JENKINS COUNTY, GEORGIA

SINGLE AUDIT REPORT

FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2022

JENKINS COUNTY, GEORGIA

SINGLE AUDIT REPORT
SEPTEMBER 30, 2022

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MAULDIN & JENKINS
CPAs & ADVISORS

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 Commissioners
of Jenkins County, Georgia
Millen, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **Jenkins County, Georgia** (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 28, 2023. Our report included a reference to other auditors who audited the financial statements of the Jenkins County Department of Health and the Jenkins County Development Authority, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial report ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costsf as items 2022-003.

Jenkins County, Georgia's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Jenkins County, Georgia's responses to the findings identified in our audit which are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
September 28, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

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 Commissioners
of Jenkins County, Georgia
Millen, Georgia

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the **Jenkins County, Georgia's** (the "County") 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 the County's major federal program for the year ended September 30, 2022. The County's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County 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 the Major Federal Programs

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). 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 the County 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 the major federal programs. Our audit does not provide a legal determination of the County'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 the County'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 the County'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 the County'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 the County'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 the County'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 the County'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 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.

Mauldin & Jenkins, LLC

Macon, Georgia
September 28, 2023

JENKINS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Grant Program	Assistance AL Number	Pass-through Entity ID Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury:				
Direct Awards				
American Rescue Plan Act				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF")	21.027	FL2KA5LE7221	$ -	$ 1,164,624
Total U.S. Department of Treasury			-	1,164,624
Total Expenditures of Federal Awards			$ -	$ 1,164,624

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JENKINS COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Jenkins County, Georgia (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. DE MINIMIS COST RATE

The County elected not to use the 10% de minimis cost rate for the year ended September 30, 2022.

NOTE 3. NON-CASH AWARDS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year-end.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the Financial Statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes X None Reported
Noncompliance material to financial statements noted?	X Yes ____ No

Federal Awards

Internal Control over major programs: Material weaknesses identified?	____ Yes X No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes X None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?	____ Yes X No

Identification of major program:

AL Number	Name of Federal Program or Cluster
	U.S. Department of Treasury:
21.027	*COVID-19* – Coronavirus State and Local Fiscal Recovery Funds Program

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ Yes __X__ No

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: During our review of the internal control procedures of the County, we noted that there are instances of overlapping duties with regard to the day-to-day activities of the employees in the offices of elected officials (Tax Commissioner, Probate Court, Magistrate Court and the Probation Office), the Law Library and the County's Finance Department.

Context: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business. Examples of segregation of duties issues are as follows:

- Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- Individuals responsible for the preparation of checks for distribution are also approving the disbursements, signing the checks and reconciling the bank statements.
- The individual responsible for the preparation of payroll is also responsible for other payroll duties, including time keeping and distribution.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: Although we understand the limited number of employees involved and the resulting overlapping of duties, we recommend that there be adequate segregation of duties to ensure proper recording and recognition of accounting transactions, and to lessen the potential for misappropriation of the County assets. The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We are aware of this situation and will continue to evaluate the costs and related benefits of adding additional personnel in certain departments to alleviate this problem. We will continue to use alternative measures where available to assist in safeguarding assets.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPEMBER 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-002. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets.

Condition: Accounts payable were incorrectly recorded in the General Fund, SPLOST VII Fund, Drug Abuse Fund, Broadband Grant Fund, TSPLOST Discretionary Fund, and SPLOST VI Capital Projects Fund as of September 30, 2022.

Context: We addressed this matter with the County to determine the appropriate amounts to record as of and for the year ended September 30, 2022.

Effect: Significant audit adjustments were required with the total effect for each fund noted below:

Accounts Payable

- General Fund – Increase in accounts payable and expenditures of $128,971.
- SPLOST VII Fund – Increase in accounts payable and expenditures of $36,200.
- Drug Abuse Fund – Increase in accounts payable and expenditures of $38,500.
- Broadband Grant Fund – Increase in accounts payable and expenditures of $1,164,624.
- TSPLOST Discretionary Fund – Decrease in accounts payable and expenditures of $64,087.
- SPLOST VI Capital Projects Fund – Decrease in accounts payable and expenditures of $10,985.

Cause: There was an overall lack of appropriate controls implemented at the County during the fiscal year.

Recommendation: The County should implement the necessary controls to ensure proper recognition of accounts payable during their financial reporting process.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We will establish internal controls and procedures to ensure proper recognition of accounts payable during their financial reporting process.

JENKINS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPEMBER 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-003 – Budgetary Requirements

Criteria: Georgia Statutes (O.C.G.A. §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum to be at the department level. In addition, each unit of local government shall adopt and operate under an annually balanced budget for the General Fund and each major Special Revenue Fund in use by the local government. The annually balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

Condition: For the year ended September 30, 2022, the County was in violation of State budget statutes:

- Departmental expenditures exceeded budgeted amounts at the legal level of control for the following funds:
  - General Fund
  - TSPLOST Discretionary Fund
  - Broadband Grant Fund
- An annual budget was not adopted for the following fund:
  - Broadband Grant Fund

Context: We addressed the matter with the County to determine the appropriate actions needed as to be in compliance with state budget requirements at September 30, 2022.

Effect: County expenditures exceeded budgeted amounts at the department level in the funds noted above as of September 30, 2022. The County did not adopt an annually balanced budget for the fund noted above for the year ended September 30, 2022.

Cause: The above conditions were caused by the County expending more than the budgeted amounts at certain departmental levels and not adopting a balanced budget for all necessary funds.

Recommendation: We recommend County management closely monitor expenditures, periodically compare the adopted budget to actual expenditures, and amend the budget if deemed necessary. We also recommend the County adopt balanced budgets for all reported funds.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives. We will also review budgets to assure balanced budgets are adopted.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

JENKINS COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

2021-001 Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: During our review of the internal control procedures of the County, we noted that there are instances of overlapping duties with regard to the day-to-day activities of the employees in the offices of elected officials (Tax Commissioner, Probate Court, Magistrate Court and the Probation Office), the Law Library and the County's Finance Department.

Auditee Response/
Status: Unresolved. See current year finding 2022-001.

2021-002 Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets.

Condition: Accounts payable were incorrectly recorded in the General Fund and SPLOST VII Fund as of September 30, 2022.

Auditee Response/
Status: Unresolved. See current year find 2022-002.

JENKINS COUNTY
BOARD OF COMMISSIONERS
P.O. BOX 797 • MILLEN, GA 30442 • (478) 982-2563 • FAX: (478) 982-4750

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

2022-001. Segregation of Duties

Name of Contact Person Responsible for the Corrective Action Plan: Grady Saxon, County Administrator

Corrective Action Plan: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

Anticipated Completion Date: Fiscal year 2023.

2022-002. Management of Accounts Payable

Name of Contact Person Responsible for the Corrective Action Plan: Grady Saxon, County Administrator

Corrective Action Plan: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

Anticipated Completion Date: Fiscal year 2023.

2022-003. Budgetary Requirements

Name of Contact Person Responsible for the Corrective Action Plan: Grady Saxon, County Administrator

Corrective Action Plan: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

Anticipated Completion Date: Fiscal year 2023.

Horace Weathersby III., Chairman • Hiller Spann • Pamelia Dwight • Tracie Coney • Jonathan Powell