

# SINGLE AUDIT

**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 Columbia County, Georgia  
Evans, Georgia

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 Columbia County, Georgia (the "County"), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 3, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Columbia County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

---

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to the management of Columbia County, Georgia in a separate letter dated December 3, 2010.

Columbia County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Columbia County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 3, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

---

To the Board of Commissioners  
of Columbia County, Georgia  
Evans, Georgia

**Compliance**

We have audited the compliance of Columbia County, Georgia 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 Columbia County, Georgia's major federal programs for the year ended June 30, 2010. Columbia County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia County, Georgia's management. Our responsibility is to express an opinion on Columbia County, Georgia's compliance based on our audit.

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 Columbia County, Georgia'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. Our audit does not provide a legal determination of Columbia County, Georgia's compliance with those requirements.

In our opinion, Columbia County, Georgia complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

---

### **Internal Control Over Compliance**

The management of Columbia County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Columbia County, Georgia'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-2. 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.

Columbia County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Columbia County, Georgia's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management and Board of Commissioners of Columbia County, Georgia and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

**COLUMBIA COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
(Passed through the Georgia Department of Community Affairs)			
CDBG State Administered Small Cities Cluster			
Community Development Block Grant	14.228	07p-y-036-1-3308	\$ 105,605
<u>U.S. Department of Justice</u>			
(Passed through the Judicial Council of Georgia)			
Juvenile Accountability Block Grant	16.523	06B-ST-001	2,651
Juvenile Accountability Block Grant	16.523	JB-07ST-004	3,757
			<u>6,408</u>
<u>U.S. Department of Commerce</u>			
ARRA - Broadband Technology Opportunities Program	11.557	NT10BIX5570037	<u>162,356</u>
<u>U.S. Department of Health and Human Services</u>			
(Passed through the CSRA Regional Commission)			
DHR/Coordinated Transportation	93.667	2086-00258202.0039	14,034
DHR/Coordinated Transportation	93.667	2086-00258202.0039	49,938
			<u>63,972</u>
<u>U.S. Department of Transportation</u>			
(Passed through the Georgia Department of Transportation)			
Highway Planning and Construction Cluster			
Transportation Enhancement Activities	20.205	TEE-0006-00 (602)	<u>388,568</u>
UMTA/Transit Operating Assistance	20.509	GA-18-4029	25,351
UMTA/Transit Operating Assistance	20.509	GA-18-4030	112,372
Capital Improvement Assistance	20.509	GA-18-0029	137,280
			<u>275,003</u>
(Passed through the Georgia Emergency Management Agency)			
Hazardous Materials Emergency Prepare Grant	20.703	L10-9-011	<u>5,000</u>
			<u>668,571</u>
<u>U.S. Department of Homeland Security</u>			
(Passed through the Georgia Emergency Management Agency)			
Homeland Security Grant Program	97.073	2007-GE-T7-0054	<u>11,160</u>
Emergency Management Performance Grant	97.042	P09-9-038	<u>26,786</u>
			<u>37,946</u>
			<u>\$ 1,044,858</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**COLUMBIA COUNTY, GEORGIA**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2010**

**Note 1 – Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the grant activity of Columbia County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 – Non cash awards**

Columbia County, Georgia did not receive any non-cash federal awards during the year ended June 30, 2010.

**COLUMBIA COUNTY, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2010**

---

**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unqualified

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?   yes  X  no

**Federal Awards**

Internal Control over major programs:  
 Material weaknesses identified?   yes  X  no

Significant deficiencies identified not considered  
 to be material weaknesses?  X  yes   none reported

Type of auditor's report issued on compliance for  
 major programs Unqualified

Any audit findings disclosed that are required to  
 be reported in accordance with OMB Circular  
 A-133, Section 510(a)?  X  yes   no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
11.557	ARRA - Broadband Technology Opportunities Program
20.205	<i>Highway Planning and Construction Cluster:</i> Transportation Enhancement Activities

Dollar threshold used to distinguish between  
 Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   yes  X  no

**COLUMBIA COUNTY, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2010**

---

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

**2010-1. Service Revenue Accounts Receivable**

**Criteria:** Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

**Condition:** For the fiscal year ending June 30, 2010, the County did not properly record all transactions involving the County's receivable and revenue accounts for the Water and Sewerage Fund and the Storm Water Utility Fund. This included the reconciliation of the accounts receivable, recording of the unbilled receivable, and calculating and adjusting of the allowance for doubtful accounts.

**Context:** We addressed the matter with the County, and they were able to determine the appropriate receivable and allowance balances that should be recorded as of June 30, 2010.

**Effect:** An audit adjustment to increase accounts receivable and revenues in the amount of \$553,783 was required to be recorded in the Water and Sewerage Fund as of June 30, 2010. Additionally, an audit adjustment to increase accounts receivable and revenues in the amount of \$58,789 was required to be recorded in the Storm Water Utility Fund as of June 30, 2010.

**Recommendation:** We recommend the County obtain the correct reports from the Water Department and more accurately reconcile the accounts receivable balance, calculate the unbilled accounts receivable, and calculate and adjust the allowance for doubtful accounts at the end of each fiscal year.

**Views of Responsible Officials and Planned Corrective Actions:** We concur. The Water Department implemented a new utility billing system in April 2010. The Department has experienced numerous billing issues since implementation. Thus, obtaining accurate reports has been difficult. The Finance Department will work with the Water Department in order to obtain the correct reports and properly reconcile the accounts receivable balance, calculate the unbilled accounts receivable, and calculate and adjust the allowance for doubtful accounts at the end of each fiscal year.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**2010-2. Verification Check for Covered Transactions – Transportation Enhancement Activities and ARRA - Broadband Technology Opportunities Program**

**Criteria:** As a recipient of federal awards, the County is charged with the responsibility of verifying that covered transactions (procurement contracts for goods and services that are expected to equal or exceed \$25,000, or meet certain other specified criteria) are not awarded to debarred or suspended parties.

**Condition:** During our testing of federal award contracts, we noted two instances in which the County could not provide documentation that a verification check for debarment/suspension was performed.

**Context/Cause:** The lack of documentation regarding debarment/suspension was noted during control testing related to the Broadband Technology Opportunities Program and the Transportation Enhancement Activities Program.

**COLUMBIA COUNTY, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2010**

---

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)**

**2010-2. Verification Check for Covered Transactions – Transportation Enhancement Activities and ARRA - Broadband Technology Opportunities Program (Continued)**

Effect: Without proper documentation, debarred/suspended parties could be improperly awarded federal grant monies.

Recommendation: The County should take appropriate measures to ensure that complete documentation of all federal award procurements, including verification checks for suspension/debarment, be properly maintained.

Views of Responsible Officials and Planned Corrective Action: We concur. The Finance and Procurement Departments will work together to ensure that complete documentation of all federal award procurements is properly maintained. Such ways to verify that an entity has not been suspended or disbarred are 1) Checking the EPLS website; 2) Collecting a certification from the entity; or 3) Adding a clause or condition to the covered transaction (contract).

**COLUMBIA COUNTY, GEORGIA**  
**Schedule of Prior Year Findings**  
**June 30, 2010**

---

**2009-1. Service Revenue Accounts Receivable**

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: For the fiscal year ending June 30, 2009, the County did not properly calculate the unbilled accounts receivable for the Water and Sewerage Fund and the Storm Water Utility Fund.

Auditee Response/Status: Unresolved. See current year finding 2010-1

**2009-2. Recording of Claims Payable**

Criteria: Generally accepted accounting principles require reporting of all claims that have been incurred but not reported (IBNR).

Condition: For the fiscal year ending June 30, 2008, the County did not report any accrued liability associated with the self-funded workers' compensation claims and general liability claims.

Auditee Response/Status: Resolved

**2009-3. Law Library Fund**

Criteria: Internal controls should be in place to ensure all activity of the County is recorded in the general ledger.

Condition: Prior to fiscal year 2009, the County did not include the Law Library in the financial statements of the County. Therefore, the beginning fund balance of the Law Library was required to be restated for the year ended June 30, 2008.

Auditee Response/Status: Resolved

**2009-4. Recording of Accrued Interest (Component Unit – Bartram Trail CDC)**

Criteria: Bartram Trail, CDC, included in the government-wide financial statements, uses the economic resources measurement focus, which requires Bartram Trail to report all assets and liabilities, including long-term debt.

Condition: Bartram Trail did not appropriately record accrued interest on its long-term debt.

Auditee Response/Status: Resolved

**2009-5. Maintenance of Records for Agency Fund Accounts**

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

**COLUMBIA COUNTY, GEORGIA**  
**Schedule of Prior Year Findings**  
**June 30, 2010**

---

**2009-5. Maintenance of Records for Agency Fund Accounts (Continued)**

Condition: During our audit of the various elected officials as of June 30, 2009, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed on certain accounts maintained at the offices of the Magistrate Court, Clerk of Superior Court, and Sheriff.

Auditee Response/Status: Resolved