



MADISON COUNTY CITIZENS SERVICES AGENCY

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September 15, 2022

Mr. Greg Higginbotham, County Administrator
For: Mr. Paul Griffin, President
Madison County Board of Supervisor
District 5
P.O. Box 608
Canton, MS 39046

Dear Mr. Higginbotham:

Please find attached a copy of the Madison County Citizens Services Agency's 2020-2021 Audit Report.

Thank you for your attention.

Sincerely yours,

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

Enclosure

Board of Directors

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

MADISON COUNTY CITIZENS SERVICES AGENCY

**AUDITED FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION AND
COMMENTS ON COMPLIANCE
AND INTERNAL CONTROL**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2021**

MADISON COUNTY CITIZENS SERVICES AGENCY
September 30, 2021

Table of Contents

	Exhibit	Page(s)
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 5
FINANCIAL STATEMENTS		
Statement of Financial Position	I	6
Statement of Activities	II	7
Statement of Functional Expenses	III	8
Statement of Cash Flows	IV	9
Notes to the Financial Statements		10 - 15
OTHER SUPPLEMENTARY INFORMATION		
Schedule of Expenditures of Federal Awards		18 - 19
Notes to Schedule of Expenditures of Federal Awards		20
Combining Schedule of Revenues		21
Schedules of Revenues and Expenses		22 - 25
Schedule of Expenses Compared to Budget and Cost Questioned		26
Computation of Section 5311 Funds Allowable for Grant Participant and Amount Due Grantee		27
REPORTS ON INTERNAL CONTROLS AND COMPLIANCE		
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 Government Auditing Standards		28 - 29
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		30 - 31
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS		32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		33 - 34



BROWN, EWING & CO.
P. A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Madison County Citizens Services Agency
Madison, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of Madison County Citizens Services Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 from 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 *Governmental 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, 2021, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Agency's Proportionate Share of the Net Pension Liability, and the Schedule of the Agency Contributions on pages 4 - 5 and 20 - 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements 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, Costs 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 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 August 30, 2022, on our consideration of Madison County Citizens Services Agency's internal control over financial reporting and 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 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.

Brown, Emig & Co.

Ridgeland, Mississippi
August 30, 2022

MADISON COUNTY CITIZENS SERVICES AGENCY
Management's Discussion and Analysis
September 30, 2021

Overview of the Financial Statements and Financial Analysis

Madison County Citizens Services Agency presents the financial statements for the fiscal years ended September 30, 2021 and 2020. There are four financial statements presented: the Statement of Net Position, the Statement of Activities, the Statement of Functional Expenses, and the Statement of Cash Flows.

This discussion and analysis of the Madison County Citizens Services Agency financial statements provides an overview of its financial activities for the year.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of Madison County Citizens Services Agency as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Madison County Citizens Services Agency. The Statement of Net Position presents end of year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets minus Liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Madison County Citizens Services Agency. They are also able to determine how much Madison County Citizens Services Agency owes vendors. Finally, the Statement of Net Position provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the Madison County Citizens Services Agency.

Net position is divided into three major categories. The first category, invested in capital assets, net of related debt, provides the Madison County Citizens Services Agency's equity in property, plant, and equipment. The next asset category is restricted net assets. Expendable restricted net assets are available for expenditures by the Madison County Citizens Services Agency but must be spent for purposes as determined by the donors and/or external entities that have placed item or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted assets are available to Madison County Citizens Services Agency for any lawful purpose of Madison County Citizens Services Agency.

The total assets of the Madison County Citizens Services Agency increased by \$567,501, or 133%, from \$428,074 at September 30, 2020 to \$498,189 at September 30, 2021. The increase in total assets was primarily due to an increase in cash and grants receivable at September 30, 2021. Net position at September 30, 2021 totaled \$31,681 and included \$583,101 for unrestricted net assets, and \$116,008 invested in capital asset. Net position at September 30, 2020 totaled (2,268,001.00) (deficit) and included a \$2,315,189 deficit for unrestricted net assets, and \$21,136 invested in capital assets.

Statement of Activities

Changes in total net position presented on the Statement of Net Position are based on the activity presented in the Statement of Activities. The purpose of the statement is to present the revenues received by Madison County Citizens Services Agency, both operating and nonoperating, and the expenses paid by Madison County Citizens Services Agency, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by Madison County Citizens Services Agency.

MADISON COUNTY CITIZENS SERVICES AGENCY
Management's Discussion and Analysis
September 30, 2021

Total support and revenues for the year ended September 30, 2021 were \$2,591,530, an increase of \$411,490 from support and revenues of \$2,180,040 for the year ended September 30, 2020. Total expenses were \$2,231,754 in fiscal year 2021 and \$1,999,174 in fiscal year 2020, thus a \$232,580 increase in fiscal year 2021 compared to fiscal year 2020. Madison County Citizens Services Agency had a increase in net position of \$2,967,110 in fiscal year 2021 and a increase in net position of \$180,866 in fiscal year 2020. \$2,576,762 of the increase resulted from the removal of the pension assets and liabilities from the financial statements.

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of Madison County Citizens Services Agency during the year. The statement is divided into three parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of Madison County Citizens Services Agency. The second section deals with cash flows from capital and related financing activities. The third section reconciles the net cash used to the operating income or loss reflected on the Statement of Activities. The cash and cash equivalents of Madison County Citizens Services Agency increased by \$507,763 in fiscal year 2021 from \$221,016 at September 30, 2020 to a net increase in cash of \$728,779 at September 30, 2021.

Economic Outlook

Madison County Citizens Services Agency is not aware of any currently known facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

MADISON COUNTY CITIZENS SERVICES AGENCY
Statement of Financial Position
September 30, 2021

ASSETS	
Current Assets:	
Cash	\$ 728,779
Grants and contracts receivable	<u>150,788</u>
Total Current Assets	<u>879,567</u>
Fixed Assets:	
Vehicles	330,581
Less: Accumulated depreciation	<u>(214,573)</u>
Total Fixed Assets	<u>116,008</u>
TOTAL ASSETS	<u>\$ 995,575</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 30,340
Deferred revenue	<u>266,126</u>
Total Current Liabilities	<u>296,466</u>
TOTAL LIABILITIES	<u>296,466</u>
NET ASSETS	
Without Donor Restrictions	
Operations	583,101
Fixed assets	<u>116,008</u>
TOTAL NET ASSETS	<u>699,109</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 995,575</u>

The Accompanying Notes are an integral part of these Financial Statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
Statement of Activities
For the Year Ended September 30, 2021

	Without Donor Restrictions		
	Unrestricted Operations	Fixed Assets	Total
SUPPORT AND REVENUES			
Grant support-federal	\$ 1,681,870	-	\$ 1,681,870
Grant support-federal non-cash	51,943	-	51,943
Grant support, State	553,700	-	553,700
Grant support, State non-cash	11,796	-	11,796
Transportation Services	78,786	-	78,786
Farebox revenue	18,241	-	18,241
Cash match	67,961	-	67,961
Program income	6,124	-	6,124
Other income	115,742	-	115,742
Inkind revenue	<u>5,367</u>	<u>-</u>	<u>5,367</u>
TOTAL SUPPORT AND REVENUES	<u>2,591,530</u>	<u>-</u>	<u>2,591,530</u>
EXPENSES			
Program Services:			
Community Services	398,848	-	398,848
Energy Assistance and Conservation	869,736	-	869,736
Transportation	765,665	31,681	797,346
Aging Program	<u>165,824</u>	<u>-</u>	<u>165,824</u>
Total Program Services	<u>2,200,073</u>	<u>31,681</u>	<u>2,231,754</u>
TOTAL EXPENSES	<u>2,200,073</u>	<u>31,681</u>	<u>2,231,754</u>
Change in Net Assets	<u>391,457</u>	<u>(31,681)</u>	<u>359,776</u>
Net Assets, Beginning of Year as previously reported	(2,289,137)	21,136	(2,268,001)
Prior period adjustment	<u>2,576,762</u>	<u>30,572</u>	<u>2,607,334</u>
Net Assets, Beginning of Year	<u>287,625</u>	<u>51,708</u>	<u>339,333</u>
Other Changes in Net Assets			
Acquisition of fixed assets	<u>(95,981)</u>	<u>95,981</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 583,101</u>	<u>116,008</u>	<u>\$ 699,109</u>

The Accompanying Notes are an integral part of these Financial Statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
 Statement of Functional Expenses
 For the Year Ended September 30, 2021

EXPENSES	P R O G R A M SERVICES				Total Program Services
	Community Service	Energy Assistance and Conservation	Transportation	Aging Program	
Salaries and wages	\$ 122,498	199,986	400,106	79,161	801,751
Fringe benefits	57,559	91,502	187,778	33,656	370,495
Supplies	25,874	9,063	8,452	6,331	49,720
Equipment expense	2,185	14,621	14,993	-	31,799
Travel and conference	994	-	9,295	1,057	11,346
Space cost	3,600	1,388	1,864	7,523	14,375
Telephone	1,674	1,148	10,064	586	13,472
Insurance	4,002	-	39,113	2,715	45,830
Postage	158	1,636	3,825	-	5,619
Equipment rent	-	540	(11,409)	-	(10,869)
Equipment repair	-	-	12,950	-	12,950
Dues and fees	1,154	-	2,885	-	4,039
Legal	525	-	-	-	525
Audit	4,750	-	5,000	-	9,750
Specific assistance	7,531	542,748	-	2,647	552,926
Contract services	7,766	3,658	3,825	2,910	18,159
Training	1,974	-	-	-	1,974
Vehicle tires, parts and labor	1,321	-	19,782	-	21,103
Publication and printing	3,316	-	2,734	456	6,506
Advertisement	983	-	2,206	-	3,189
Fuel and Oil	-	-	29,549	-	29,549
Food	-	-	-	28,782	28,782
Other	150,984	3,446	22,653	-	177,083
Total Expenses before Depreciation	398,848	869,736	765,665	165,824	2,200,073
Depreciation expense	-	-	31,681	-	31,681
TOTAL EXPENSES	\$ 398,848	869,736	797,346	165,824	2,231,754

The Accompanying Notes are an integral part of these Financial Statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
Statement of Cash Flows
For the Year Ended September 30, 2021

CASH FLOWS USED FOR OPERATING ACTIVITIES:	2021
Changes in Net Assets	\$ 359,776
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	31,681
Prior period adjustment	2,607,334
(Increase) Decrease in Current Asset:	
Grants and contracts receivable	(25,714)
Increase (Decrease) in Current Liability:	
Accounts payable	6,368
Accrued liabilities	454
Deferred revenue	231,179
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,211,078
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of property and equipment	(95,981)
Write-off on fixed assets	(30,572)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(126,553)
CASH FLOWS FROM FINANCING ACTIVITIES	
Write-off of prior year pension assets and liabilities	(2,576,762)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(2,576,762)
NET INCREASE (DECREASE) IN CASH	507,763
CASH, BEGINNING OF YEAR	221,016
CASH, END OF YEAR	\$ 728,779
Recap of cash and cash equivalents:	
Cash and cash equivalents unrestricted	\$ 728,779

The Accompanying Notes are an integral part of these Financial Statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 1 - AGENCY'S HISTORY AND OPERATING STRUCTURE

The Madison County Citizens Services Agency was created by the Madison County Board of Supervisors on November 6, 2006. The Agency was created under Section 17-51-1 through 11 of the Mississippi Code with the express purpose of operating under local governmental 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The summary of significant accounting policies of Madison County Citizens Services Agency is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

- A. **Basis of Accounting** - The financial statements of Madison County Citizens Services Agency are presented on the accrual basis of accounting.
- B. **Basis of Presentation** - The Agency is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.
- C. **Restricted and Unrestricted Revenue and Support** - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.
- D. **Fixed Assets** - Acquisition of non-expendable property are treated as expenditures of the program in the period the costs are incurred, and assets values are reported as such. Property acquired is considered owned by the Agency while used in the program for which it was purchased or in future authorized programs. However, the Federal Government and the State of Mississippi have a reversionary interest in property purchased or acquired with federal and state funds, its dispositions as well as the ownership of any proceeds therefore is subject to the regulations of the funding source.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 5 years for vehicle and equipment and 7 years for furniture.

Assets acquired with a unit cost of \$5,000 are capitalized.

- E. **Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

- F. **Donated Property and Equipment** - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted assets to unrestricted assets at that time.
- G. **Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- H. **Employee's Annual Leave** - The Agency does not charge annual leave earned by employees which has not been used by them at the end of a period to the period that the leave is earned. It is expensed in the period in which the employees used the leave.
- I. **Functional Expense Allocation** - The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses based on various methods including square footage and percent of time dedicated to each function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- J. **Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

K. **Classification of Net Assets** - Net Assets of Madison County Citizens Services Agency are classified based on the presence or absence of donor-imposed restrictions. Net Assets are comprised of two groups as follows:

a) **Net Assets Without Donor Restrictions** - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

b) **Net Assets With Donor Restrictions** - Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by action of the Agency. Certain restrictions may need to be maintained in perpetuity.

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contract receivables at September 30, 2021 consist of the following:

A. Grants	Amount
State of Mississippi Department of Transportation	\$ 112,073
Statement of Mississippi, Department of Human Services	10,741
Central Mississippi Planning and Development District	15,226
MTM	1,546
Canton Manor	11,202
Total Grants Receivable	\$ 150,788

NOTE 4 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment:

Class of Assets	Balance 10/01/2020	Additions	Deletions	Adjustments	Balance 9/30/2021
Building improvements	\$ 119,450	-	-	(119,450)	\$ -
Motor vehicles	163,202	95,981	-	71,398	330,581
Furniture and equipment	50,033	-	-	(50,033)	-
Total Depreciable Assets	332,685	95,981	-	(98,085)	330,581
Accumulated Depreciation					
Building improvements	119,450	-	-	(119,450)	-
Motor vehicles	163,202	31,681	-	19,690	214,573
Furniture and equipment	28,897	-	-	(28,897)	-
Total Accumulated Depreciation	311,549	31,681	-	(128,657)	214,573
Net Property and Equipment	\$ 21,136	64,300	-	30,572	\$ 116,008

Depreciation expense for the year ended September 30, 2021, was \$31,681.

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 5 - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

The Federal Deposit Insurance Corporation (FDIC) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Agency's cash deposits may exceed the federally insured limits and at September 30, 2021, its uninsured deposits totaled \$498,189. The Agency has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 6 - LIQUIDITY AND AVAILABILITY

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safety of its available funds. The Agency's primary sources of liquidity are cash and cash equivalents and unexpended grant funds available for withdrawal. See Note 4 for information regarding the Agency's cash and cash equivalents and Note 9 for grant balances and conditions.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of providing transportation services, as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by grant funds. As a non-profit Agency, the Agency receives significant grant funds from the U.S. Department of Transportation with restrictions to be used in accordance with grant requirements. Refer to the statement of cash flows which identifies the sources and uses of the Agency's cash.

At September 30, 2021, the following tables show the total financial assets held by the Agency and the amounts of those financial assets that could be made readily available within one year of the balance sheet date to meet general expenditures:

Financial assets at year-end		2021
Cash and cash equivalents	\$	728,779
Grants receivable		150,788
Total financial assets at year end	\$	879,567

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 7 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

The estimated fair values of the Agency's financial instruments, none of which are held for trading purposes, are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 728,779	\$ 728,779

NOTE 8 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS

Approximately 63% of the Agency's revenues are provided from grants from the State of Mississippi Departments of Human Services and Transportation.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

A. Federal Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

B. Annual Leave

The cost of employee's unused annual leave at September 30, 2021 is not included in the financial statements. See Note 2.H. above. If the leave was included in the financial statements, it would affect the financial statements by the amount of the leave by (a) increasing expenses, (b) decreasing the excess of support and revenues over expenses, and (c) increasing accrued liabilities.

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 10 - PRIOR PERIOD ADJUSTMENT

The Following is a summary of prior period adjustments made to the beginning Net Position during fiscal year 2021:

	Amount
Beginning balance as previously reported	\$ 2,231,754
To remove pension assets and liabilities from books.	(2,576,762)
To write-off fixed assets to agree with the Agency schedule of assets with a unit cost of \$5,000 or more	30,572
	\$ (314,436)

NOTE 11 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of Madison County Citizens Services Agency evaluated the activity of the Agency through August 30, 2022, which is the date the financial statements are available to be issued.

NOTE 12 - COVID-19 FINANCIAL STATEMENT IMPACTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Agency's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Agency's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

MADISON COUNTY CITIZENS SERVICES AGENCY

OTHER SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2021

MADISON COUNTY CITIZENS SERVICES AGENCY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grant Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass through Central Mississippi Planning & Development District			
Special Program for the Aging (Aging Cluster):			
Title III B Ombudsman	93.044		13,520
Title III B Information & Referral	93.044		25,199
Title III B Outreach	93.044		<u>23,396</u>
			<u>62,115</u>
Title III-C-1, Congregate Meals	93.045		<u>23,723</u>
			<u>23,723</u>
Total Aging Cluster			<u>85,838</u>
Pass through South Central Community Action Agency:			
Covid-19 Community Service Block Grant	93.569		<u>23,313</u>
Social Service Block Grant			
Title XX Transportation			<u>16,102</u>
Pass through Mississippi Department of Human Services:			
Low-Income Home Energy Assistance Program	93.568	601813 (7-9)	258,226
Low-Income Home Energy Assistance Program	93.568	602093 (3-5)	543,973
Covid-19 Low-Income Home Energy Assistance Program	93.568	CARES ACT	52,916
Low-Income Home Energy Assistance Program/WX (2020)	93.568	6022117	<u>14,621</u>
			<u>869,736</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>994,989</u>

MADISON COUNTY CITIZENS SERVICES AGENCY
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2021

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grant Number	Federal Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass through State of Mississippi Department of Transportation			
Section 5311 Rural Transportation	20.509	503405	701,326
Section 5311 Rural Transportation Vehicle Distribution	20.509		<u>47,185</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u><u>748,511</u></u>
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Pass through Central Mississippi Planning & Development District			
Congregate Meals	10.565	1197-58	<u>4,758</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>4,758</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,748,258</u></u>

MADISON COUNTY CITIZENS SERVICES AGENCY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Madison County Citizens Services Agency under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison County Citizens Services Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Madison County Citizens Services Agency.

NOTE 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Madison County Citizens Services Agency has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance. However, they used the negotiated rate.

SCHEDULE A

MADISON COUNTY CITIZENS SERVICES AGENCY
 Combining Schedule of Revenues
 For the Year Ended September 30, 2021

	<u>.Community Service and Economic Development</u>	<u>Energy Assistance and Conservation</u>	<u>Transportation</u>	<u>Aging Program</u>	<u>TOTALS</u>
REVENUES:					
Grant support-federal	\$ 23,313	869,736	701,326	87,495	\$ 1,681,870
Grant support-federal, non-cash	-	-	47,185	4,758	51,943
Grant support, state and local	553,700	-	-	-	553,700
Grant support, state non-cash	-	-	11,796	-	11,796
Transportation services	-	-	78,786	-	78,786
Farebox revenue	-	-	18,241	-	18,241
Cash match	-	-	46,213	21,748	67,961
Program income	5,600	-	-	524	6,124
Other income	63,868	-	5,942	45,932	115,742
In-Kind revenues	-	-	-	5,367	5,367
Total Revenues	<u>\$ 646,481</u>	<u>869,736</u>	<u>909,489</u>	<u>165,824</u>	<u>\$ 2,591,530</u>

MADISON COUNTY CITIZENS SERVICES AGENCY
Community Services
Schedule of Revenues and Expenses
For the Year Ended September 30, 2021

	General Fund	CSBG CARES ACT Sub-contract	Unemployment	TOTALS
REVENUES:				
Grant support-federal	\$ -	23,313	-	\$ 23,313
Grant support, state and local	553,700	-	-	553,700
Program income	5,600	-	-	5,600
Other income	48,868	-	15,000	63,868
TOTAL REVENUES	<u>608,168</u>	<u>23,313</u>	<u>15,000</u>	<u>646,481</u>
EXPENSES				
<u>Program Services</u>				
Salaries and wages	122,498	-	-	122,498
Fringe benefits	57,559	-	-	57,559
Supplies	6,488	19,386	-	25,874
Equipment expense	2,185	-	-	2,185
Travel and conference	994	-	-	994
Space cost	3,600	-	-	3,600
Telephone	1,674	-	-	1,674
Insurance	4,002	-	-	4,002
Postage	158	-	-	158
Dues and fees	1,154	-	-	1,154
Legal	525	-	-	525
Audit	4,750	-	-	4,750
Specific assistance	7,531	-	-	7,531
Contract services	7,766	-	-	7,766
Training	1,974	-	-	1,974
Vehicle tires, parts and labor	1,321	-	-	1,321
Publication and printing	2,838	478	-	3,316
Advertising	983	-	-	983
Other	149,278	-	1,706	150,984
Total Program Services	<u>377,278</u>	<u>19,864</u>	<u>1,706</u>	<u>398,848</u>
Equipment Acquisitions	37,000	-	-	37,000
TOTAL EXPENSES	<u>414,278</u>	<u>19,864</u>	<u>1,706</u>	<u>435,848</u>
Excess Revenues Over (Under) Expenses	<u>\$ 193,890</u>	<u>3,449</u>	<u>13,294</u>	<u>\$ 210,633</u>

SCHEDULE C

MADISON COUNTY CITIZENS SERVICES AGENCY
 Energy Assistance and Conservation
 Schedule of Revenues and Expenses
 For the Year Ended September 30, 2021

	LIHEAP Grant No 601813 (7-9)	LIHEAP Grant No. 602093 (3-5)	LIHEAP Grant CARES ACT	LIHEAP Grant No. 6022117	TOTAL
REVENUES:					
Grant support-federal	\$ 258,226	\$ 543,973	\$ 52,916	\$ 14,621	\$ 869,736
TOTAL REVENUES	<u>258,226</u>	<u>543,973</u>	<u>52,916</u>	<u>14,621</u>	<u>869,736</u>
EXPENSES					
<u>Program Services</u>					
Salaries and wages	45,652	154,334	-	-	199,986
Fringe benefits	20,470	71,032	-	-	91,502
Supplies	624	1,966	6,473	-	9,063
Equipment expense	-	-	-	14,621	14,621
Space cost	829	559	-	-	1,388
Telephone	558	590	-	-	1,148
Postage	863	773	-	-	1,636
Equipment rental	540	-	-	-	540
Specific assistance	185,402	314,349	42,997	-	542,748
Contract services	3,288	370	-	-	3,658
Other	-	-	3,446	-	3,446
Total Program Services	<u>258,226</u>	<u>543,973</u>	<u>52,916</u>	<u>14,621</u>	<u>869,736</u>
Excess Revenues Over (Under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE D

MADISON COUNTY CITIZENS SERVICES AGENCY
 Transportation
 Schedule of Revenues and Expenses
 For the Year Ended September 30, 2021

	<u>Unrestricted Funds</u>	<u>Section 5310 Grant</u>	<u>TOTAL</u>
SUPPORT AND REVENUES			
Grant support-federal	\$ -	\$ 701,326	\$ 701,326
Grant support-federal, non-cash	-	47,185	47,185
Grant support, state non-cash	-	11,796	11,796
Transportation services	78,786	-	78,786
Farebox revenue	-	18,241	18,241
Cash match	46,213	-	46,213
Other income	5,942	-	5,942
TOTAL REVENUES	<u>130,941</u>	<u>778,548</u>	<u>909,489</u>
EXPENSES			
<u>Program Services</u>			
Salaries and wages	(1,500)	401,606	400,106
Fringe benefits	-	187,778	187,778
Supplies	1,280	7,172	8,452
Equipment expense	-	14,993	14,993
Travel and conferences	5,256	4,039	9,295
Space cost	1,864	-	1,864
Telephone	(241)	10,305	10,064
Insurance	-	39,113	39,113
Postage	3,825	-	3,825
Equipment rental	(13,364)	1,955	(11,409)
Equipment repair	7,994	4,956	12,950
Dues and fees	2,885	-	2,885
Audit	-	5,000	5,000
Contract Services	-	3,825	3,825
Vehicle tires, parts and labor	(6,217)	25,999	19,782
Publication and printing	2,734	-	2,734
Advertising	(1,234)	3,440	2,206
Fuel and oil	-	29,549	29,549
Other	11,583	11,070	22,653
Total Program Services	<u>14,865</u>	<u>750,800</u>	<u>765,665</u>
Equipment			
Acquisitions	-	58,981	58,981
TOTAL EXPENSES	<u>14,865</u>	<u>809,781</u>	<u>824,646</u>
Excess Revenues Over (Under) Expenses	<u>\$ 116,076</u>	<u>\$ (31,233)</u>	<u>\$ 84,843</u>

MADISON COUNTY CITIZENS SERVICES AGENCY
 Aging Program
 Schedule of Revenues and Expenses
 For the Year Ended September 30, 2021

	Title III B Outreach Grant	Title III C1 Congregate Meals	Title III B Ombudsman Grant	Title III B Information & Referral	Title XX Transportation	TOTAL
REVENUES:						
Grant support Federal	\$ 23,396	9,278	13,520	25,199	16,102	\$ 87,495
Grant support-federal, non-cash	-	4,758	-	-	-	4,758
Cash match	5,627	6,736	3,535	5,850	-	21,748
Program income	-	-	-	-	524	524
Other income	-	24,025	-	-	21,907	45,932
In-kind revenues	-	-	-	-	5,367	5,367
TOTAL REVENUES	29,023	44,797	17,055	31,049	43,900	165,824
EXPENSES						
<u>Program Services</u>						
Salaries and wages	19,608	10,964	10,763	19,609	18,217	79,161
Fringe benefits	9,122	882	2,495	9,122	12,035	33,656
Supplies	-	-	313	1,862	4,156	6,331
Travel and conference	-	22	1,035	-	-	1,057
Space cost	-	-	2,156	-	-	7,523
Telephone	293	-	293	-	-	586
Insurance	-	-	-	-	2,715	2,715
Specific assistance	-	2,647	-	-	-	2,647
Contract services	-	1,500	-	-	-	2,910
Publication and printing	-	-	-	456	1,410	456
Food	-	28,782	-	-	-	28,782
TOTAL EXPENSES	29,023	44,797	17,055	31,049	43,900	165,824
Excess Revenues Over (Under) Expenses	\$ -	-	-	-	-	\$ -

MADISON COUNTY CITIZENS SERVICES AGENCY
 Schedule of Expenses Compared to Budget and Cost Questioned
 Section 5311 Rural Transportation Program MDOT #503353
 For the Grant Period October 1, 2020 through September 30, 2021

	COMPLETED GRANT			Cost Questioned
	Budget	Cost Incurred	Cost (Over) Under Budget	
ADMINISTRATION				
Project director	\$ 40,810	40,810	-	\$ -
Secretary	26,000	25,469	531	-
Bookkeeper	25,105	25,095	10	-
Fringe benefits	36,015	34,827	1,188	-
Travel/membership/training	8,000	4,039	3,961	-
Audit	5,000	5,000	-	-
Office supplies/software	9,800	7,172	2,628	-
Telephone	12,760	10,305	2,455	-
Rent/utilities expense	<u>4,720</u>	-	<u>4,720</u>	-
Printing & advertising	-	3,440	(3,440)	-
Less: Rev. Appl. to Non-operating	-	-	-	-
Total Administration	<u>168,210</u>	<u>156,157</u>	<u>12,053</u>	<u>-</u>
CAPITAL				
Communication equipment	6,400	4,587	1,813	-
Major components	8,400	1,955	6,445	-
Office equipment/computers	11,785	8,911	2,874	-
Mobile Manager	1,500	1,500	-	-
Vehicles	58,981	58,981	-	-
Others	<u>2,005</u>	<u>1,495</u>	<u>510</u>	<u>-</u>
Total Capital	<u>89,071</u>	<u>77,429</u>	<u>11,642</u>	<u>-</u>
OPERATIONS				
Operations Supervisor	25,106	25,094	12	-
Drivers, full-time	176,792	165,593	11,199	-
Drivers, part-time	14,820	14,490	330	-
Secretary	17,782	17,766	16	-
Dispatcher	62,640	57,770	4,870	-
Other staff, Transit Support Specialist	20,192	20,119	73	-
Other staff	20,419	7,899	12,520	-
Fringes	173,530	152,951	20,579	-
Vehicle insurance	48,032	39,113	8,919	-
Fuel and oil	47,600	29,549	18,051	-
Tires	6,600	3,702	2,898	-
Preventive maint. - parts	9,600	4,956	4,644	-
Preventive maint. - labor	5,153	3,825	1,328	-
Repairs parts	16,182	14,974	1,208	-
Repairs labor	9,020	7,323	1,697	-
License tags	200	120	80	-
Other (Driver Expenses)	14,800	10,950	3,850	-
Other				
Farebox Revenues	<u>(25,000)</u>	<u>(18,241)</u>	<u>(6,759)</u>	<u>-</u>
Total Operations	<u>643,468</u>	<u>557,953</u>	<u>85,515</u>	<u>-</u>
TOTALS	<u>\$ 900,749</u>	<u>791,539</u>	<u>109,210</u>	<u>\$ -</u>

SCHEDULE G

MADISON COUNTY CITIZENS SERVICES AGENCY
 Computation of Section 5311 Funds Allowable For
 Grant Participant and Amount Due Grantee
 Section 5311 Rural General Public Transportation Program MDOT #503348
 For the Period October 1, 2020 through September 30, 2021

Expenditure Category	<u>Expenditures</u>	<u>Sec. 5311 Percentage</u>	<u>Amount</u>	<u>Maximum Amount Per Grant</u>
Administration	\$ 156,157	80 %	124,926	\$ 134,568
Capital Purchase	18,448	100 %	18,448	71,257
Capital Purchase	58,981	80 %	47,185	71,257
Operations	<u>557,953</u>	100 %	<u>557,953</u>	<u>321,734</u>
	<u>\$ 791,539</u>		<u>748,512</u>	<u>\$ 598,816</u>
Total Allowable Expenditures from Section 5311 grant funds				\$ 748,512
Less: Section 5311 funds received -				
Cash reimbursements received for expenditures through September 30				589,253
Non-cash grant received for vehicle purchases through September 30				47,185
Cash reimbursements received after September 30				<u>77,006</u>
TOTAL SECTION 5311 FUNDS DUE (FROM) TO GRANTEE				<u>\$ 35,068</u>



BROWN, EWING & CO.
P. A.
CERTIFIED PUBLIC ACCOUNTANTS

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 GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Madison County Citizens Services Agency
Madison, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Madison County Citizens Services Agency (a nonprofit Agency), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 30, 2022.

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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison County Citizens 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 instance 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Emy & Co

Ridgeland, Mississippi
August 30, 2022



BROWN, EWING & CO.
P. A.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Madison County Citizens Services Agency
Madison, 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, 2021. 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, 2021.

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 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.

Brown, Emig & Co.

Ridgeland, Mississippi
August 30, 2022

MADISON COUNTY CITIZENS SERVICES AGENCY
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2021

There were no prior year audit findings.

MADISON COUNTY CITIZENS SERVICES AGENCY
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on the financial statements. | Unmodified |
| 2. | Material noncompliance relating to the financial statements. | No |
| 3. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs | Unmodified |
| 5. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 6. | Any audit findings reported as required by the Uniform Guidance? | No |
| 7. | Federal programs identified as major programs: | |

<u>Federal Award Program</u>	<u>Federal Assistance Listing Number</u>
Low-income Home Energy Assistance	93.568

- | | | |
|----|--|-----------|
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Did Auditee qualify as a low-risk auditee? | No |

MADISON COUNTY CITIZENS SERVICES AGENCY
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 2: Findings - Financial Statements Audit

NONE

Section 3: Findings and Questioned Costs - Major Federal Awards Programs

NONE