	3,408
In-Kind Expense	24,285
Bank Charges	807
Property Insurance	49,675
Dues & Subscriptions	3,038
Office Supplies	13,486
Vehicle Expense	88,220
Rent	3,778
Program Cost	1,405
Depreciation	5,284
Office Equipment Maintenance	29,324
Transfer Expenses	138,278
Legal & Professional fees	2,750
<b>TOTAL EXPENSES</b>	<u><u>\$ 1,478,254</u></u>

**OTHER INCOME**

Other Income	<u>                    </u>
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<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<u><u>\$ (5,284)</u></u>
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MADISON COUNTY CITIZENS SERVICE AGENCY  
 SCHEDULE OF GRANT ACTIVITIES  
 For the Years Ended September 30, 2017

	INFORMATION & REFERRAL	TITLE IIIB OMBUDSMAN	OUTREACH IIID	TITLE XX TRANSPORTATION
<b>REVENUE</b>				
Grant Income	15,051	6,759	14,147	61,877
Local Match - Program Income		1,031	1,768	2,014
Non-Cash Food USDA Food Credit Other	1,963			22,000
<b>Grant Funds Received</b>	<b>17,015</b>	<b>7,790</b>	<b>15,915</b>	<b>85,891</b>
<b>EXPENDITURES</b>				
<b>DIRECT PROGRAM EXPENSES</b>				
Congregate Meal Expense LIHEAP ECIP LIHEAP Program Assistance				
<b>TOTAL DIRECT PROGRAM EXPENSES</b>	-	-	-	-
<b>OTHER EXPENSES</b>				
Salaries and Related Expenses	10,113	6,018	10,114	8,895
Fringe Benefits	4,574	474	4,574	3,863
Workers compensation	42	45	42	
Travel		1,253	1,185	
Professional Services Training Conferences Postage Telephone (Incl. cell) Advertising In-Kind Expense	2,285			22,000
Legal & Professional Fees Audit Bank Charges Bookkeeping Sevices Rent or Lease Expense Property Insurance Taxes & Licenses exp Dues & Subscriptions Office Supplies Vehicle Expense Program Supplies Program Cost Depreciation Office Equipment Maintenance Transfer Out Expenses Office Equipment				641 8,857 5,138 7,438 29,059
<b>TOTAL OTHER EXPENSES</b>	<b>17,015</b>	<b>7,790</b>	<b>15,915</b>	<b>85,891</b>
<b>TOTAL EXPENDITURES</b>	<b>17,015</b>	<b>7,790</b>	<b>15,915</b>	<b>85,891</b>
<b>OTHER INCOME/EXPENSE</b>				
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	-	-	-	-

MADISON COUNTY CITIZENS SERVICE AGENCY  
 SCHEDULE OF GRANT ACTIVITIES  
 For the Years Ended September 30, 2017

<u>TITLE 111C-1</u> <u>CONG. MEALS</u>	<u>LIHEAP</u>	<u>Sec. 5311</u> <u>TRANSPORTATION</u>	<u>Logisticare</u> <u>MTM</u>	<u>Canton</u> <u>Manor</u>	<u>UNEMPLOYMENT</u> <u>FUND</u>	<u>TOTAL</u>
6,002	555,502	345,497		71,250		1,076,085
1,951		40				4,791
		30,085				32,099
10,014		253,164				263,178
3,344						3,344
5,248	315	25,784	12,469	25,500	195	93,473
<u>26,559</u>	<u>555,817</u>	<u>654,569</u>	<u>12,469</u>	<u>96,750</u>	<u>195</u>	<u>1,472,970</u>
						-
13,358						13,358
	21,923					21,923
	366,777					366,777
<u>13,358</u>	<u>388,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,058</u>
						-
8,379	100,908	321,563				465,991
639	49,969	137,774			29	201,896
28	380	1,971				2,508
	267	1,343				4,049
	5,538					5,538
	2,209	13,816				16,025
	1,214					1,214
	1,240	9,998				11,237
		3,408				3,408
						24,285
2,750						2,750
		4,000				4,000
					166	807
						-
	2,212	1,565				3,778
		40,818				49,675
						-
		3,038				3,038
	3,179	5,168				13,486
		80,782				88,220
						-
1,405						1,405
		5,284				5,284
		2,904				2,904
			12,469	96,750		138,278
		26,420				26,420
<u>13,201</u>	<u>167,117</u>	<u>659,853</u>	<u>12,469</u>	<u>96,750</u>	<u>195</u>	<u>1,076,196</u>
<u>26,559</u>	<u>555,817</u>	<u>659,853</u>	<u>12,469</u>	<u>96,750</u>	<u>195</u>	<u>1,478,254</u>
						-
						-
						-
<u>-</u>	<u>-</u>	<u>(5,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,284)</u>



**MADISON COUNTY CITIZENS SERVICE AGENCY**  
**Section 5311 Rural Transportation Program Schedule**  
**September 30, 2017**

Computation of Section 5311 Funds Allowable for Grant Participation and Amount Due Grantee  
 Contract No. 502977

<u>Expenditure Category</u>	<u>Expenditures</u>	<u>Sec. 5311 Participation Percentage</u>	<u>Section 5311 Amount</u>	<u>Amount Per Grant</u>
Administration	134,640.91	80%	107,712.73	120,508.00
Capital Purchases	32,334.21	80%	25,867.37	37,640.00
Operations	<u>423,825.04</u>	50%	<u>211,912.52</u>	<u>234,125.00</u>
	<u>590,800.16</u>		<u>345,492.62</u>	<u>392,273.00</u>
Less: Excess Local			<u>345,492.62</u>	
Total Allowable Expenditures from Section 5311 Grant Funds				<u>345,492.62</u>
Less: Section 5311 Funds Received-				
Cash reimbursements received for expenditures through September 30				295,035.93
Cash reimbursements received after September 30				<u>31,871.83</u>
<b>TOTAL SECTION 5311 FUNDS DUE TO (FROM) GRANTEE</b>				<u><u>18,584.86</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY  
Section 5311 Rural Transportation Program Schedule  
September 30, 2017

Statement of Revenues and Expenditures  
Contract No. 502977

	Section 5311 Grant	Local Matching Funds	Total
<b>Revenues:</b>			
Section 5311 Grant	345,492.62	-	345,492.62
Local Match Funds:			
Cash Contribution from County	-	155,498.12	155,498.12
Contract Services	-	89,809.42	89,809.42
<b>Total Revenues</b>	<b>345,492.62</b>	<b>245,307.54</b>	<b>590,800.16</b>
<b>Expenditures:</b>			
Administration	107,712.73	26,928.17	134,640.90
Capital Purchases	25,867.37	6,466.85	32,334.22
Operations	211,912.52	211,912.52	423,825.04
<b>Total Expenditures</b>	<b>345,492.62</b>	<b>245,307.54</b>	<b>590,800.16</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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, 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 Madison County Citizens Service Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Madison County Citizens Service 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison County Citizens Service Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Madison County Citizens Service 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 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Williams CPA Firm, PLLC*

Ridgeland, Mississippi  
February 28, 2018



WILLIAMS CPA FIRM, PLLC  
Accountants & Consultants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Madison County Citizens Services Agency  
Canton, Mississippi

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

We have audited Madison County Citizens Services Agency's compliance with the types of compliance requirements as described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Madison County Citizens Services Agency's major federal programs for the year ended September 30, 2017. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Madison County Citizens Services Agency's major federal programs 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; 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, 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County Citizens Services Agency's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Madison County Citizens Services Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

### **Report on Internal Control Over Compliance**

Management of Madison County Citizens Services 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 Madison County Citizens Services Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Madison County Citizens Services 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.

*Williams CPA Firm, PLLC*

Ridgeland, Mississippi  
February 28, 2018



MADISON COUNTY CITIZENS SERVICES AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2017

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

1. Type of auditor's report issued: Unmodified
2. Internal Control over financial reporting
  - a. Material weakness (es) identified? No.
  - b. Significant deficiency (ies) identified? None reported
3. Noncompliance material to financial statements?

**Federal Awards**

4. Internal control over major programs:
  - a. Material weakness (es) identified? None reported
  - b. Significant deficiency (ies) identified? None reported
5. Type of auditor's report issued on compliance for major federal programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of OMB Circular A-133? No.
7. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance
20.509	Formula Grants for Rural Areas

8. Dollar threshold used to distinguish between Type A and B programs:  
\$750,000.
9. Auditee qualified as low-risk auditee? Yes



MADISON COUNTY CITIZENS SERVICES AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2017

**SECTION II: FINDING FINANCIAL STATEMENT FINDINGS**

The results of our test did not disclose any findings related to the financial statements that are required to be reported by Government Auditing Standards.

**SECTION III: FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS**

The results of our tests did not disclose any findings and questioned cost related to the federal awards.