




# MADISON COUNTY CITIZENS SERVICES AGENCY

Post Office Box 1358  
Canton, Mississippi 39046-1358  
601-391-1993 or 601-855-5710  
Fax: 601-391-1997

## MEMO

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TO: Mr. Greg Higginbotham, Madison County Administrator  
FROM: Dr. Mary Sims-Johnson   
DATE: June 12, 2023  
Re: MCCSA 2022 Audit Report and Status Report

Please find attached the Madison County Citizens Services Agency FY 2021-2022 Independent Audit Report. Please place on the MCBOS Agenda for requested approval (June 19, 2023 Board Meeting).

Thank you for your attention and your assistance. Please contact me immediately if you have any questions or concerns.

cc: Mr. Timmy Pickett, Chairman  
MCCSA Board of Directors

Enclosures

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### *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*

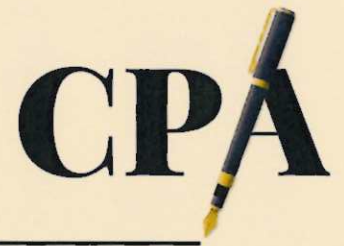
**Madison County Citizens Services Agency  
Agency Program Services  
FY 2021-2022**

<b>Agency</b>		<b>September 2021</b>	<b>September 2022</b>
<b>Mississippi Department of Human Services</b>			
LIHEAP	Total Number of Clients Served	3,240	3,144
<b>Mississippi Department of Transportation</b>			
Rural General Public	Total Number of Trips	9,865	19,989
<b>Central Mississippi Planning and Development District</b>			
Title XX	Total Number of Units	1,280	3,272
Information and Referral	Total Number of Units	2,318	1,851
Outreach	Total Number of Units	1,030	1,336
Congregate Meals	Total Number of Meals/Units	5,974	3,840
<b>Mississippi Food Network</b>			
Commodity Supplement Food Program (CSFP)	Total Number of Boxes Distributed	6,420	6,470
<b>Total Clients Direct Services</b>		<b>30,127</b>	<b>39,902</b>
<b>Agency Clients Outreach</b>			
Radio and PSA (Listing Audience)		1,048	104,000
CSBG COVID-Outreach		729	1,652
Facebook and Website		66,779	90,648
COVID-19 Outreach Resources & Information		1,321	10,579
<b>Total Client Contacts</b>		<b>100,004</b>	<b>246,781</b>



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

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**MADISON COUNTY CITIZENS SERVICES AGENCY**

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

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2022**

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

**WWW.WILLIESIMSCPA.COM**

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**September 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Madison County Citizens Services Agency

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of Madison County Citizens Services Agency (a nonprofit organization),<sup>e</sup> which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Madison County Citizens Services Agency as of September 30, 2022, 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.

*Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Madison County Citizens Services Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Madison County Citizens Services Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Madison County Citizens Services Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Madison County Citizens Services Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary 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 schedule of

**WILLIE B. SIMS, JR., CPA, PLLC**

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CERTIFIED PUBLIC ACCOUNTANT



expenditures of federal awards 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 May 26, 2023, 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 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

May 26, 2023

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**Madison County Citizens Services Agency**  
**STATEMENT OF FINANCIAL POSITION**  
September 30, 2022

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**ASSETS**

Current Assets:	
Cash and Cash equivalents	\$ 551,737.00
Grants and contract receivable	277,484.00
Total Current Assets	<u>829,221.00</u>
Fixed Assets:	
Vehicles	428,689.00
Less: Accumulated depreciation	<u>(348,638.00)</u>
Total Fixed Assets	<u>80,051.00</u>
Total Assets	<u><u>\$ 909,272.00</u></u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 8,502.00
Payroll accrual and liabilities	17,994.00
Unearned Revenue	165,694.00
Total Liabilities	<u>192,190.00</u>
Net assets:	
Without Donor Restriction:	
Operations	637,031.00
Property and equipment	80,051.00
Total net assets	<u>717,082.00</u>
Total liabilities and net assets	<u><u>\$ 909,272.00</u></u>

The accompanying notes are an intergral part to these financial statements

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# Madison County Citizens Services

## STATEMENT OF ACTIVITIES

September 30, 2022

### REVENUES AND SUPPORT

	Without Donor Restrictions		
	Unrestricted Operations	Property Equipment	Total
Grant support-federal	1,995,097.00		1,995,097.00
Grant support-federal non-cash	13,403.00		13,403.00
Grant support, State	674,864.00		674,864.00
Transportation Services	55,748.00		55,748.00
Cash match	47,725.00		47,725.00
Program income	19,433.00		19,433.00
Other revenue	70,662.00		70,662.00
Inkind revenue	21,028.00		21,028.00
Total revenues and support	<u>2,897,960.00</u>		<u>2,897,960.00</u>

### EXPENSES

Program Services:			
Community Services	533,738.00		533,738.00
Energy Assistance and Conservation	1,353,446.00		1,353,446.00
Transportation	802,264.00	35,957.00	838,222.00
Aging Program	154,582.00	-	154,582.00
Total program services	<u>2,844,030.00</u>	<u>35,957.00</u>	<u>2,879,987.00</u>
Total Expenses	<u>2,844,030.00</u>	<u>35,957.00</u>	<u>2,879,987.00</u>
Change in net assets	53,930.00	(35,957.00)	17,973.00
Net assets, beginning of year	583,101.00	116,008.00	699,109.00
Net assets, end of period	<u>637,031.00</u>	<u>80,051.00</u>	<u>717,082.00</u>

The accompanying notes are an integral part of these financial statements

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**Madison County Citizens Services Agency**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
September 30, 2022

<u>EXPENSES</u>	<u>Community Service</u>	<u>Energy Assistance and Conservation</u>	<u>Transportation</u>	<u>Aging Program</u>	<u>Total Program Services</u>
Salaries and wages	\$ 174,838.00	\$ 241,872.00	\$ 411,872.00	\$ 69,901.00	\$ 898,483.00
Fringe benefits	\$ 74,498.00	\$ 109,127.00	\$ 187,045.00	\$ 27,362.00	\$ 398,032.00
Supplies	\$ 43,539.00	\$ 8,202.00	\$ 12,506.00	\$ 14,146.00	\$ 78,393.00
Equipment expense	\$ 40,340.00	\$ -	\$ 730.00	\$ -	\$ 41,070.00
Travel and conference	\$ 653.00	\$ 57.00	\$ 13,844.00	\$ 53.00	\$ 14,607.00
Space Cost	\$ 35,644.00	\$ -	\$ -	\$ 21,141.00	\$ 56,785.00
Telephone	\$ 2,444.00	\$ 3,120.00	\$ 12,979.00	568.00	\$ 19,111.00
Utilities	\$ -	\$ 1,792.00	\$ -	\$ -	\$ 1,792.00
Insurance	\$ 4,785.00	\$ -	\$ 40,892.00	\$ -	\$ 45,677.00
Postage	\$ 273.00	\$ 1,040.00	\$ 1,000.00	\$ -	\$ 2,313.00
Equipment rent	\$ 3,600.00	\$ 1,952.00	\$ 1,815.00	\$ -	\$ 7,367.00
Equipment repair	\$ 1,393.00	\$ -	\$ 16,922.00	\$ -	\$ 18,315.00
Dues and fees	\$ 1,174.00	\$ -	\$ 1,220.00	\$ -	\$ 2,394.00
Legal	\$ 1,127.00	\$ -	\$ -	\$ -	\$ 1,127.00
Audit	\$ 6,000.00	\$ -	\$ 1,350.00	\$ -	\$ 7,350.00
Specific assistance	\$ -	\$ 980,557.00	\$ -	\$ -	\$ 980,557.00
Contract services	\$ 46,563.00	\$ 5,727.00	\$ -	\$ 3,825.00	\$ 56,115.00
Training	\$ 782.00	\$ -	\$ 3,025.00	\$ -	\$ 3,807.00
Vehicle tires, parts and labor	\$ 267.00	\$ -	\$ 43,400.00	\$ -	\$ 43,667.00
Publication and printing	\$ 3,868.00	\$ -	\$ 744.00	\$ 3,000.00	\$ 7,612.00
Advertisement	\$ 790.00	\$ -	\$ 2,129.00	\$ 400.00	\$ 3,319.00
Fuel and Oil	\$ 3,562.00	\$ -	\$ 50,791.00	\$ -	\$ 54,353.00
Food	\$ 613.00	\$ -	\$ -	\$ 10,286.00	\$ 10,899.00
Other	\$ 86,985.00	\$ -	\$ -	\$ 3,900.00	\$ 90,885.00
<b>Total Expenses before Depreciation</b>	<b>\$ 533,738.00</b>	<b>\$ 1,353,446.00</b>	<b>\$ 802,264.00</b>	<b>\$ 154,582.00</b>	<b>\$ 2,844,030.00</b>
Depreciation expense	\$ -	\$ -	\$ 35,957.00	\$ -	35,957.00
<b>Total Expenses</b>	<b>\$ 533,738.00</b>	<b>\$ 1,353,446.00</b>	<b>\$ 838,221.00</b>	<b>\$ 154,582.00</b>	<b>\$ 2,879,987.00</b>

The accompanying notes are an integral part of these financial statements

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**Madison County Citizens Services Agency**  
STATEMENT OF FINANCIAL CASH FLOWS  
September 30, 2022

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<b>Cash Flows from Operating Activities:</b>	
Change in net assets	17,973.00
<b>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</b>	
Depreciation and amortization	35,957.00
Prior period adjustments	-
<b>Changes in operating assets and liabilities:</b>	
Grants and Contract Receivable	(126,696.00)
Other assets	-
	-
Accounts payable	(21,838.00)
Accrued liabilities	17,994.00
Unearned revenue	<u>( 100,432.00)</u>
Net cash provided by operating activities	<u>( 177,042.00)</u>
<b>Cash Flows from Investing Activities:</b>	
Purchase of land, furniture and equipment	-
Sales of marketable securities	<u>-</u>
Net cash provided by financing activities	<u>-</u>
Increase in cash and cash equivalents	(177,042.00)
Cash and cash equivalents, beginning of year	<u>728,779.00</u>
Cash and cash equivalents, end of period	<u><u>\$ 551,737.00</u></u>

The accompanying notes are an integral part of these financial statements

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CERTIFIED PUBLIC ACCOUNTANT

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2022**

**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 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 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 asset, 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 grants since awards are classified as refundable advances until expensed 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.



**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2022**

**NOTES - 2 - SUMMARY OF SIGNOFICANT ACCOUNTING PRINCIPLES (Continued)**

**D. Fixed Assets (Continued)**

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, certifications of deposits, and all highly liquid debt instruments with original maturities of three months or less.
- 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 Expenses 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, 2022**

**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 RECEIVABLES**

Grants and contract receivables at September 30, 2022 consist of the following:

<b>A. Grants</b>	<b><u>Amounts</u></b>
State of Mississippi Department of Transportation	\$ 112,073
State of Mississippi, Department of Human Services	10,741
Central Mississippi Planning and Development District	15,226
MTM	1,546
Canton Manor	<u>11,202</u>
Total Grants Receivables	<u>277,484</u>



**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2022**

**NOTE 4 - PROPERTY AND EQUIPMENT**

The following is a summary of Property and Equipment:

<u>Class of Assets</u>	<u>Balance</u> <u>10/01/21</u>	<u>Adjustments</u>	<u>Balance</u> <u>09/30/22</u>
Motor Vehicles	330,581	98,108	428,689
Total Depreciable Assets	330,581	98,108	428,689
Accumulated Depreciation			
Motor Vehicles	214,573	(133,465)	348,038
Total Accumulated Depreciation	214,573		
Net Property and Equipment	<u>116,008</u>	<u>(35,357)</u>	<u>80,651</u>

Depreciation expense for the year ended September 30, 2022 was \$35,957.00.

**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, 2022, its uninsured deposits totaled \$301,737. The Agency has not experienced any losses in such accounts and management believe 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 6 for information regarding the agency's cash and cash equivalents and Note 3 for grant balances and conditions.

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2022**

**NOTE 6 - LIQUIDITY AND AVAILABILITY (Continued)**

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 source and uses of the Agency's cash.

At September 30, 2022, 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	<u>2022</u>
Cash and cash Equivalents	551,737
Grants receivables	<u>277,484</u>
Total financial assets at year end	<u>829,221</u>

**NOTE 7 - FINANCIAL INSTRUCTIONS**

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	\$551,737	\$551,737



**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2022**

**NOTE 8 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS**

Approximately 63% of the Agency's revenues are provided from grants from the State of Mississippi Department 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, 2022 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 leave by (a) increasing expenses, (b) decreasing the excess of support and revenues over expenses, and (c) increasing accrued Liabilities.

**NOTE 10 - 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 May 26, 2023, which is the date the financial statements are available to be issued.

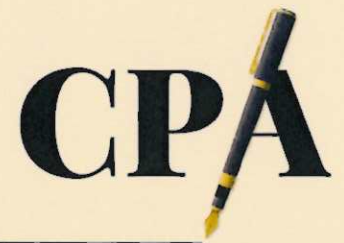
**NOTE 11 - COVID-19 FINANCIAL STATEMENT IMPACTS**

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 Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact 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 related to the effect of this pandemic.

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

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**MADISON COUNTY CITIZENS SERVICES AGENCY**

**OTHER SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

**WWW.WILLIESIMSCPA.COM**



**MADISON COUNTY CITIZENS SERVICES AGENCY**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2022

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Project Period</u>	<u>CFDA#</u>	<u>Pass-Through Grant Number</u>	<u>2022 Federal Expenditures</u>
<u>US Department of Transportation</u>				
Pass Through Mississippi Department of Transportation Section 5311 rural Areas Transportation Program	10/01/2021 - 09/30/2022	220.508	MS-18-X080	795,326.96
<u>US Department of Health and Human Services</u>				
Pass Through Central MS Planning & Dev. District Special Program for the Aging (Aging Cluster):				
CMPD - Outreach	10/01/2021 - 09/30/2022 Title IIIB	93.043		31,101.01
CMPD - Congregate Meals	10/01/2021 - 09/30/2022 Title III C1, C2	93.045		31,444.89
CMPD - Information & Referral	10/01/2021 - 09/30/2022 Title IIB	93.044		50,802.80
Pass through MDHS:				
Low-income Home Energy Assistance Program (2021)	01/01/2021 - 09/30/2022	93.568	602093 (3-5)	284,694.06
Low-income Home Energy Assistance program (2022)	01/02/2022 - 12/31/2022	93.568	602374 (4-6)	428,941.07
Low-income Home Energy Assistance Program (2022)	10/01/2021 - 09/30/2022	93.568	ARP Act Grant	602,231.55
Low-income Home Energy Assistance program (2021) CAA 11/01/2021 - 09/30/2022	10/01/2021 - 09/30/2022	93.568 (B)	602344 (3 & 6)	37,578.18
Social Service Block Grant Title XX Transportation	10/01/2021 - 09/30/2022	93.667		<u>41,232.51</u>
				<u>2,303,354.00</u>

The accounting notes are an integral part of these financial statements.

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2022**

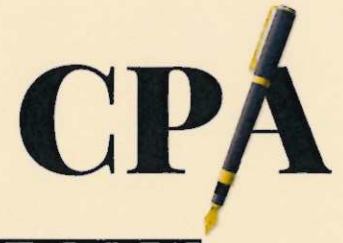
**NOTE 1 - BASIS OF PRESENTATION**

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, 2022. 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.





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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Madison County Citizens Services Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, 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 May 26, 2023..

**Report on 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 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 or significant deficiencies may exist that were not identified.



## Report on 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 financial statements. 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 Governmental Auditing Standards.

## Purpose of This Report

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

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

Hattiesburg, MS  
May 26, 2023

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



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

To the Board of Directors of  
Madison County Citizens Services Agency

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

*Opinion on Each Major Federal Program*

We have audited Madison County Citizens Services Agency's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

*Basis for Opinion on Each Major Federal Program*

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).<sup>1</sup> Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Madison County Citizens Services Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Madison County Citizens Services Agency's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Madison County Citizens Services Agency's federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on ABC Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Madison County Citizens Services Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Madison County Citizens Services Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Madison County Citizens Services Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Madison County Citizens Services Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

**WILLIE B. SIMS, JR., CPA, PLLC**

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CERTIFIED PUBLIC ACCOUNTANT



deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
May 26, 2023

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

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended September 30, 2022**

There are no prior year audit findings.



**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2022**

**Section 1: Summary of Auditor's Results**

**Financial Statements:**

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued on the financial statements.                              | Unmodified    |
| 2. | Material noncompliance related 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 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:  |               |

	Federal
	Assistance
	Listing
<u>Federal award Program _____</u>	Number
<u>Formula Grants for Rural Areas</u>	20.509
<u>Low-income Home Energy Assistance</u>	93.568

- |    |   |           |
|----|---|-----------|
| 8. | The dollar threshold used to distinguish between type A and type B program: | \$750,000 |
| 9. | Did Auditee qualify as a low-risk auditee?                                  | Yes       |

**MADISON COUNTY CITIZENS SERVICES AGENCY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2022**

**Section 2: Findings - Financial Statements Audit**

NONE

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

NONE