



**JEFFERSON COUNTY COMMISSION**

**UNIFORM GUIDANCE AUDIT REPORT**

**SEPTEMBER 30, 2022**

**JEFFERSON COUNTY COMMISSION  
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SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITORS' REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Commissioners of  
Jefferson County Commission

**Report on the Audit of the Schedule of Expenditures of Federal Awards**

We have audited the accompanying schedule of expenditures of federal awards (the financial statement) of Jefferson County Commission (the Commission) for the year ended September 30, 2022, and the related notes to the financial statement.

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of the Commission for the year ended September 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always

detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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 misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the Commission'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 related to the schedule of expenditures of federal awards. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance applicable to the schedule of expenditures of federal awards.

*Warren Averett, LLC*  
Birmingham, Alabama  
March 31, 2023

**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Passed Through to Subrecipients | Expenditures | Contract / Grant Number |
|---|-----------------------------------|--|---------------------------------|--------------|-------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>       |                                   |  |                                 |              |                         |
| <b>Direct Programs:</b>                                       |                                   |  |                                 |              |                         |
| <b>CDBG – Entitlement Grants Cluster</b>                      |                                   |  |                                 |              |                         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            |  | \$ 39,761                       | \$ 39,761    | B-15-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 1,360                                  | 1,360                           | 1,360        | B-16-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 390,637                                | 390,637                         | 400,546      | B-18-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 285,834                                | 285,834                         | 342,534      | B-19-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 366,517                                | 366,517                         | 409,794      | B-20-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 343,860                                | 343,860                         | 360,046      | B-21-UC-01-0001         |
| Community Development Block Grants/Entitlement Grants         | 14.218                            | 405,364                                | 405,364                         | 1,023,914    | B-21-UC-01-0001         |
|   |                                   | 1,833,333                              |                                 | 2,577,955    |                         |
| <b>Direct Programs:</b>                                       |                                   |  |                                 |              |                         |
| <b>CDBG – Disaster Recovery Grants Cluster</b>                |                                   |  |                                 |              |                         |
| Hurricane Sandy Community Development Block Grant             | 14.269                            |  | 44,262                          | 49,110       | B-12-UT-01-0001         |
| Disaster Recovery Grants                                      |                                   |  |                                 |              |                         |
| Hurricane Sandy Community Development Block Grant             | 14.269                            |  | 456,436                         | 558,748      | B-13-US-01-0001         |
| Disaster Recovery Grants                                      |                                   |  | 500,718                         | 607,858      |                         |
| Emergency Solutions Grant Program                             | 14.231                            |  | 849,010                         | 866,836      | E-20-UW-01-0001         |
| Emergency Solutions Grant Program                             | 14.231                            |  | 112,560                         | 127,338      | E-20-UC-01-0001         |
| Emergency Solutions Grant Program                             | 14.231                            |  | 79,378                          | 80,433       | E-21-UC-01-0001         |
|   |                                   | 1,040,948                              |                                 | 1,074,607    |                         |
| Home Investment Partnerships Program                          | 14.239                            |  | -                               | 160,530      | M17-UC-01-0202          |
| Home Investment Partnerships Program                          | 14.239                            |  | -                               | 1,292,021    | M18-UC-01-0202          |
| Home Investment Partnerships Program                          | 14.239                            |  | -                               | 169,919      | M19-UC-01-0202          |
| Home Investment Partnerships Program                          | 14.239                            |  | -                               | 342,088      | M-20-UC-01-0202         |
|   |                                   | -                                      |                                 | 1,964,558    |                         |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title                                | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Passed Through to Subrecipients | Expenditures     | Contract / Grant Number |
|--|-----------------------------------|--|---------------------------------|------------------|-------------------------|
| <b>Passed Through Alabama Department of Economic and Community Affairs (ADECA):</b>          |                                   |  |                                 |                  |                         |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii      | 14.228                            | CV-EC-20-001.                          | \$ 184,697                      | \$ 193,092       | B-20-DW-01-0001         |
| <b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                                |                                   |  | <b>3,559,696</b>                | <b>6,418,070</b> |                         |
| <b>U.S. DEPARTMENT OF JUSTICE</b>  |                                   |  |                                 |                  |                         |
| <b>Direct Programs:</b>  |                                   |  |                                 |                  |                         |
| Drug Court Discretionary Grant Program   | 16.585                            |  | 133,875                         | 139,492          | 2020-VC-BX-0053         |
| Drug Court Discretionary Grant Program   | 16.585                            |  | 151,593                         | 166,013          | 2018-DC-BX-0025         |
| Drug Court Discretionary Grant Program   | 16.585                            |  | 36,222                          | 36,222           | DGCT                    |
|  |                                   |  | <u>321,690</u>                  | <u>341,727</u>   |                         |
| Comprehensive Opioid, Stimulant, and Substance Abuse Program                                 | 16.838                            |  | 319,482                         | 331,875          | 2020-AR-BX-0138         |
| Gulf States Regional Law Enforcement Technology Training and Technical Assistance Initiative | 16.843                            |  | -                               | 30,325           | 2020-RZ-BX-0001         |
| Crime Victim Assistance/Discretionary Grants   | 16.582                            |  | -                               | 191,191          | 2018-V3-GX-0019         |
| COVID-19 Coronavirus Emergency Supplemental Funding Program                                  | 16.034                            |  | 18,413                          | 18,413           | 2020-VD-BX-0191         |
| Project Safe Neighborhoods   | 16.609                            |  | -                               | 29,605           | 2019-GP-BX-003          |
| Project Safe Neighborhoods   | 16.609                            |  | -                               | 23,000           | 19-ND-01-004            |
|  |                                   |  | -                               | 52,605           |                         |
| Criminal and Juvenile Justice and Mental Health Collaboration Program                        | 16.745                            |  | -                               | 30,020           | 0-BJA-2021-121003       |
| <b>Passed Through Substance Abuse and Mental Health Services Administration</b>              |                                   |  |                                 |                  |                         |
| Administrative Office of Courts (AOC) Drug Treatment Center                                  | 16.922                            |  | -                               | 7,562            | 15PJDP-21-GG-02832-DGCT |
| <b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>  |                                   |  | <b>659,585</b>                  | <b>1,003,718</b> |                         |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title                             | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Passed Through to Subrecipients | Expenditures     | Contract / Grant Number |
|---|-----------------------------------|--|---------------------------------|------------------|-------------------------|
| <b>U.S. DEPARTMENT OF LABOR</b>   |                                   |  |                                 |                  |                         |
| Passed Through Alabama Department of Economic and Community Affairs (ADECA):              |                                   |  |                                 |                  |                         |
| Workforce Investment Act (WIOA) Cluster   |                                   |  |                                 |                  |                         |
| WIOA Adult Program  | 17.258                            | GHXC Y8AL7CK7                          | \$ 1,406,982                    | \$ 2,158,945     |                         |
| WIOA Youth Activities   | 17.259                            | GHXC Y8AL7CK7                          | 1,147,652                       | 1,555,705        |                         |
| WIOA Dislocated Worker Formula Grant  | 17.278                            | GHXC Y8AL7CK7                          | 68,763                          | 350,251          |                         |
|   |                                   |  | <u>2,623,397</u>                | <u>4,064,901</u> |                         |
| <b>TOTAL U.S. DEPARTMENT OF LABOR</b>   |                                   |  |                                 |                  |                         |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                                       |                                   |  |                                 |                  |                         |
| Direct Programs:  |                                   |  |                                 |                  |                         |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243                            |  | 333,995                         | 343,137          | 18TI18163A-01           |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243                            |  | 422,580                         | 431,722          | H79TI082946-01          |
|   |                                   |  | <u>756,575</u>                  | <u>774,859</u>   |                         |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                                 |                                   |  |                                 |                  |                         |
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>   |                                   |  |                                 |                  |                         |
| Passed Through Alabama Department of Homeland Security:                                   |                                   |  |                                 |                  |                         |
| Homeland Security Grant Program   | 97.067                            |  | -                               | 5,466            | EMW-2019-SS-00036       |
| Homeland Security Grant Program   | 97.067                            |  | -                               | 28,211           | EMW-2020-55-00071       |
| Homeland Security Grant Program   | 97.067                            |  | -                               | 48,022           | EMW-2021-SS-00095       |
| Homeland Security Grant Program   | 97.067                            |  | -                               | 92,768           | EMW-2021-SS-00095       |
| Homeland Security Grant Program   | 97.067                            |  | -                               | -                |                         |
|   |                                   |  | <u>-</u>                        | <u>174,467</u>   |                         |
| <b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>   |                                   |  |                                 |                  |                         |

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title                | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Passed Through to Subrecipients | Expenditures  | Contract / Grant Number |
|--|-----------------------------------|--|---------------------------------|---------------|-------------------------|
| <b>U.S. DEPARTMENT OF COMMERCE</b>   |                                   |  |                                 |               |                         |
| Direct Programs:   |                                   |  |                                 |               |                         |
| Economic Development Cluster   |                                   |  |                                 |               |                         |
| Economic Adjustment Assistance   | 11.307                            |  | \$ -                            | \$ 229,033    |                         |
| Economic Adjustment Assistance   | 11.307                            |  | -                               | 560,163       | 04-39-03391.02          |
| <b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>                                     |                                   |  | -                               | 789,196       |                         |
| <b>U.S. DEPARTMENT OF TREASURY</b>   |                                   |  |                                 |               |                         |
| Direct Programs:   |                                   |  |                                 |               |                         |
| COVID-19 Emergency Rental Assistance Program                                 | 21.023                            |  | 16,798,885                      | 16,993,991    |                         |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                   | 21.027                            |  | 3,665,283                       | 14,057,034    | SLFRP1176               |
| <b>TOTAL U.S. DEPARTMENT OF TREASURY</b>                                     |                                   |  | 20,464,168                      | 31,051,025    |                         |
| <b>ELECTION ASSISTANCE COMMISSION</b>  |                                   |  |                                 |               |                         |
| Passed Through The State of Alabama  |                                   |  |                                 |               |                         |
| COVID-19 Help America Vote Act Requirements Payments                         | 90.401                            |  | -                               | 84,580        | AL11RF01                |
| HAVA Election Security Grants  | 90.404                            |  | -                               | 3,694         | AL20101001              |
| <b>TOTAL ELECTION ASSISTANCE COMMISSION</b>                                  |                                   |  | -                               | 88,274        |                         |
| <b>U.S. DEPARTMENT OF EDUCATION</b>  |                                   |  |                                 |               |                         |
| Passed Through Alabama Department of Economic and Community Affairs (ADECA): |                                   |  |                                 |               |                         |
| COVID-19 Education Stabilization Fund  |                                   |  | 62,606                          | 62,606        |                         |
| Reimagine Workforce Program  | 84.425G                           | GHXCY8AL7CK7                           | 62,606                          | 62,606        |                         |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                                    |                                   |  | \$ 28,126,027                   | \$ 44,427,116 |                         |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                  |                                   |  |                                 |               |                         |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**JEFFERSON COUNTY COMMISSION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2022**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the financial statement) summarizes the expenditures of the Jefferson County Commission (the Commission) under programs of the federal government for the year ended September 30, 2022. The information in the financial statement is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the financial statement presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For purposes of the financial statement, expenditures for federal awards programs are recognized on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. FEDERAL PASS-THROUGH FUNDS**

The Commission is a subrecipient of federal funds which have been subject to testing and are reported as expenditures and listed as federal pass-through funds in the financial statement.

**4. INDIRECT COST RATE**

The Commission has elected not to use the ten percent de minimis cost rate allowed under the Uniform Guidance.

**5. OTHER**

The Commission issues loans through the Workforce & Economic Development Office for eligible recipients. The following loans were outstanding as of September 30, 2022:

|  | <b>Federal<br/>Assistance<br/>Listing<br/>Number</b> | <b>Loan<br/>Outstanding</b> | <b>Less<br/>Allowance for<br/>Doubtful<br/>Accounts</b> | <b>Net Loans<br/>Outstanding</b> |
|--|--|-----------------------------|---|----------------------------------|
| Economic Development Administration                        | 11.307   | \$ 1,661,497                | \$ 82,536   | \$ 1,578,961                     |
| Community Development Block Grants /<br>Entitlement Grants | 14.218   | 1,228,106                   | 619,429   | 608,677                          |
| Home Investment Partnerships Program                       | 14.239   | 16,633,479                  | 11,359,069  | 5,274,410                        |

**INDEPENDENT AUDITORS' 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 Commissioners of  
Jefferson County Commission  
Birmingham, Alabama

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 schedule of expenditures of federal awards (the financial statement) of the Jefferson County Commission (the Commission), for the year ended September 30, 2022, and the related notes to the schedule of expenditures of federal awards, and have issued our report thereon dated March 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 statement 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statement is 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 statement. 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Warren Averett, LLC*

Birmingham, Alabama

March 31, 2023

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

To the Commissioners of  
Jefferson County Commission  
Birmingham, Alabama

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

***Opinion on Each Major Federal Program***

We have audited Jefferson County Commission's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2022. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

### **Auditors' 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 Commission'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 Commission'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 Commission'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 Commission'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 Commission'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 Auditors' 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.

*Warren Averett, LLC*

Birmingham, Alabama  
March 31, 2023

**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

The audits of the basic financial statements of the Commission were performed by other auditors. The report by the auditor of the Commission on those financial statements as of and for the year ended September 30, 2022, dated March 31, 2023, expressed an unmodified opinion on those statements.

In connection with the audit of the basic financial statements of the Commission, the other auditors disclosed significant deficiencies and material weaknesses which are disclosed in their report issued under separate cover and dated March 31, 2023.

**Financial Statement**

|  |           |                  |               |
|--|-----------|------------------|---------------|
| Type of auditors' report issued on whether the financial statement audited was prepared in accordance with GAAP: |           | Unmodified       |               |
| Internal control over financial reporting:   |           |                  |               |
| Material weakness(es) identified?  | _____ yes | <u>    X    </u> | no            |
| Significant deficiency(ies) identified?  | _____ yes | <u>    X    </u> | none reported |
| Noncompliance material to financial statement?   | _____ yes | <u>    X    </u> | no            |

**Federal Awards**

|  |           |                  |               |
|--|-----------|------------------|---------------|
| Internal control over major programs:  |           |                  |               |
| Material weakness(es) identified?  | _____ yes | <u>    X    </u> | no            |
| Significant deficiency(ies) identified?  | _____ yes | <u>    X    </u> | none reported |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | _____ yes | <u>    X    </u> | no            |

Identification of major programs and type of auditors' report issued on compliance for major programs:

| <u>Federal Program</u>                         | <u>Federal Assistance Listing No.</u> | <u>Opinion Type</u> |
|--|---------------------------------------|---------------------|
| Home Investment Partnership Program            | 14.239                                | Unmodified          |
| WIOA Cluster                                   | 17.258, 17.259<br>17.278              | Unmodified          |
| COVID-19 Emergency Rental Assistance Program   | 21.023                                | Unmodified          |
| COVID-19 State and Local Fiscal Recovery Funds | 21.027                                | Unmodified          |

Dollar threshold used to distinguish between Type A and Type B program: \$1,332,813

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes     X     no



**JEFFERSON COUNTY COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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**SECTION II – FINANCIAL STATEMENT FINDINGS SECTION**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statement that are required to be reported in accordance with *Government Auditing Standards*.

None noted.

**SECTION III – FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS SECTION**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the major federal programs that are required to be reported in accordance with the Uniform Guidance.

None noted.

**JEFFERSON COUNTY COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**FINDING 2021-001 – SUBRECIPIENT MONITORING – SIGNIFICANT DEFICIENCY**

**Criteria:** 2 CFR 200.302(b)(1) of the Uniform Guidance states that a nonfederal entity must identify in its accounts all federal awards received and expended, as well as the federal programs under which they were received. The Uniform Guidance also requires federal expenditures to be recorded properly and timely to ensure accuracy and completeness of the expenditure amounts reported on the schedule of expenditures of federal awards (SEFA).

2 CFR 200.332 requires pass-through entities follow certain requirements with respect to subrecipients. A summary of the requirements includes (1) subawards include certain required information, (2) the pass-through entity performs a risk assessment over each subrecipient, (3) imposing specific subaward conditions upon a subrecipient if appropriate, (4) monitor the activities of the subrecipient, (5) perform additional monitoring if necessary based on the risk assessment, (6) verify each subrecipient is audited if the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the single audit threshold, (7) consider the results of the subrecipient's audits, on-site reviews or other monitoring, and (8) take enforcement action against noncompliant subrecipients if necessary.

**Condition:** During the audit, revisions were made to the SEFA to correct expenditures passed through to subrecipients that were not accurately reported. These revisions impacted the total federal expenditures reported on the SEFA and the major program determination.

In addition, of the five subrecipients selected for testing, we noted the following:

- 1) All five agreements with the subrecipients did not clearly contain the Assistance Listing number and name, subrecipients' unique entity identifier or the federal award date.
- 2) A risk assessment was not formally documented for subrecipients.
- 3) While the Commission has a process in place to approve all expenditures prior to disbursement, there was no formal documentation of the review retained by the Commission. Additionally, an on-site review of the subrecipients was not performed and financial and programmatic reports were not provided to the Commission for review.
- 4) The Commission did not verify that every subrecipient received a Single Audit when applicable. No review of Single Audits was performed by the Commission.

**Auditors' Recommendation:** As part of an effective internal control system, we recommend that the Commission develop procedures to ensure that all information included in the SEFA is correctly reported. We also recommend that the Commission update policies and procedures to ensure that all required elements are communicated to subrecipients at the time subawards are made or in subsequent subaward modifications if data elements change. Further, the Commission should ensure that risk assessments related to subrecipients and monitoring of subrecipients are formally documented.

**Current Status:** This is not a repeat finding in the current year.

