

Audit Report
Year Ended September 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Madison County Citizens Service Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, 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 to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Madison County Citizens Service Agency as of September 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of Madison County Citizens Service Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County Citizens Service Agency's internal control over financial reporting and compliance.

Williams CPA Firm, PLLC

Ridgeland, MS
December 31, 2013

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis
September 30, 2013

Our discussion and analysis of the Madison County Citizens Service Agency financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2013.

FINANCIAL HIGHLIGHTS

This is the sixth year of operation of the Madison County Citizens Service Agency and is the fourth full year of operations. The agency is designed to assist the poor and elderly in Madison County with the payment of utility bills, transportation assistance and provide meal programs daily at two locations in Madison County.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities (see pages 6 and 8) provide information about the activities of the agency as whole and present a longer term view of the Agency's finances. The detail financial statements included in this report are details of expenses, grants and other non-operating or non-budgeted revenues and expenses. The Statement of Cash Flows presents the cash that is generated from the operations of the agency and the use of said cash. The main non-cash items are depreciation on capital assets and the receipt of in kind contributions of rental space and other support expenses from Madison County and the in-kind contributions of prepared meals through a grant program.

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis
September 30, 2013

CONDENSED COMPARATIVE FINANCIAL INFORMATION

The condensed comparative information is presented as follows:

	<u>2013</u>
Current Assets	\$ 155,374
Non-Current Assets	<u>123,898</u>
Total Assets	<u>\$ 279,272</u>
Current Liabilities	<u>\$ 30,065</u>
Net Assets:	
Invested in Capital Assets	\$ 123,898
Unrestricted	<u>125,309</u>
Total Net Assets	<u>\$ 249,207</u>

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

The financial position of the Agency has improved since its inception. The Agency's fourth full year of operation was successful. The major utility assistance program is running smoothly along with the meals program. The transportation program is also running well since the Agency got its full complement of vehicles. Several other smaller programs (congregate meals, elderly hire, and information) have been permanent programs since the agency's inception as well.

MADISON COUNTY CITIZENS SERVICES AGENCY

Management Discussion and Analysis
September 30, 2013

FUTURE OPERATIONS

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

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, contributors, and other interested parties with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dr. Mary Simms Johnson at the Madison County Citizens Service Agency, 1005 West Peace Street, Canton, Mississippi 39046.

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF NET ASSETS
September, 30 2013

	<u>2013</u>
ASSETS	
<u>CURRENT ASSETS</u>	
Cash	\$ 91,294
Grant Receivable	64,080
Total Current Assets	<u>\$ 155,374</u>
<u>NON CURRENT ASSETS</u>	
Capital assets - net	123,898
Total Assets	<u>\$ 279,272</u>
LIABILITIES	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	4,800
Vacation Pay Liability	23,420
Unearned Revenue	1,845
Total Current Liabilities	<u>\$ 30,065</u>
NET ASSETS	
Invested in Capital Assets	123,898
Unrestricted	125,309
Total Net Assets	<u>\$ 249,207</u>

MADISON COUNTY CITIZENS SERVICE AGENCY
ANALYSIS OF CHANGES IN NET ASSETS
September 30, 2013

	<u>2013</u>
Net assets, beginning of year	\$ 305,885
Excess of (expenses) over revenues	<u>(56,678)</u>
Net assets, end year	<u><u>\$ 249,207</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY

STATEMENT OF ACTIVITIES

September 30, 2013

	<u>2013</u>
<u>OPERATING REVENUE</u>	
Program Income	1,608
Other Income	16,374
County Revenue	<u>327,000</u>
 TOTAL OPERATING REVENUE	 <u><u>344,982</u></u>
 <u>GRANT INCOME</u>	
Grant Income Received	1,490,295
Non Cash Intergovernmental Transfers	49,469
Program Income	<u>30,692</u>
 TOTAL GRANT FUNDS RECEIVED	 <u><u>1,570,457</u></u>
 TOTAL REVENUE	 <u><u>1,915,439</u></u>
 <u>OPERATING EXPENDITURES</u>	
Total Operating Expenditures	<u>350,983</u>
 <u>PROGRAM EXPENDITURES</u>	
Total Program Expenditures	<u>1,621,132</u>
 TOTAL EXPENDITURES	 <u>1,972,115</u>
 OPERATING (LOSS)/INCOME	 <u><u>(56,678)</u></u>

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF CASH FLOWS
September 30, 2013

	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Excess revenues over expenditures	(56,678)
Depreciation	53,503
(Increase) decrease in grant receivable	33,154
Increase (decrease) in accounts payable - Madison County	1,800
Increase (decrease) in vacation pay liability	<u>2,855</u>
CASH FLOWS FROM (USED) ACTIVITIES	<u>\$ 34,634</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>0</u>
CASH USED IN INVESTING ACTIVITIES	<u>0</u>
NET INCREASE (DECREASE) IN CASH	34,634
CASH AT BEGINNING OF YEAR	<u>\$ 56,660</u>
CASH AT END OF YEAR	<u><u>\$ 91,294</u></u>

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County Citizen's Service Agency is an agency, created by the Madison County Board of Supervisors on November 6, 2006. The Agency was created under sections 17-51-1 through 11 of the Mississippi Code for the purpose of operating under local government control and is responsible for the administration of programs heretofore conducted by community action agencies, limited purpose agencies, and related programs authorized by federal law.

The Agency is a component unit of Madison County, Mississippi because its board is appointed by the Madison County Board of Supervisors.

Its main functions are the operation of a utility assistance program, a meal program, and a transportation program. These activities are designed to assist the poor and elderly in Madison County, Mississippi.

The actual operations of the agency commenced April 2007.

Revenues and expenditures are accounted for using the modified accrual basis of accounting.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

The Madison County Citizens Service Agency has adopted the provisions of Governmental Accounting Standards Board Statement 34, which requires the capitalization of infrastructure and other fixed asset costs as assets of the fund, at their estimated depreciable values. All assets are estimated to have a 5 year or longer useful life and straight line depreciation over those periods have been assumed.

Statement of Cash Flows

For purposes of the statement of cash flows, the Agency considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE 2 – ECONOMIC DEPENDENCY

The Agency receives 100% of its support from federal, state, and county governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Agency's programs and activities.

NOTE 3 – NON CASH REVENUES AND EXPENDITURES

The Agency receives substantial non cash items of support and operating revenues. The operating revenues received from the Madison County Board of Supervisors are rental space and various support activities including accounting, payroll and the like. These are shown as revenue received and a subsequent transfer back to the County.

The Agency also receives in kind food through grant program. This is shown as income received and the expenditures are shown as non cash grant expenditure for meals provided.

MADISON COUNTY CITIZENS SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Plan Description: Madison County Citizens Service Agency contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State Law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are requested to contribute 9% of their annual covered salary and Madison County Citizens Service Agency is required to contribute at an actuarially determined rate of 15.75%. The contribution requirements of PERS members are established and are amended only by the State of Mississippi Legislature. Madison County Citizens Service Agency's contribution to PERS for the year ending September 30, 2013, was \$64,353, which also equaled their required contributions for the year.

NOTE 5 – CASH AND INVESTMENTS

At September 30, 2013, all of the Agency's funds had been placed in the State of Mississippi Treasurer's Pool for deposits. Therefore, all deposits are covered with either FDIC insurance or the State Treasurer's Pool.

MADISON COUNTY CITIZENS SERVICE AGENCY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 SEPTEMBER 30, 2013

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Identifying Number</u>	<u>Federal Expenditures</u>
Mississippi Department of Human Services			
LIHEAP 2012	93.568	683L122L	\$ 236,455
LIHEAP 2012- Carryover	93.568	683L112L	199,364
LIHEAP 2013	93.568	683L131LL	<u>503,540</u>
			* \$ <u>939,358</u>
Mississippi Department of Transportation			
Rural General Transportation	20.509	502615	<u>\$ 488,344</u>
Central Mississippi Planning and Development District			
Title XX Transportation	93.667	396G77	110,473
Information & Referral	93.044	377N77	20,137
Outreach	93.043	377N77A	18,915
Ombudsman	93.044	377N77	15,915
Congregate Meals	93.045	378N77	<u>26,834</u>
			<u>\$ 192,274</u>
Total Pass Through Programs			<u><u>\$ 1,619,976</u></u>
* Major Programs			

MADISON COUNTY CITIZENS SERVICE AGENCY
STATEMENT OF GENERAL FUND ACTIVITIES
September 30, 2013

OPERATING REVENUES

Program Income	1,608
County Revenue	<u>327,000</u>
	<u><u>328,608</u></u>

OPERATING EXPENDITURES

Salaries and Related Expenses	159,453
Fringe Benefits	39,688
Workers compensation	2,949
Travel	3,136
Professional Services	4,633
Training Conferences	2,029
Meals & Entertainment	396
Postage	378
Utilities	1,392
Advertising	167
Legal & Professional Fees	1,999
Audit	3,725
Bank Charges	291
Bookkeeping Sevices	525
Property Insurance	340
Dues & Subscriptions	933
Office Supplies	2,583
Vehicle Expense	4,154
Program Supplies	333
Program Cost	284
Stationery & Printing	152
Software	2,601
Depreciation	1,371
Miscellaneous	43
Office Equipment Maintenance	663
Transfer Expenses	116,036
Equipment	<u>729</u>

TOTAL OPERATING EXPENSES

350,983

OTHER INCOME

Other Income	<u>16,374</u>
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EXCESS (DEFICIT) OF OPERATING INCOME OVER EXPENSES

(6,002)

MADISON COUNTY CITIZENS SERVICE AGENCY
 STATEMENT OF PROGRAM ACTIVITIES
 September 30, 2013

REVENUES

Grant Income	\$ 1,319,773
Local Match - In Kind	36,046
Program Income	30,692
Non-Cash Food	10,874
USDA Food Credit	2,550
Other	170,522
TOTAL REVENUES	<u>\$ 1,570,457</u>

EXPENSES

Congregate Meal Expense	\$ 13,424
LIHEAP ECIP	1,160
LIHEAP Program Assistance	745,770
Salaries and Related Expenses	381,068
Fringe Benefits	164,650
Workers compensation	3,105
Travel	8,324
Professional Services	4,499
Training Conferences	12,917
Postage	1,889
Utilities	8,760
Advertising	464
In-Kind Expense	2,285
Bank Charges	160
Property Insurance	33,410
Taxes & Licenses exp	80
Dues & Subscriptions	370
Office Supplies	12,355
Vehicle Expense	69,934
Program Supplies	752
Program Cost	2,255
Depreciation	52,132
Office Equipment Maintenance	4,182
Transfer Expenses	91,689
Equipment	2,499
TOTAL EXPENSES	<u>\$ 1,621,132</u>

OTHER INCOME

Other Income

EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ (50,675)</u>
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MADISON COUNTY CITIZENS SERVICE AGENCY
 DETAIL OF GRANT ACTIVITIES
 For the Years Ended September 30, 2013

	INFORMATION & REFERRAL	OMBUDSMAN	OUTREACH	TITLE XX TRANSPORTATION
REVENUE				
Grant Income	17,814	14,170	16,813	78,415
Local Match - In Kind	2,323	1,745	2,102	26,855
Program Income	-	-	-	5,202
Non-Cash Food	-	-	-	-
USDA Food Credit	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Grant Funds Received	20,137	15,915	18,915	110,473
EXPENDITURES				
DIRECT PROGRAM EXPENSES				
Congregate Meal Expense	-	-	-	-
LIHEAP ECIP	-	-	-	-
LIHEAP Program Assistance	-	-	-	-
TOTAL DIRECT PROGRAM EXPENSES	<hr/>	<hr/>	<hr/>	<hr/>
OTHER EXPENSES				
Salaries and Related Expenses	11,520	12,017	11,520	16,600
Fringe Benefits	6,332	947	6,332	7,467
Workers compensation	-	-	-	-
Travel	-	2,950	1,063	-
Professional Services	-	-	-	-
Training Conferences	-	-	-	-
Postage	-	-	-	-
Utilities	-	-	-	-
Advertising	-	-	-	-
In-Kind Expense	2,285	-	-	-
Legal & Professional Fees	-	-	-	-
Audit	-	-	-	-
Bank Charges	-	-	-	-
Bookkeeping Services	-	-	-	-
Property Insurance	-	-	-	-
Taxes & Licenses exp	-	-	-	-
Dues & Subscriptions	-	-	-	-
Office Supplies	-	-	-	1,647
Vehicle Expense	-	-	-	150
Program Supplies	-	-	-	-
Program Cost	-	-	-	-
Depreciation	-	-	-	-
Office Equipment Maintenance	-	-	-	-
Transfer Expenses	-	-	-	84,609
Equipment	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER EXPENSES	20,137	15,915	18,915	110,473
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	20,137	15,915	18,915	110,473
OTHER INCOME/EXPENSE				
REVENUES OVER/(UNDER) EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	(0)

MADISON COUNTY CITIZENS SERVICE AGENCY
 DETAIL OF GRANT ACTIVITIES
 For the Years Ended September 30, 2013

TITLE III MEALS	MCCSA ALDERMAN'S FUND	LIHEAP	Sec. 5311 TRANSPORTATION	UNEMPLOYMENT FUND	TOTAL
7,625	-	939,358	245,578	-	1,319,773
2,242	779	-	-	-	36,046
-	-	-	25,490	-	30,692
10,874	-	-	-	-	10,874
2,550	-	-	-	-	2,550
3,544	-	-	163,978	3,000	170,522
<u>26,834</u>	<u>779</u>	<u>939,358</u>	<u>435,046</u>	<u>3,000</u>	<u>1,570,457</u>
13,424	-	-	-	-	13,424
-	-	1,160	-	-	1,160
-	779	744,991	-	-	745,770
<u>13,424</u>	<u>779</u>	<u>746,151</u>	<u>-</u>	<u>-</u>	<u>760,354</u>
7,195	-	113,859	208,357	-	381,068
568	-	54,973	87,813	218	164,650
-	-	214	2,891	-	3,105
2,640	-	763	908	-	8,324
-	-	4,499	-	-	4,499
-	-	2,741	10,176	-	12,917
-	-	1,889	-	-	1,889
-	-	754	8,006	-	8,760
-	-	-	464	-	464
-	-	-	-	-	2,285
-	-	-	-	-	-
-	-	-	3,000	-	3,000
-	-	-	-	160	160
-	-	-	-	-	-
-	-	-	33,410	-	33,410
-	-	-	80	-	80
-	-	-	370	-	370
-	-	4,974	5,733	-	12,355
-	-	-	69,784	-	69,934
752	-	-	-	-	752
2,255	-	-	-	-	2,255
-	-	-	52,132	-	52,132
-	-	1,461	2,721	-	4,182
-	-	7,080	-	-	91,689
-	-	-	2,499	-	2,499
<u>13,411</u>	<u>-</u>	<u>193,207</u>	<u>488,344</u>	<u>378</u>	<u>860,778</u>
<u>26,834</u>	<u>779</u>	<u>939,358</u>	<u>488,344</u>	<u>378</u>	<u>1,621,132</u>
-	-	(0)	(53,298)	2,622	(50,675)

MADISON COUNTY CITIZENS SERVICE AGENCY
 DETAIL OF GRANT ACTIVITIES
 For the Years Ended September 30, 2013

TITLE III MEALS	MCCSA ALDERMAN'S FUND	LIHEAP	Sec. 5311 TRANSPORTATION	UNEMPLOYMENT FUND	TOTAL
7,625	-	939,358	245,578	-	1,319,773
2,242	779	-	-	-	36,046
-	-	-	25,490	-	30,692
10,874	-	-	-	-	10,874
2,550	-	-	-	-	2,550
3,544	-	-	163,978	3,000	170,522
<u>26,834</u>	<u>779</u>	<u>939,358</u>	<u>435,046</u>	<u>3,000</u>	<u>1,570,457</u>
13,424	-	-	-	-	13,424
-	-	1,160	-	-	1,160
-	779	744,991	-	-	745,770
<u>13,424</u>	<u>779</u>	<u>746,151</u>	<u>-</u>	<u>-</u>	<u>760,354</u>
7,195	-	113,859	208,357	-	381,068
568	-	54,973	87,813	218	164,650
-	-	214	2,891	-	3,105
2,640	-	763	908	-	8,324
-	-	4,499	-	-	4,499
-	-	2,741	10,176	-	12,917
-	-	1,889	-	-	1,889
-	-	754	8,006	-	8,760
-	-	-	464	-	464
-	-	-	-	-	2,285
-	-	-	-	-	-
-	-	-	3,000	-	3,000
-	-	-	-	160	160
-	-	-	-	-	-
-	-	-	33,410	-	33,410
-	-	-	80	-	80
-	-	-	370	-	370
-	-	4,974	5,733	-	12,355
-	-	-	69,784	-	69,934
752	-	-	-	-	752
2,255	-	-	-	-	2,255
-	-	-	52,132	-	52,132
-	-	1,461	2,721	-	4,182
-	-	7,080	-	-	91,689
-	-	-	2,499	-	2,499
<u>13,411</u>	<u>-</u>	<u>193,207</u>	<u>488,344</u>	<u>378</u>	<u>860,778</u>
<u>26,834</u>	<u>779</u>	<u>939,358</u>	<u>488,344</u>	<u>378</u>	<u>1,621,132</u>
-	-	(0)	(53,298)	2,622	(50,675)

MADISON COUNTY CITIZENS SERVICE AGENCY
Section 5311 Rural Transportation Program
September 30, 2013

Computation of Section 5311 Funds Allowable for Grant Participation and Amount Due Grantee
Contract No. 502615

<u>Expenditure Category</u>	<u>Expenditures</u>	<u>Sec. 5311 Participation Percentage</u>	<u>Section 5311 Amount</u>	<u>Amount Per Grant</u>	<u>Balance</u>
Administration	119,886	80%	95,909	113,172	
Capital Purchases	5,220	80%	4,176	8,720	
Operations	<u>268,641</u>	50%	<u>134,320</u>	<u>146,983</u>	
	<u>393,747</u>		<u>234,405</u>	<u>268,875</u>	
Less: Excess Local			<u>234,405</u>		
Total Allowable Expenditures from Section 5311 Grant Funds				<u>234,405</u>	
Less: Section 5311 Funds Received-					
Cash reimbursements received for expenditures through September 30, 2012				191,820	
Cash reimbursements received after September 30, 2012				<u>30,865</u>	
TOTAL SECTION 5311 FUNDS DUE TO (FROM) GRANTEE				<u>11,720</u>	

MADISON COUNTY CITIZENS SERVICE AGENCY
 Section 5311 Rural Transportation Program
 September 30, 2013

Statement of Revenues and Expenditures
 Contract No. 502615

	Section 5311 Grant	Local Matching Funds	Total
Revenues:			
Section 5311 Grant	234,405	-	234,405
Local Match Funds:			
Cash Contribution from County	-	76,648	76,648
Contract Services	-	82,694	82,694
 Total Revenues	 <u>234,405</u>	 <u>159,342</u>	 <u>393,747</u>
Expenditures:			
Administration	95,909	23,977	119,886
Capital Purchases	4,176	1,044	5,220
Operations	134,320	134,320	268,641
 Total Expenditures	 <u>234,405</u>	 <u>159,342</u>	 <u>393,747</u>
 Excess of Revenue Over (Under) Expenditures	 <u>(0)</u>	 <u>-</u>	 <u>(0)</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS**

Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Madison County Citizens Service Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County Citizens Service Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Williams CPA Firm, PLLC

Ridgeland, Mississippi
December 31, 2013



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Madison County Citizens Services Agency
Canton, Mississippi

Report on Compliance for Each Major Federal Program

We have audited Madison County Citizens Services Agency's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Madison County Citizens Services Agency's major federal programs for the year ended September 30, 2013. Madison County Citizens Services Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Madison County Citizens Services Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2013.

Report on Internal Control Over Compliance

Management of Madison County Citizens Services Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County Citizens Services Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County Citizens Services Agency's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Williams CPA Firm, PLLC

Ridgeland, Mississippi
December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses unqualified opinion on the financial statements of Madison County Citizens Services Agency.
2. No reportable conditions were disclosed during the audit of the financial statement.
3. No instances of noncompliance material to the financial statements of Madison County Citizens Services, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Madison County Citizens Services Agency expresses an unqualified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Madison County Citizens Services Agency, which would be required to be reported, were disclosed during the audit.
7. The program tested as a major program consisted of: U.S. Department of Health & Human Services, Low Income Home Energy Assistance, and CFDA Number 93.568.
8. The Threshold used for distinguishing between A and B programs was \$500,000.
9. Madison County Citizens Services Agency qualifies as a low – risk auditee.