



MADISON COUNTY CITIZENS SERVICES AGENCY

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July 1, 2021

Mr. Shelton Vance, County Administrator
For: Mr. Karl Banks, President
Madison County Board of Supervisor
District 4
P.O. Box 608
Canton, MS 39046

Dear Mr. Vance:

Please find attached a copy of the Madison County Citizens Services Agency's 2019-2020 Audit Report.

Thank you for your attention.

Sincerely yours,

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

cc: Ms. Mary Ruhl, Fiscal/HR Director

Enclosure

Board of Directors

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

MADISON COUNTY CITIZENS SERVICES AGENCY

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

September 30, 2020 and 2019

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

MADISON COUNTY CITIZENS SERVICES AGENCY
 September 30, 2020 and 2019

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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 years ended September 30, 2020 and 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, 2020 and 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 June 17, 2021, 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.



Hattiesburg, MS
June 17, 2021

MADISON COUNTY CITIZENS SERVICES AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2020

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, 2020

Financial Analysis

This is the thirteenth year of operation of the Madison County Citizens Services Agency and is the tenth 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, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash	221,016	80,875
Grants Receivable	125,074	137,560
Capital Assets		
Property, plant, and equipment - net	<u>21,136</u>	<u>21,136</u>
Total Assets	<u>367,226</u>	<u>239,571</u>
 DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pension	<u>60,848</u>	<u>68,151</u>
Total Deferred Outflows of Resources	<u>60,848</u>	<u>68,151</u>
 LIABILITIES		
Accounts Payable	440	5,510
Accrued Vacation	23,078	23,280
Unearned Revenue	34,947	75,583
Net Pension Liability	<u>2,637,610</u>	<u>2,619,940</u>
Total Liabilities	<u>2,696,075</u>	<u>2,724,313</u>
 DEFERRED INFLOW OF RESOURCES		
Deferred inflow related to pension	<u>-</u>	<u>33,685</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>33,685</u>
 NET POSITION		
Restricted		
Unemployment Fund	26,052	11,052
Unrestricted	<u>(1,268,954)</u>	<u>(1,449,820)</u>
Total Net Position	<u>(1,242,902)</u>	<u>(1,438,768)</u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF REVENUES AND EXPENDITURES
September 30, 2020 and 2019

OPERATING REVENUE	2020	2019
Other Income	10,495	79,436
County Revenue	455,700	454,500
Total Operating Revenue	466,195	533,936
GRANT INCOME		
Grant Income Received	1,383,807	1,232,038
Non-Cash, Local Match, Other Program Income	283,869 46,169	289,537 24,151
Total Grant Funds Received	1,713,845	1,545,726
TOTAL REVENUE	2,180,040	2,079,662
EXPENDITURES		
Total Operating Expenditures	373,749	412,932
Program Expenditures		
Total Federal Grants	1,543,239	1,152,942
Total Program Expenditures	82,186	457,649
TOTAL EXPENDITURES	1,999,174	2,023,523
NET CHANGE	180,866	56,139
Fund Balance, Beginning of Year	(1,449,820)	(1,505,959)
Fund Balance, End of Year	(1,268,954)	(1,449,820)

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
STATEMENT OF CASH FLOWS
September 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess expenses over revenues	180,866	56,139
(Increase) decrease in grant receivable	12,486	(55,482)
Increase (decrease) in accounts payable	(5,070)	(13,901)
Deferred outflows-pension	(7,303)	
Increase (decrease) in vacation liability	(202)	(6,232)
Decrease due to prior year receivable overstatement		(1,782)
Increase (decrease) in unearned revenue	(40,636)	44,381
CASH FLOWS FROM (USED) ACTIVITIES	<u>140,141</u>	<u>23,123</u>
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
CASH AT BEGINNING OF YEAR	<u>80,875</u>	<u>57,752</u>
CASH AT END OF YEAR	<u><u>221,016</u></u>	<u><u>80,875</u></u>

See accompanying notes to financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

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, 2020 and 2019

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, 2020 and 2019.

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 2020 and 2019.

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, 2020 and 2019

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 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 June 17, 2021, the date on which the financial statements were available to be issued. Due to the uncertainty of the short-term continuing operations as a result of the COVID-19 pandemic, the abrupt closing of all non-essential operations, management anticipates declined operations during 2020. As of the date of these financial statements, the full scope of the impact is not fully known. The organization will continue to follow various policies to continue their operation in the best and safest way possible without jeopardizing the health of their employees and the people they serve.

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, 2020 and 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

L) Cash and cash equivalents

The carrying amounts of MCCSA's total cash deposits with financial institutions at September 30, 2020 was \$221,016 and at September 30, 2019 was \$80,875. 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 MCCSA are considered to be owned by MCCSA 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, 2020 and 2019

Note 4 - Capital Assets (Continued)

<u>Capital Asset</u>	<u>Beginning Balance September 30, 2019</u>	<u>Addition</u>	<u>Deletions</u>	<u>Ending Balance September 30, 2020</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 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, 2020 and 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, 2020 and 2019

Note 5 - Pension Plan (Continued)

Net Pension Liability

At September 30, 2020, MCCSA reported a pension liability of \$2,637,610 for its proportional share of the net pension liability. The net pension liability was measured as if June 30, 2020, 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, 2020, the MCCSA's proportion was 0.000100%.

<u>Description</u>	<u>Assumption</u>
Price Inflation	2.75%
Salary Increases	3.00-18.25%, 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, 2020 and 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	0.50	
Real Estate	10.00	4.00	
Private Equity	8.00	6.25	
Cash	1.00	0.00	
Total	100.00%		
	1%	Current Discount Rate	1%
Description	Decrease	7.5%	Increase
	6.75%		8.75%
June 30, 2020, net pension liability		2,637,610	

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

For the year ended September 30, 2020, MCSSA recognized pension expenses of \$31,536. The following presents a summary of changes in the collective deferred inflows of resources for the year ended September 30, 2020.

MADISON COUNTY CITIZENS SERVICES AGENCY
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020

Note 5 - Pension Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	21	38
Net differences between projected and actual earnings on plan investments		385
Changes in assumptions	345	345
County contributions subsequent to the measurement date	39,439	
Total	<u>39,805</u>	<u>768</u>

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

	2020	2019	2018	2017	2016	2015	2014
MCCSA's proportion of the net pension liability	0.00010%	0.000157%	0.009062%	0.009066%	0.008050%	0.008063%	0.007833%
MCCSA's proportion share of the net pension liability	2,637,610	2,619,940	1,507,437	1,507,007	1,437,966	1,246,436	950,804
MCCSA's covered payroll	692,265	645,403	639,928	581,550	535,712	523,526	497,000
MCCSA's proportion of the net pension liability as a percentage of its covered-employee payroll	381.01%	405.94%	235.5%	259.14%	268.42%	238.08%	191.31%
Plan Fiduciary net position as a percentage of the total pension liability	47.12%	54.91%	62.53%	61.49%	57.47%	61.70%	67.21%

* 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 *

	Year Ended September 30					
	2020	2019	2018	2017	2016	2015
Statutorily required contributions	109,032	101,651	99,189	91,596	81,111	75,387
Contributions in relation to the statutorily required contribution	109,032	101,651	99,189	91,596	81,111	75,387
Annual contribution deficiency (excess)	-	-	-	-	-	-
MCSSA covered payroll	692,265	645,403	639,928	581,550	515,000	478,500
Contribution as percentage of covered payroll	15.75%	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.

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, 2020

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 2019	*93.568	683L191LL	177,889
Low-Income Home Energy Assistance 2020	*93.568	683L201LL	532,950
			710,839
Pass through the Central Mississippi Planning and Development District			
Title XX Transportation	93.667	1538.38	62,416
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1058.38	86,823
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	1038.38	19,931
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	1198.38	24,645
			143,815
Total U.S. Department of Human Services			854,654
<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	688,585
Total U.S. Department of Transportation			688,585
TOTAL FEDERAL FINANCIAL ASSISTANCE			1,543,239

*Major program

MADISON COUNTY CITIZENS SERVICES AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2020

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, 2020. 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>1,543,239</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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
County Revenue	455,700	454,500
Total Operating Revenue	<u>455,700</u>	<u>454,500</u>
OPERATING EXPENDITURES		
Salaries and Related Expenses	121,619	133,671
Fringe Benefits	40,471	49,383
Travel	959	1,268
Professional Services		12,345
Training Conferences	2,250	796
Telephone	1,120	1,045
Advertising	55	74
Audit	4,750	9,250
Bank Charges	470	483
Taxes and licenses Expense	137	
Dues & Subscription	1,099	1,000
Office Supplies	3,067	3,188
Office Equipment Maintenance	5,763	2,794
Miscellaneous Expense	1,599	500
Vehicle Expense	1,130	7,237
Program Cost	5,701	755
Rent or Lease expense	3,756	3,007
Property Insurance	2,551	1,710
Transfer Expenses	177,253	184,426
TOTAL OPERATING EXPENSES	<u>373,750</u>	<u>412,932</u>
OTHER INCOME		
Other Income	10,496	14,571
EXCESS (DEFICIT) OF OPERATING INCOME OVER EXPENSES	<u>92,446</u>	<u>56,139</u>

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF PROGRAM ACTIVITIES
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Grant Income	1,383,807	1,152,942
Local Match - in Kind	142,566	287,998
Program Income	46,169	24,151
Non-Federal	36,083	10,629
USDA Food Credit	3,163	3,456
Other	102,056	131,415
TOTAL REVENUES	<u>1,713,844</u>	<u>1,610,591</u>
EXPENSES		
Congregate Meal Expense	13,163	14,085
LIHEAP ECIP	22,372	26,406
LIHEAP Program Assistance	458,929	417,267
Salaries and Related Expenses	570,648	543,241
Fringe benefits	268,690	244,874
Workers Compensation	1,866	81
Travel	3,682	11,868
Professional Services	7,971	8,202
Training Conferences	5,032	8,763
Telephone	9,518	10,681
Advertising	17,316	3,057
Audit	4,750	5,000
In-Kind Expense	17,833	27,285
Bank Charges	174	190
Equipment	11,041	6,086
Dues & Subscriptions	3,806	2,910
Office Supplies	25,677	14,261
Office Equipment Maintenance	24,951	10,775
Vehicle Expense	74,337	94,424
Program Supplies		1,349
Program Cost		3,693
Rent or lease expense	3,333	50,982
Property Insurance	51,387	105,111
Transfer Expenses	28,948	
TOTAL EXPENSES	<u>1,625,424</u>	<u>1,610,591</u>
OTHER INCOME		
Other Income		
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u>88,420</u>	<u>180,866</u>

**MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF GRANT ACTIVITIES
For the year ended September 30, 2020**

REVENUES	Information & Referral	Title III-B Ombudsman	Outreach III-D	Title XX Transportation	Title III-1 Comp. Meals	Lifecap	Sec. 5311 Transportation	Logistics Mtm	Developmental Disabilities	Canon Manor	Unemployment Fund
Grant Income	17,452	13,312	16,000	45,936	8,251	710,539	175,274	353,074	21,514		
Local Match	2,134	1,639	3,931		3,231		124,073	5,761	1,797		
Program Income				932			9,035	9,329		26,873	
Non-Federal-In kind	2,285			15,548	10,000				8,250		
USDA Food Credit					3,163						
Other						300	3,058	5,181		2,843	15,174
Grant Funds Received											
TOTAL REVENUES	21,871	14,951	19,931	62,416	24,645	710,839	311,440	377,145	31,561	39,716	15,174
EXPENDITURES											
Direct Program Expenses											
Comprehensive Meal Expense					13,163						
LIFHEAP ECIP						22,377					
LIFHEAP Program Assistance						458,929					
Total Direct Program Expenses	0	0	0	0	13,163	481,301	0	0	0	0	0
OTHER EXPENSES											
Salaries and Related Expenses	12,341	11,021	12,340	17,782	7,818	136,471	144,932	204,986	2,996	38,949	
Fringe benefits	7,245	2,827	7,246	8,372	590	72,522	69,001	92,166	1,272	5,972	
Workers Compensation							1,866				
Travel		1,103	345		27		2,092	115			
Professional Services					1,320	5,416			1,235		
Training Conferences				1,115		1,294	840	1,783			
Telephone						1,465	2,821	5,052			
Advertising							1,889	7,177	8,250		
In-Kind Expense	2,285			15,548							
Audit								4,750			
Bank Charges						1,792	4,717	4,532			174
Equipment									2,808		
Dues & Subscriptions					998						
Office Supplies				5,024		4,653	3,505	7,150			
Office Equipment Maintenance						115	5,502	9,334	10,000		
Vehicle Expense				2,153	729		32,245	39,210			
Program Cost						1,810	643	880			
Rent or Lease Expenses							41,387		5,000		
Property Insurance				5,000							
Transfer Expenses				7,422						13,295	
Total Other Expenses	21,871	14,951	19,931	62,416	11,482	229,538	311,440	377,145	31,561	39,716	174
TOTAL EXPENDITURES	21,871	14,951	19,931	62,416	24,645	710,839	311,440	377,145	31,561	39,716	174
OTHER INCOME/EXPENSES											
REVENUES OVER/(UNDER) EXPENDITURES	0	0	0	0	0	0	0	0		0	15,000

**MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended September 30, 2020**

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:

C DFA Number

93.568

20.509

Name of Federal Program or Cluster

Low-Income Home Energy Assistance
Formula Grants for Rural Areas

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
9. Auditee 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 years ended September 30, 2020 and 2019, 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 June 17, 2021.

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

June 17, 2021

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 June 17, 2021 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

June 17, 2021

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 and 2019. 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

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, 2020 and 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

June 17, 2021

MADISON COUNTY CITIZENS SERVICES AGENCY
SCHEDULE OF PENSION CONTRIBUTIONS
Public Employees Retirement System of Mississippi
Last 10 fiscal years *

	Year Ended September 30					
	2020	2019	2018	2017	2016	2015
Statutorily required contributions	109,032	101,651	99,189	91,596	81,111	75,387
Contributions in relation to the statutorily required contribution	109,032	101,651	99,189	91,596	81,111	75,387
Annual contribution deficiency (excess)	-	-	-	-	-	-
MCSSA covered payroll	692,265	645,403	639,928	581,550	515,000	478,500
Contribution as percentage of covered payroll	15.75%	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.