



Rachel Laurie Riddle
Chief Examiner

February 15, 2024

Hon. Gregory B. White, Chairman
Covington County Commission
P.O. Box 188
Andalusia, AL 36420

Dear Mr. White:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-12, our department performs audits of the county commissions in the state. The last financial audit of the Covington County Commission (the "Commission") was performed for the fiscal year ending September 30, 2019 and released in August 2022. We have made several inquiries to the County Administrator as to when the September 30, 2020 financial statements will be prepared. Since the statements have not been prepared at this point, the purpose of this letter is to inform you that we will only be able to perform a legal compliance examination of the 2020 fiscal year and we will be in contact to schedule that examination. In addition, since the September 30, 2021 financial statements have not been prepared to date, we will also perform a legal compliance examination of this year. We also do not anticipate being able to perform future financial audits of any fiscal years upon which we have previously performed legal compliance examinations.

Please be advised that the Commission's failure to have audited financial statements for the above referenced fiscal year may impact the County's credit rating and/or ability to borrow money in the future. Additionally, if the Commission expended more in federal awards than the thresholds established by Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* during these fiscal years, its failure to have the federal awards audited as required may result in the loss of future federal funding.

Also, please be aware that pursuant to the Department of Examiner of Public Accounts authority, we have promulgated requirements that all county commissions maintain their records in accordance with the revised *Alabama County Commission Finance Manual (2021)*. Additionally, the funds and accounts of the county commissions must be maintained in accordance with generally accepted accounting principles (GAAP) and must facilitate the preparation of financial statements that are in accordance with GAAP. Lastly, the county commissions must have the ability to produce a complete set of financial statements in a timely manner. Therefore, for the fiscal year ending September 30, 2022, and future audit periods, we expect the Commission to prepare financial statements in a timely manner in order to meet audit requirements. Failure to meet these requirements could result in a penalty being levied against the Commission.