

ATHENS-CLARKE COUNTY, GEORGIA

SINGLE AUDIT REPORTS

FOR THE YEAR ENDED

JUNE 30, 2021



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*

**The Mayor and Commission
Athens-Clarke County, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Athens Clarke County, Georgia** (the "Government") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements, and have issued our report thereon dated January 27, 2022. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Clarke County Board of Health and the Development Authority of Athens-Clarke County, as described in our report on the Government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Government'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. Accordingly, we do not express an opinion on the effectiveness of the Government'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 the Government'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 *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 27, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**The Mayor and Commission
Athens-Clarke County, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Athens Clarke County, Georgia's (the "Government") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Government's major federal programs for the year ended June 30, 2021. The Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Government's basic financial statements include the operations of the Clarke County Board of Health, which expended \$8,629,430 in federal awards which are not included in the Government's Schedule of Expenditures of Federal Awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the Clarke County Board of Health because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Government'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 the Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Government 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of the Government 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 the Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Government's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Athens-Clarke County, Georgia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements. We issued our report thereon dated January 27, 2022 which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 27, 2022

Athens-Clarke County, Georgia

Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2021

Federal Grantor Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Number	Expenditures	Disbursed to Sub-Recipients
U.S. Department of Housing & Urban Development				
Community Development Block Grants/ Entitlement Grants Cluster	14.218	N/A	\$ 1,395,202	\$ 1,395,202
Community Development Block Grants/ Coronavirus - CARES Act	14.218	N/A	586,461	586,461
Home Investment Partnerships Program	14.239	N/A	182,708	182,708
Continuum of Care Program	14.267	N/A	99,519	99,519
Total U.S. Department of Housing & Urban Development			2,263,890	2,263,890
U.S. Department of Justice				
Organized Crime Drug Enforcement Task Forces	16.000	N/A	131,383	-
State Criminal Alien Assistance Program	16.606	N/A	1,220	-
Passed through GA Criminal Justice Coordinating Council Drug Court Discretionary Grant Program	16.585	A20-8-001	5,600	-
Crime Victim Assistance	16.575	C18-8-264	14,450	-
Crime Victim Assistance	16.575	C19-8-103	42,604	-
			57,054	-
Violence Against Women Act Grant	16.588	W19-8-001	24,863	-
Violence Against Women Act Grant	16.588	W19-8-069	24,911	-
Violence Against Women Act Grant	16.588	W19-8-004	26,278	-
Violence Against Women Act Grant	16.588	W20-8-004	35,827	-
Violence Against Women Act Grant	16.588	W20-8-024	90,000	-
Violence Against Women Act Grant	16.588	W19-8-068	16,380	-
Violence Against Women Act Grant	16.588	W18-8-063	15,083	-
Subtotal - Violence Against Women Grants			233,342	-
Edward Byrne Memorial Justice Assistance	16.738	B18-8-013	139,460	-
Total U.S. Department of Justice			568,059	-
U.S. Department of the Treasury				
Passed through Georgia Governor's Office of Planning and Budget Coronavirus Relief Fund - CARES Act	21.019	12779	6,643,602	-
Passed through Georgia Secretary of State Coronavirus Relief Fund - CARES Act	21.019	-	4,031	-
Total U.S. Department of the Treasury			6,647,633	-

(continued)

Athens-Clarke County, Georgia

Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2021

Federal Grantor Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Number	Expenditures	Disbursed to Sub-Recipients
U.S. Department of Transportation				
Passed through GA Department of Transportation				
Airport Improvement Program	20.106	T006723	92,992	-
Airport Improvement Program - CARES	20.106	T007515	595,017	-
			<u>688,009</u>	<u>-</u>
Highway Planning and Construction Program	20.205	0016549-PLN	147,288	-
Highway Planning and Construction Program	20.205	15390	46,370	-
Subtotal - Highway Planning and Construction Cluster			<u>193,658</u>	<u>-</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	T006011	58,575	-
Federal Transit Formula Grants Cluster				
Federal Transit Formula Grants	20.507	T005955	678,519	-
Federal Transit Formula Grants	20.507	T006100	79,726	-
Federal Transit Formula Grants - CARES Act	20.507	T006111	8,136,501	-
			<u>8,894,746</u>	<u>-</u>
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	T006922	1,182,360	-
Subtotal - Federal Transit Formula Grants Cluster			<u>10,077,106</u>	<u>-</u>
Total U.S. Department of Transportation			<u>11,017,348</u>	<u>-</u>
U.S. Environmental Protection Agency				
Passed through Georgia Environmental Finance Authority				
Clean Water State Revolving Fund Cluster				
Capitalization Grants for				
Clean Water State Revolving Funds	66.458	LC2019002	900,000	-
U.S. Department of Energy				
Passed through Georgia Environmental Finance Authority				
State Energy Program	81.041	SEP-PY2019-GA Solar3-ACC	48,158	-
U.S. Election Assistance Commission				
Passed through Georgia Secretary of State				
HAVA Election Security Grants	90.404	HAVA	15,000	-
U.S. Department of Homeland Security				
Electronic Crimes Task Force	97.000	N/A	4,664	-
Assistance to Firefighters Grant Program				
COVID-19 Supplemental	97.044	N/A	38,215	-
Passed through GA Emergency Management Agency				
Emergency Management Performance Grants	97.042	OEM20-29	35,519	-
Total U.S. Department of Homeland Security			<u>78,398</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 21,538,486</u>	<u>\$ 2,263,890</u>

See Note to Schedule of Expenditures of Federal Awards.

ATHENS-CLARKE COUNTY, GEORGIA

Note to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the Government to match grant awards with Government funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through state agencies (pass-through awards) have been included in this report. These programs are operated according to federal regulations promulgated by the federal agency providing the funding.

The Government has elected not to utilize the 10% de minimis indirect cost rate.

The Government's Capitalization Grant for Clean Water State Revolving Fund loan has the following outstanding loan balance. The draws made during the year are included in the schedule of expenditures of federal awards. The balance of loans outstanding at June 30, 2021 consist of:

Capitalization Grants for Clean Water State Revolving Fund:

<u>Loan Number</u>	<u>Balance</u>
-CW06004	\$7,870,753
-CW06004P2AP40	\$2,819,358

ATHENS-CLARKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

(1) Summary of Auditor's Results

Financial Statements

- (a) The type of report issued on whether the financial statements were prepared in accordance with GAAP: **Unmodified opinion**
- (b) Internal control over financial reporting:
 - Material weaknesses identified: **No**
 - Significant deficiencies identified: **None reported**
- (c) Noncompliance material to the financial statements noted: **No**

Federal Awards

- (d) Internal control over major programs:
 - Material weaknesses identified: **No**
 - Significant deficiencies identified: **None reported**
- (e) The type of report issued on compliance for major federal programs: **Unmodified**
- (f) Any audit findings which are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major Programs:
 - COVID-19 Coronavirus Relief Fund, CFDA #21.019**
 - Federal Transit Cluster:**
 - Federal Transit Formula Grants -CFDA #20.507**
 - Bus & Bus Facilities Formula and Discretionary Programs- CFDA #20.526**
 - Clean Water State Revolving Loan Fund Cluster:**
 - Capitalization Grants for Clean Water State Revolving Fund, CFDA #66.458**
- (h) Dollar threshold to distinguish between Type A and Type B programs: **\$750,000**
- (i) Audit qualified as a low-risk auditee: **Yes**

ATHENS-CLARKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

(2) Financial Statement Findings

None Reported

(3) Findings and Questioned Costs Relating to Federal Awards

None Reported

(4) Status of Prior Year Findings

None Reported