



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 21, 2019

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

Please find attached a copy of the Madison County Citizens Services Agency's 2018-2019 Audit Report.

Thank you for your attention.

Sincerely yours,

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

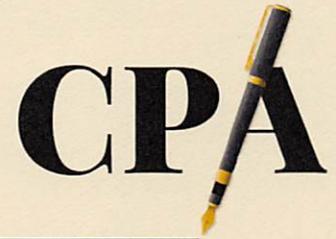
cc: Mrs. Gwendolyn C. Smith, Fiscal/HR Director

Enclosure

Board of Directors

Timmy Pickett - Chairman Neal Riley -Vice Chairman
Will Sligh – Secretary/Treasurer
Sara Jackson Dr. Nelson Cauthen
Dr. Mary Sims-Johnson, Executive Director

WILLIE B. SIMS, JR.
Certified Public Accountant, PLLC



MADISON COUNTY CITIZENS SERVICES AGENCY

**Audited Financial Statements and
Independent Auditor's Reports**

September 30, 2019 and 2018

908 BROADWAY DR., HATTIESBURG, MS 39401 | (601) 545-3930

WWW.WILLIESIMSCPA.COM

MADISON COUNTY CITIZENS SERVICES AGENCY

September 30, 2019

TABLE OF CONTENTS

Independent Auditor’s Report.....2-4

Management Discussion and Analysis.....5

FINANCIAL STATEMENTS.....

 STATEMENT OF NET POSITION.....6

 STATEMENTS OF REVENUES AND EXPENDITURES.....7

 STATEMENT OF CASH FLOWS..... 8

 NOTES TO FINANCIAL STATEMENTS.....9-17

REQUIRED SUPPLEMENTARY INFORMATION.....

 STATEMENT OF PROPORTIONATE SHARE OF NET PENSION LIABILITY.....18

 SCHEDULE OF PENSION CONTRIBUTIONS.....19

 NOTES TO SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND PENSION CONTRIBUTIONS.....20

SUPPLEMENTARY INFORMATIO.....

 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....21

 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....22

 SCHEDULE OF GENERAL FUND ACTIVITIES.....23

 SCHEDULE OF PROGRAM ACTIVITIES.....24

 SCHEDULE OF GRANT ACTIVITIES.....25

 SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....26

SPECIAL REPORTS.....

 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 AUDITING STANDARDS..... 27-28

 LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT.....29

 INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....30-31

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Madison County Citizens Services Agency
Canton, MS**

Report on the Financial Statements

We have audited the accompanying financial statements of Madison County Citizens Services Agency (MCCSA) (a component unit of Madison County) for the year ended September 30, 2019, and the related notes to the financial statements, which comprise the MCCSA's basic financial statements of MCCSA 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 Services Agency as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

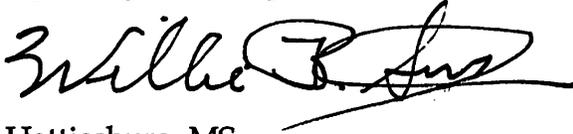
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 20, 2020, on our consideration of Madison County Citizens Services 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 solely 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 the effectiveness of the Madison County Citizens Services Agency's 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 Services Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Willie B. Sims, Jr.", with a large, stylized flourish at the end.

Hattiesburg, MS
February 20, 2020

MADISON COUNTY CITIZENS SERVICES AGENCY MANAGEMENT DISCUSSION AND ANALYSIS

September 30, 2019

Our discussion and analysis of the Madison County Citizens Service Agency (MCCSA) financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2019

Financial Analysis

This is the twelfth year of operation of the Madison County Citizens Services Agency and is the ninth full year of operations. The agency is designed to assist the poor and elderly in Madison County with the payment of utility assistance, transportation services, a congregate meals program, commodity distribution program, Ombudsman, Outreach and Information and Referral Services.

Using This Annual Report

This report consists of a series of financial statements. This discussion and analysis is intended to serve as introduction to (MCCSA) financial reporting, which is comprised of the following components:

1. Basic financial statements
2. Notes to the basic financial statements
3. Required supplementary Information

Future Operations

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

Contacting the Agency's Financial Management

This financial report is designed to provide 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 Sims-Johnson at the Madison County Citizens Service Agency, 1005 West Peace Street, Canton, Mississippi, 39046.

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF NET POSITION
September 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Cash	80,875	57,752
Grants Receivable	137,560	82,078
Capital Assets		
Property, plant, and equipment - net	<u>21,136</u>	<u>21,136</u>
Total Assets	<u><u>239,571</u></u>	<u><u>160,966</u></u>
 DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pension	<u>68,151</u>	<u>26,693</u>
Total Deferred Outflows of Resources	<u><u>68,151</u></u>	<u><u>26,693</u></u>
 LIABILITIES		
Accounts Payable	5,510	19,411
Accrued Vacation	23,280	25,062
Unearned Revenue	75,583	31,202
Net Pension Liability	<u>2,619,940</u>	<u>1,507,437</u>
Total Liabilities	<u><u>2,724,313</u></u>	<u><u>1,583,112</u></u>
 DEFERRED INFLOW OF RESOURCES		
Deferred inflow related to pension	<u>33,685</u>	<u>60,423</u>
Total Deferred Inflows of Resources	<u><u>33,685</u></u>	<u><u>60,423</u></u>
 NET POSITION		
Restricted		
Unemployment Fund	11,052	11,052
Unrestricted	<u>(2,461,328)</u>	<u>(1,466,928)</u>
Total Net Position	<u><u>(2,450,276)</u></u>	<u><u>(1,455,876)</u></u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF REVENUES AND EXPENDITURES
September 30, 2019 and 2018

OPERATING REVENUE	<u>2019</u>	<u>2018</u>
Other Income	79,436	89,559
County Revenue	<u>454,500</u>	<u>360,000</u>
Total Operating Revenue	<u><u>533,936</u></u>	<u><u>449,559</u></u>
GRANT INCOME		
Grant Income Received	1,232,038	1,294,854
Non-Cash Intergovernmental Transfers	289,537	342,524
Program Income	<u>24,151</u>	<u>28,083</u>
Total Grant Funds Received	<u><u>1,545,726</u></u>	<u><u>1,665,461</u></u>
TOTAL REVENUE	<u><u>2,079,662</u></u>	<u><u>2,115,020</u></u>
OPERATING EXPENDITURES		
Total Operating Expenditures	412,932	475,953
Program Expenditures		
Total Federal Grants	1,152,942	1,237,203
Total Program Expenditures	<u>457,649</u>	<u>454,986</u>
Total Program Expenditures	<u><u>457,649</u></u>	<u><u>454,986</u></u>
TOTAL EXPENTITURES	<u><u>2,023,523</u></u>	<u><u>2,168,142</u></u>
NET CHANGE	<u><u>56,139</u></u>	<u><u>(53,122)</u></u>
Fund Balance, Beginning of Year	(1,505,959)	(1,452,837)
Fund Balance, End of Year	<u><u>(1,449,820)</u></u>	<u><u>(1,505,959)</u></u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF CASH FLOWS
September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess expenses over revenues	56,139	(53,122)
(Increase) decrease in grant receivable	(55,482)	12,761
Increase (decrease) in accounts payable	(13,901)	15,411
Increase (decrease) in unearned revenue	-	(36,417)
Deferred outflows-pension	-	48,288
Increase (decrease) in vacation liability	(6,232)	(43,224)
Decrease due to prior year receivable overstatement	(1,782)	-
Increase (decrease) in unearned revenue	44,381	-
CASH FLOWS FROM (USED) ACTIVITIES	23,123	(56,303)
CASH FLOWS CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash asset expenditures	-	-
Net cash flows from capital and related financing activities	-	-
NET INCREASE (DECREASE) IN CASH	23,123	(56,303)
CASH AT BEGINNING OF YEAR	57,752	114,055
CASH AT END OF YEAR	80,875	57,752

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies

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.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 September 30, 2019 and 2018.

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 2019 and 2018.

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

F) Income tax

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.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 – Summary of Significant Accounting Policies (Continued)

H) Deferred inflows of resources

Deferred inflows 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.

I) Use of estimates in the presentation of financial statements

The preparation of financial statements is 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 20, 2020, 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 MCCSA's pension plan with the Public Employee's 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 the purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

L) Cash and cash equivalents

The carrying amounts of MCCA's total cash deposits with financial institutions at September 30, 2019 was \$80,875 and at September 30, 2018 was \$57,652. Collateral for public entities deposits in the financial institutions is held in the same name of the Mississippi State Treasurer under a program established by 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.

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.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

Note 4 - Capital Assets (Continued)

<u>Capital Asset</u>	<u>Beginning Balance September 30, 2018</u>	<u>Addition</u>	<u>Deletions</u>	<u>Ending Balance September 30, 2019</u>
Building Improvement	119,450			119,450
Office Furniture	62,750			62,750
Vehicles	145,708			145,708
Accumulated Depreciation	(306,772)			(306,772)
Net Book Value	\$21,136	\$0	\$0	\$21,136

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 MCCA 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>.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Note 5 - Pension Plan (Continued)

Benefit provided. Participation members who are vested and retire at or after age 60 or those who retire regardless of age with at 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 1, 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.

Contributions Plan. 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>.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

Note 5 - Pension Plan (Continued)

Net Pension Liability

At September 30, 2019, MCCSA reported a pension liability of \$2,619,940 for its proportional share of the net pension liability. The net pension liability was measured as if June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of those dates. MCCSA's proportion of the net pension liability was based on MCCSA's contribution to the pension plan relative to the contribution of all pension plan participants. At June 30, 2019, the MCCSA's proportion was 0.000517%.

<u>Description</u>	<u>Assumption</u>
Price Inflation	3.00%
Salary Increases	3.25-18.50%, including inflation
Investment rate of return	7.75%. net of pension plan investment expense, including inflation

Mortality rates are based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Note 5 - Pension Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00%	4.90%
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	1.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.25
Total	100.00%	

Description	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
June 30, 2018, net pension liability	<u>3,630,666</u>	<u>2,619,940</u>	<u>2,044,885</u>

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

For the year ended September 30, 2019, MCSSA recognized pension expenses of \$26,665. The following presents a summary of changes in the collective deferred inflows of resources for the year ended September 30, 2019.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Note 5 - Pension Plan (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	1,634	2,973
Net differences between projected and actual earnings on plan investments		30,367
Changes in assumptions	27,078	345
County contributions subsequent to the measurement date	<u>39,439</u>	
Total	<u><u>68,151</u></u>	<u><u>33,685</u></u>

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees Retirement System of Mississippi
Last 10 fiscal years *

CERTIFIED PUBLIC ACCOUNTANT

WILLIE B. SIMS, JR., CPA, PLLC

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
MCCSA's proportion of the net pension liability	<u>0.000157%</u>	<u>0.009062%</u>	<u>0.009066%</u>	<u>0.008050%</u>	<u>0.008063%</u>	<u>0.007833%</u>
MCCSA's proportion share of the net pension liability	<u>2,619,940%</u>	<u>1,507,437</u>	<u>1,507,007</u>	<u>1,437,966</u>	<u>1,246,436</u>	<u>950,804</u>
MCCSA's covered payroll	<u>645,403%</u>	<u>639,928</u>	<u>581,550</u>	<u>535,712</u>	<u>523,526</u>	<u>497,000</u>
MCCSA's proportion of the net pension liability as a percentage of its covered-employee payroll	<u>405.94%</u>	<u>235.56%</u>	<u>259.14%</u>	<u>268.42%</u>	<u>238.08%</u>	<u>191.31%</u>
Plan Fiduciary net position as a percentage of the total pension liability		<u>62.53%</u>	<u>61.49%</u>	<u>57.47%</u>	<u>61.70%</u>	<u>67.21%</u>

* GASB Statement No. 68 was implemented in fiscal year 2015, information is not available to present a full ten years. MCSAA 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 SERVICES AGENCY
SCHEDULE OF PENSION CONTRIBUTIONS
Public Employees Retirement System of Mississippi
Last 10 fiscal years *

	2019	2018	2017	2016	2015
Statutorily required contributions	101,651	99,189	91,596	81,111	75,387
Contributions in relation to the statutorily required contribution	101,651	99,189	91,596	81,111	75,387
Annual contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
MCSSA covered payroll	645	639,928	581,550	515,000	478,500
Contribution as percentage of covered payroll	15.75%	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. MCSAA 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.

WILLIE B. SIMS, JR., CPA, PLLC
 CERTIFIED PUBLIC ACCOUNTANT

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND PENSION CONTRIBUTIONS

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 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 Mortality Table projected to 2016 using Scale BB rather than 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 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 assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes to 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 SERVICES AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2019

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	CFDA Number	Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass through the Mississippi Department of Human Services			
Low-Income Home Energy Assistance 2018	93.568	683L181LL	116,312
Low-Income Home Energy Assistance 2019	93.568	683L191LL	532,617
			<u>648,929</u>
Pass through the Central Mississippi Planning and Development District			
Social Service Block Grant	93.667	1538.38	76,440
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1058.38	33,452
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	1038.38	14,319
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	1198.38	8,245
			<u>132,456</u>
Total U.S. Department of Human Services			<u>781,385</u>
<u>U.S. Department of Transportation</u>			
Pass through the State of Mississippi Department of Transportation			
Formula Grants for Rural Areas-Rural Area Program	20.509	503058	371,557
Total U.S. Department of Transportation			<u>371,557</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>1,152,942</u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2019

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, 2019. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule is presenting 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. 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>1,152,942</u>

4. Indirect Cost Rate

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

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF GENERAL FUND ACTIVITIES
September 30, 2019

	2019	2018
OPERATING REVENUES		
County Revenue	454,500	360,000
Total Operating Revenue	454,500	360,000
OPERATING EXPENDITURES		
Salaries and Related Expenses	133,671	154,079
Fringe Benefits	49,383	49,854
Travel	1,268	2,738
Professional Services	12,345	3,373
Training Conferences	796	663
Telephone	1,045	1,183
Advertising	74	278
Audit	9,250	5,225
Bank Charges	483	650
Taxes and licenses Expense	-	1,722
Dues & Subscription	1,000	825
Office Supplies	3,188	1,280
Office Equipment Maintenance	2,794	331
Miscellaneous Expense	500	700
Vehicle Expense	7,237	3,969
Program Cost	755	381
Rent or Lease expense	3,007	3,300
Property Insurance	1,710	4,416
Transfer Expenses	184,426	240,986
TOTAL OPERATING EXPENSES	412,932	475,953
OTHER INCOME		
Other Income	14,571	62,831
EXCESS (DEFICIT) OF OPERATING INCOME OVER EXPENSES	56,139	(53,122)

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF PROGRAM ACTIVITIES
September 30, 2019

	<u>2019</u>	<u>2018</u>
REVENUES		
Grant Income	1,152,942	1,237,203
Local Match - in Kind	287,998	280,037
Program Income	24,151	28,084
Non-Cash Food	10,629	10,945
USDA Food Credit	3,456	3,313
Other	131,415	132,608
TOTAL REVENUES	<u>1,610,591</u>	<u>1,692,190</u>
EXPENSES		
Congregate Meal Expense	14,085	14,257
LIHEAP ECIP	26,406	21,455
LIHEAP Program Assistance	417,267	557,270
Salaries and Related Expenses	543,241	522,686
Fringe benefits	244,874	228,874
Workers Compensation	81	5,080
Travel	11,868	5,580
Professional Services	8,202	7,616
Training Conferences	8,763	14,637
Telephone	10,681	10,542
Advertising	3,057	1,156
Audit	5,000	
In-Kind Expense	27,285	24,285
Bank Charges	190	189
Equipment	6,086	6,795
Dues & Subscriptions	2,910	2,885
Office Supplies	14,261	17,866
Office Equipment Maintenance	10,775	1,816
Vehicle Expense	94,424	94,163
Program Supplies	0	315
Program Cost	1,349	852
Rent or lease expense	3,693	3,709
Property Insurance	50,982	48,623
Transfer Expenses	105,111	101,539
TOTAL EXPENSES	<u>1,610,591</u>	<u>1,692,190</u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF GRANT ACTIVITIES
For the years ended September 30, 2019

	Information & Referral	Title IIB Ombudsman	Outreach IID	Title XX Transportation	Title IIIc-1 Cong. Meals	Liheap	Sec. 5311 Transportation	Logistcare Mim	Developmental Disabilities	Canton Manor	Unemployment Fund	Total
REVENUES												
Grant Income	17,452	14,319	16,000	76,440	8,245	648,929	371,557					1,152,942
Local Match	1,705	1,763	4,193		4,355		275,665		317			287,998
Program Income				1,566			22,585					24,151
Non-Cash Food					10,629							10,629
USDA Food Credit					3,456							3,456
Other	2,285			25,000			18,877	20,121	1,013	63,929	190	131,415
Grant Funds Received	21,442	16,082	20,193	103,006	26,685	648,929	688,684	20,121	1,330	63,929	190	1,610,591
TOTAL REVENUES	21,442	16,082	20,193	103,006	26,685	648,929	688,684	20,121	1,330	63,929	190	1,610,591
EXPENDITURES												
Direct Program Expenses												
Congregate Meal Expense					14,085							14,085
LIHEAP ECIP						26,406						26,406
LIHEAP Program Assistance						417,267						417,267
Total Direct Program Expenses	0	0	0	0	14,085	443,673	0	0	0	0	0	457,758
OTHER EXPENSES												
Salaries and Related Expenses	12,340	10,378	12,340	17,782	7,725	126,926	354,754		996			543,241
Fringe benefits	6,780	2,434	6,790	8,130	586	63,183	156,617		354			244,874
Workers Compensation	37		44									81
Travel		3,270	1,019		80	355	7,144					11,868
Professional Services					2,860	5,342						8,202
Training Conferences						1,200	7,563					8,763
Telephone						2,065	8,616					10,681
Advertising							3,057					3,057
In-Kind Expense	2,285			25,000								27,285
Audit							5,000					5,000
Bank Charges											190	190
Equipment							6,086					6,086
Dues & Subscriptions							2,910					2,910
Office Supplies				3,627		3,890	5,002	1,762	(20)			14,261
Office Equipment Maintenance						349	10,426					10,775
Vehicle Expense				17,055			77,369					94,424
Program Cost					1,349							1,349
Rent or Lease Expenses						1,946	1,747					3,693
Property Insurance				8,589			42,393					50,982
Transfer Expenses				22,823				18,359		63,929		105,111
Total Other Expenses	21,442	16,082	20,193	103,006	12,600	205,256	688,684	20,121	1,330	63,929	190	1,152,833
TOTAL EXPENDITURES	21,442	16,082	20,193	103,006	26,685	648,929	688,684	20,121	1,330	63,929	190	1,610,591
OTHER INCOME/EXPENSES												
REVENUES OVER/(UNDER) EXPENDITURES	0	0	0	0	0	0	0	0	0	0	0	0

WILLIE B. SIMS, JR., CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

See accompanying notes to financial statements.

**MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2019**

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? None
 - b. Significant deficiency(ies) identified? None Reported
3. Non-compliance material to financial statements? None

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>CDFA 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 Type B programs: \$750,000
9. Auditees qualified as low risk auditee? Yes

Section II: Finding Financial Statement Findings

The result 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 of Federal Awards

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

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 the governmental activities, each major fund, and the aggregate remaining fund information of Madison County Citizens Services Agency , as of and for the year ended September 30, 2109, and the related notes to the financial statements, which collectively comprise Madison County Citizens Services Agency 's basic financial statements, and have issued our report thereon dated February 20, 2020.

Internal Control over Financial Reporting

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

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

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

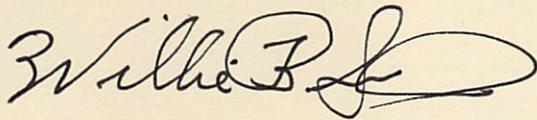
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County Citizens Services Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Hattiesburg, MS

February 20, 2020

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

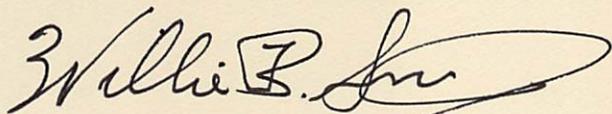
Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

In planning and performing our audit of the financial statements of Madison County Services Agency's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for the areas not considered material to Madison County Services Agency's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 20, 2020 on the financial statements of Madison County Services Agency.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been compiled with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-21 (Miss. Code Ann. *1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Directors and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.



Hattiesburg, MS

February 20, 2020

WILLIE B. SIMS, JR., CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT

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 described in the *OMB 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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

WILLIE B. SIMS, JR., CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT

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, 2019.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Hattiesburg, MS

February 20, 2020

WILLIE B. SIMS, JR., CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT