

FULTON COUNTY, GEORGIA
SINGLE AUDIT REPORT
FISCAL YEAR ENDED DECEMBER 31, 2013

Prepared Under Auditor's Report Thereon



FULTON COUNTY

FULTON COUNTY, GEORGIA

**Single Audit – OMB Circular A-133 Compliance Reports
(With Independent Auditor's Report Thereon)**

December 31, 2013

FULTON COUNTY, GEORGIA

SINGLE AUDIT – OMB A-133 COMPLIANCE REPORTS

DECEMBER 31, 2013

TABLE OF CONTENTS

	Page
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 <i>Government Auditing Standards</i>	1- 2
Schedule of Expenditures of Federal, State and Other Local Grant Awards	3- 9
Notes to the Schedule of Expenditures of Federal, State and Other Local Grant Awards	10-13
Report Required By OMB Circular A-133:	
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 OMB Circular A-133	14-17
Schedule of Findings and Questioned Costs	18-20
Fulton County, Georgia – Employer Identification Number (EIN): 58-6001729	

**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**

**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
Fulton 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 unit, each major fund, and the aggregate remaining fund information of Fulton County, Georgia ("the County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 20, 2014. Other auditors audited the financial statements of the Fulton-Dekalb Hospital Authority, as described in our report on the County's basic 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 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 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 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*.

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.



Atlanta, Georgia
June 20, 2014

**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL
GRANT AWARDS**

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
U.S. Department of Health and Human Services			
Direct Assistance:			
HIV	93.914 *	H89HA00007-22-02	11,348,886
HIV	93.914 *	2H89HA00007-23-00	10,073,047
			<u>21,421,933</u>
FDA - Enhanced Regulatory Uniformity	93.103	1U18FD004685-01	<u>26,420</u>
Verterans Enhanced Drug Court Services Initiative	93.243	1H79TI024203-01	69,536
Verterans Enhanced Drug Court Services Initiative	93.243	5H79TI024203-02	45,876
			<u>115,412</u>
Passed through the Georgia Department of Public Health:			
Minority Aids Initiative	93.243	FY 2013	19,580
Minority Aids Initiative	93.243	FY 2014	13,491
			<u>33,071</u>
Passed through the Georgia Department of Public Health:			
STD Cultures	93.977	FY2013	1,866
STD Cultures	93.977	FY2014	1,848
Comprehensive STD Program	93.977	FY2013	52,678
Comprehensive STD Program	93.977	FY2014	21,695
			<u>78,086</u>
EPSDT	93.778	FY2013	64,693
EPSDT	93.778	FY 2014	32,949
			<u>97,642</u>
Ryan White Part B Minority AIDS Initiative	93.917	FY2013	12,400
Ryan White Part B Minority AIDS Initiative	93.917	FY2014	19,466
			<u>31,865</u>
Worksite Wellness	93.991	FY2013	4,602
Worksite Wellness	93.991	FY2014	530
			<u>5,132</u>
Outpatient UNHSI/Audiology Support	93.994	FY 2013	24,819
Outpatient UNHSI/Audiology Support	93.994	FY 2014	24,206
Babies Can't Wait/Part C - Supplemental	93.994	FY2013	30,910
Infants and Toddlers with Disabilities	93.994	FY2013	74,802
Infants and Toddlers with Disabilities	93.994	FY2014	2,357
Children Medical	93.994	FY2013	223,376
Children Medical	93.994	FY2014	200,741
			<u>581,211</u>
Therapeutic Summer Program	93.558	42700-040-0000013903	10,127
Family Planning	93.558	FY2013	258,451
Family Planning	93.558	FY2014	178,395
Youth Development	93.558	FY2013	28,340
Youth Development	93.558	FY2014	14,514
			<u>489,827</u>
Immunization	93.268	FY2013	85,335
Immunization	93.268	FY2014	37,310
			<u>122,645</u>
BP1-5 Cities Readiness Initiative (PHEP)	93.069	FY2013	166,533
BP1-5 Cities Readiness Initiative (PHEP)	93.069	FY2014	232,697
			<u>399,230</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Hospital Preparedness Program	93.889	FY2013	90,234
Hospital Preparedness Program	93.889	FY2014	41,428
			<u>131,662</u>
Passed through the Department of Behavioral Health and Developmental Disabilities (DBHDD):			
Mental Health, Developmental Disabilities, and Addictive Diseases	93.958	441-93-1333053	15,062
Mental Health, Developmental Disabilities, and Addictive Diseases	93.958	441-93-1433054	3,296
			<u>18,359</u>
MH/DD/AD-MR Community Services	93.667	441-93-1133052	56,586
MH/DD/AD-MR Community Services	93.667	441-93-1433053	2,522
			<u>59,108</u>
Passed through the Georgia Department of Human Services:			
State Coordinated Transportation Program	93.667	42700-362-0000013064	205,138
Clubhouse and Youth Community and Substance Abuse Treatment	93.959	441-93-1433054	103,944
Clubhouse and Youth Community and Substance Abuse Treatment	93.959	441-93-1333053	119,155
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1333053	90,646
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1433054	93,719
			<u>407,465</u>
Passed through the Georgia Department of Public Health:			
HIV Early Intervention	93.959	441-93-1333049	180,719
HIV Early Intervention	93.959	441-93-1433049	87,096
			<u>267,815</u>
Passed through the Georgia Department of Human Services:			
Child Support Enforcement	93.563	42700-401-12707	52,657
Child Support Enforcement	93.563	42700-401-000000-20389	39,348
Child Support Enforcement	93.563	42700-401-12693	24,474
Child Support Enforcement	93.563	42700-401-00000-20390	24,419
			<u>140,898</u>
Passed through the Department of Human Services and Atlanta Regional Commission:			
Older Americans Act	93.045 *	AG1306	1,413,995
Older Americans Act	93.045 *	AG1406	572,000
			<u>1,985,995</u>
Passed through the Department of Public Health:			
Reduction of Tobacco Use	93.283	FY2013	70,725
Reduction of Tobacco Use	93.283	FY2014	5,650
Breastest and More	93.283	FY2013	31,254
Breastest and More	93.283	FY2014	3,647
			<u>111,275</u>
Passed through the Department of Public Health:			
Test, Link and Care Network	93.940	FY2013	6,637
Test, Link and Care Network	93.940	FY2014	4,888
			<u>11,525</u>
Passed through the Center for Disease Control and Prevention:			
HIV Prevention	93.940	5U62PS003679-02	3,535,025
HIV Prevention	93.940	1U62PS003679-01	73,117
			<u>3,608,142</u>
Total U.S. Department of Health and Human Services			<u>30,349,857</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development			
Direct Assistance:			
CDBG Cluster Programs:			
HERA-Neighborhood Stabilization Program (NSP1)	14.218 *	B-08-UN-13-0004	1,429,980
HERA-Neighborhood Stabilization Program (NSP3)	14.218 *	B-11-UN-13-0004	2,446,573
Community Development Block Grant	14.218 *	B03UC130003	15,160
Community Development Block Grant	14.218 *	B04UC130003	8,715
Community Development Block Grant	14.218 *	B05UC130003	41,085
Community Development Block Grant	14.218 *	B06UC130003	124,510
Community Development Block Grant	14.218 *	B07UC130003	2,096
Community Development Block Grant	14.218 *	B08UC130003	21,339
Community Development Block Grant	14.218 *	B09UC130003	551
Community Development Block Grant	14.218 *	B10UC130003	90,448
Community Development Block Grant	14.218 *	B11UC130003	221,228
Community Development Block Grant	14.218 *	B12UC130003	518,544
Community Development Block Grant	14.218 *	B13UC130003	709,020
Total CDBG Cluster Programs			<u>5,629,253</u>
Housing Cluster Programs:			
Permanent Housing Program	14.235	GA0173B4B001000	20,111
Permanent Housing Program	14.235	GA0173L4B001201	266,776
Homeless Management Information System (HMIS)	14.235	GA0001B1B001103	155,363
Transitional Housing-Administration	14.235	GA0020B4B001104	17,807
Transitional Housing-Supportive Services	14.235	GA0020B4B001003	20
Transitional Housing-Operating Services	14.235	GA0020L4B001205	83,049
Transitional Housing-Supportive Services	14.235	GA0020B4B001104	350,175
Transitional Housing-Operating Services	14.235	GA0020B4B001104	155,771
Transitional Housing-Supportive Services	14.235	GA0020L4B001205	170,134
Supportive Housing-Administration	14.235	GA0019B4B001104	3,467
Supportive Housing	14.235	GA0019B4B001104	648,340
Supportive Housing	14.235	GA0019L4B001205	193,940
			<u>2,064,953</u>
HOME Cluster Programs:			
Direct Assistance:			
HOME 06	14.239 *	M-06-DC-13-0202	185,000
HOME 07	14.239 *	M-07-DC-13-0202	250,607
HOME 08	14.239 *	M-08-DC-13-0202	996
HOME 09	14.239 *	M-09-DC-13-0202	1,067
HOME 10	14.239 *	M-10-DC-13-0202	365
HOME 11	14.239 *	M-11-DC-13-0202	365,863
HOME 12	14.239 *	M-12-DC-13-0202	186,554
HOME 13	14.239 *	M-13-DC-13-0202	47,164
Total HOME Cluster Programs			<u>1,037,617</u>
Emergency Shelter Cluster Programs:			
Direct Assistance:			
Emergency Shelter 2010	14.231	E10-UC-13-0010	2,956
Emergency Solutions 2011	14.231	E-11-UC-13-0010	33,500
Emergency Solutions 2012	14.231	E-12-UC-13-0010	112,215
Emergency Solutions 2013	14.231	E-13-UC-13-0010	47,358
Total Emergency Shelter Cluster Programs			<u>196,029</u>
HERA-Neighborhood Stabilization Program (NSP1)	14.228	08-NS-5051	<u>286,156</u>
Total U.S. Department of Housing and Urban Development			<u>9,214,007</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
U.S. Department of Justice			
Direct Assistance:			
ARRA- FY 2009 Recovery Act JAG-Backlog Elimination Program	16.804	2009-SB-B9-1100	<u>153,844</u>
Child Sexual Predator Grant	16.710	2011-CS-WX-0009	194,401
ARRA-COPS Hiring Recovery Program	16.710	2009-RK-WX-0280	<u>11,035</u>
			<u>205,436</u>
Justice Assistance Grant	16.738	2011-DJ-BX-3432	8,406
Justice Assistance Grant	16.738	2012-DJ-BX-0819	108,861
Justice Assistance Grant	16.738	2010-DJ-BX-1643	<u>6,536</u>
			<u>123,803</u>
Paul Coverdell Forensic Science Improvement Grant	16.742	2011-CD-BX-0082	<u>31,941</u>
Gang Interdiction Task Force	16.753	2010-DD-BX-0590	<u>9,645</u>
Juvenile Delinquency Prevention - Drug Court	16.585	2009-DC-BX-0105	<u>9,967</u>
Second Chance Act Initiative	16.812	2010-CZ-BX-0104	77,023
Second Chance Act Initiative	16.812	2011-CZ-BX-0052	<u>341,229</u>
			<u>418,252</u>
State Criminal Alien Assistance Program (SCAAP)	16.606	2011-H3222-GA-AP	<u>11,582</u>
Equitable Sharing Program-District Attorney	16.922	GA060015A	43,061
Equitable Sharing Program-Sheriff	16.922	GA0600000	<u>18,894</u>
			<u>61,955</u>
Passed through the Georgia Criminal Justice Coordinating Council:			
Victim Witness Assistance	16.575	C12-8-061	151,320
Victim Witness Assistance	16.575	C13-8-048	<u>42,475</u>
			<u>193,795</u>
Passed through the Governor's Office for Children and Families:			
GED Preparatory Program	16.523	JB-10FM-002	<u>16,913</u>
Total U.S. Department of Justice			<u>1,237,133</u>
U.S. Department of Agriculture			
Passed through the Georgia Department of Public Health:			
WIC	10.557	FY2013	1,350,156
WIC	10.557	FY2014	1,279,407
WIC-Nutrition	10.557	FY2014	78,313
WIC-Breastfeeding	10.557	FY2014	<u>41,437</u>
Total U.S. Department of Agriculture			<u>2,749,313</u>
U.S. Department of Transportation			
Passed through the State of Georgia Department of Transportation			
South Fulton Comprehensive Transportation Plan (CTP)	20.205	T251	<u>419,262</u>
Total Department of Transportation			<u>419,262</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
U.S. Department of Labor			
Passed through the State of Georgia Department of Labor and Governor's Office of Workforce Development:			
WIA Cluster Programs:			
Workforce Investment Act-Adult PY 2011	17.258	10-11-11-03-006	2,218
Workforce Investment Act-Adult FY 2012	17.258	11-12-11-03-006	128,232
Workforce Investment Act-Adult PY 2012	17.258	11-12-12-03-006	77,201
Workforce Investment Act-Adult FY 2013	17.258	11-12-13-03-006	646,770
			<u>854,421</u>
Workforce Investment Act-Youth PY 2011	17.259	15-11-11-03-006	37,921
Workforce Investment Act-Youth PY 2012	17.259	15-12-11-03-006	616,047
Workforce Investment Act-Youth PY 2013	17.259	15-13-11-03-006	13,321
			<u>667,289</u>
Workforce Investment Act-Dislocated Worker PY 2011	17.278	30-11-11-03-006	5
Workforce Investment Act-Dislocated Worker FY 2012	17.278	31-12-11-03-006	5,557
Workforce Investment Act-Dislocated Worker PY 2012	17.278	31-12-12-03-006	14,047
Workforce Investment Act-Dislocated Worker FY 2013	17.278	31-12-13-03-006	1,138,090
			<u>1,157,699</u>
Total Department of Labor-WIA Cluster			<u>2,679,409</u>
National Endowment for the Humanities			
Direct Assistance:			
America's Music Program	45.164	LB-50007-12	1,186
Total National Endowment for the Humanities			<u>1,186</u>
National Endowment for the Arts			
Direct Assistance:			
Big Read Program	45.024	FY13-149459	8,200
Total National Endowment for the Arts			<u>8,200</u>
Institute of Museum and Library Services			
Passed through the Georgia Office of Public Library Services			
Prime Time Reading Program	45.310	21930-9010060-13100	5,200
Total Institute of Museum and Library Services			<u>5,200</u>
Department of Homeland Security			
Direct Assistance:			
Fire and Emergency Response Hiring Program (SAFER)	97.083	EMW-2012-FH-00963	1,308,382
Fire and Emergency Response Hiring Program (SAFER)	97.083	EMW-2009-FH-01178	17,868
			<u>1,326,250</u>
Passed through United Way of Metropolitan Atlanta:			
Emergency Food and Shelter Program	97.024	174000-069	5,910
Total Department of Homeland Security			<u>1,332,160</u>
National Archives and Records Administration			
Direct Assistance:			
Digitizing Historic African American Education	89.003	NAR10-RD-10037-10	13,166
Total National Archives and Records Administration			<u>13,166</u>
Total Federal Expenditures			<u>48,008,893</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
State of Georgia			
Department of Public Health:			
Public Health	-	FY 2013	11,120,755
Public Health	-	FY 2014	11,386,506
EPI Capacity	-	FY 2013	20,938
EPI Capacity	-	FY 2014	23,815
District Cadre	-	FY 2013	193,695
District Cadre	-	FY 2014	179,978
Infant Vitality	-	FY 2013	266,624
Infant Vitality	-	FY 2014	272,267
Teen Pregnancy Prevention	-	FY 2013	166,174
Teen Pregnancy Prevention	-	FY 2014	154,138
Children's 1st - 2	-	FY2013	80,417
Children's 1st - 2	-	FY2014	72,584
Children 1st Initiative	-	FY2013	80,675
Children 1st Initiative	-	FY2014	82,807
Directly Observed Therapy	-	FY 2013	37,218
Directly Observed Therapy	-	FY 2014	28,702
Breast/Cervical Cancer	-	FY 2013	43,630
Chronic Disease Prevention	-	FY 2013	67,232
Chronic Disease Prevention	-	FY 2014	26,707
Hearing Screening Equipment	-	FY 2013	1,579
Hearing Screening Equipment	-	FY 2014	145
State Cervical Cancer	-	FY 2013	31,119
State Cervical Cancer	-	FY 2014	14,313
Children First Care Support	-	FY 2013	10,461
TB Treatment and Control	-	FY 2013	550
Teen Pregnancy Prevention Program	-	FY 2013	300
Teen Pregnancy Prevention Program	-	FY 2014	445
Early Intervention	-	FY2013	70,444
Early Intervention	-	FY2014	182,933
Babies Can't Wait/Part C - General Fund	-	FY2013	47,768
Community Substance Abuse	-	441-93-1333046	11,816
			<u>24,676,734</u>
Georgia Department of Human Services:			
State Coordinated Transportation Program	-	42700-362-0000013064	<u>310,283</u>
Department of Transportation:			
Butner Road at Stonewall Tell Road	-	CSHPP-007-00(533)	10,624
Old National Highway ATMS	-	CSSTP-0006-00(73)	11,843
South Fulton Resurfacing	-	SO14299/SO13619	1,090,270
			<u>1,112,737</u>
Office of Planning and Budget:			
Department of Technical and Adult Education:			
Library-GED Testing	-	GED-34869	<u>71,002</u>
Passed through the Georgia Criminal Justice Coordinating Council:			
Adult Drug Court	-	J13-8-021	141,254
Adult Drug Court	-	J12-8-094	300,447
			<u>441,701</u>
Governor's Office of Highway Safety:			
Pedestrian and Bicycle Safety Program	-	GA-2013-000-00427	<u>13,004</u>
Office of Public Library Services			
Operational Support	-	-	<u>1,133,053</u>

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Miscellaneous Grants:			
Department of Community Affairs - Housing Counseling	-	HC-130441002	8,192
Judicial Council of Georgia-Drug Court Implementation	-	A12-8-046	60,087
Judicial Council of Georgia-Family Drug Court Operatons	-	A12-8-060	8,771
Judicial Council of Georgia-Family Drug Court Operatons	-	J13-8-068	8,486
Judicial Council of Georgia-Drug Court Operatons-FY2014	-	A13-8-027	2,865
Judicial Council of Georgia-Drug Court Operatons-FY2013	-	A12-8-070	12,544
Administrative Office of the Courts-Juvenile Court Judges	-	-	287,557
Administrative Office of the Courts-Superior Court Judges	-	-	742,978
			<u>1,131,482</u>
Total State Expenditures			<u>28,889,996</u>
Other Local Grants			
Merck Foundation-Bridging the Gap Project	-	-	184,872
National Initiative for Children's Healthcare Quality (NICHQ)	-	-	2,300
Auburn Avenue Research Preservation Grant	-	-	207
American Cancer Society-Health Equity Commission Grant	-	2012-19-GA	3,092
Susan G. Komen - Saving One Life	-	-	36,273
Susan G. Komen - Saving One Life	-	-	63,475
Friends of Benson, Inc.	-	-	2,115
FBI-Joint Terrace Task Force	-	-	10,081
U.S. Marshall-Fugitive Task Force-Sheriff	-	JIE0-13-0019	51,378
U.S. Marshall-Fugitive Task Force-Police	-	JIE0-13-0011	11,241
U.S. Marshall-Fugitive Task Force-Marshall	-	JIE0-13-0153	15,621
GBI-High Intensity Drug Area Task Force-Sheriff	-	-	12,804
GBI-High Intensity Drug Area Task Force-Police	-	-	11,054
Atlanta-Fulton Library Foundation	-	-	10,334
Total Other Local Grants			<u>414,848</u>
Total Federal, State, and Other Local Grant Expenditures			<u>77,313,737</u>

* Denotes major program.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND
OTHER LOCAL GRANT AWARDS**

FULTON COUNTY, GEORGIA

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER
LOCAL GRANT AWARDS**

DECEMBER 31, 2013

NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING

The accompanying schedule of expenditures of federal, state and other local grant awards includes the federal and state grant activity of Fulton County, Georgia (the "County") and is presented on the cash basis of accounting and is not intended to present the results of grant activity in conformity with accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when received and expenditures are recorded when paid. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Federal awards received directly from federal agencies and federal assistance passed through other government agencies are included on the schedule. However, federal financial assistance received by component units who engaged other auditors to perform an audit in accordance with the Single Audit Act are not included on the schedule.

In instances where the grant agreement requires the County to match grant awards with County funds, such matching funds are included in the Schedule of Expenditures.

Grant programs, which did not have 2013 transactions have not been presented herein. The majority of these programs have completed their program activities but may not have been officially closed out. Grant revenues and expenditures incurred prior to 2013 under these grants remain subject to audit by either the grantor agency or its representatives within the limitations of the Single Audit Act of 1996.

Federal grant programs that 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.

NOTE 2 - STATE OF GEORGIA DEPARTMENT OF HUMAN RESOURCES GRANTS

Several Federal Health grant funds received by the County are pass-through awards from the State of Georgia. Grant revenue received from the State is a combination of both Federal and State Mental Health grant funds. The State is not always able to distinguish the portion of Federal and State funding related to these receipts; however, in some instances, estimates of the allocation between Federal and State funds have been provided to the County. Because the information may not be exact, the Schedule of Expenditures reflects the combination of both Federal and State revenues related to Mental Health, Developmental Disabilities, and Addictive Diseases grants.

NOTE 3 - ECONOMIC DEVELOPMENT AGENCY REVOLVING LOAN FUND PROGRAM

The Economic Development Agency's Revolving Loan Fund (RLF) Program provided loans to promote the development and expansion of small businesses in Fulton County, Georgia. There were no additional loans made during 2013. However, in May 2013, Fulton County's Board of Commissioners approved a resolution to terminate the RLF program for convenience pursuant to the terms and conditions of the agreement with the United States Department of Commerce.

FULTON COUNTY, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER
LOCAL GRANT AWARDS

DECEMBER 31, 2013

NOTE 4 - SUBRECIPIENTS

The total amount provided to subrecipients by the County is as follows:

<u>Program</u>	<u>Amount</u>
Community Development Block Grant - CFDA # 14.218	
City of College Park	\$ 100,200
City of East Point	120,517
City of Fairburn	68,280
City of Hapeville	3,630
City of Mountain Park	9,048
City of Palmetto	54,906
City of Roswell	104,837
Union City	52,701
Africa's Children Fund	13,000
Atlanta Center for Self Sufficiency (Previously Atlanta Enterprise Center)	12,000
Atlanta Legal Aid	22,640
Andrew & Walter Young Family YMCA	33,668
Families First	10,000
Fulton County Housing Rehabilitation EAG	357,127
Fulton County Superior Court	8,271
Fulton County Library	23,106
Hope Thru Divine Intervention	10,000
Metro Fair Housing	7,291
North Fulton Charities	10,000
Partnership Against Domestic Violence	19,000
Quality Living Services	69,665
Resources for Residents & Communities of GA, Inc.	10,000
Teens at Work	50,000
Traveler's Aid of Metropolitan Atlanta	25,000
Young Adult Guidance Center (YAGC)	57,000
Young Men Christian Association (YMCA) Ed Isakson	20,000
Total Community Development Block Grant - CFDA #14.218	\$ 1,271,887

FULTON COUNTY, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER
LOCAL GRANT AWARDS

DECEMBER 31, 2013

NOTE 4 - SUBRECIPIENTS (continued)

Program	Amount
Neighborhood Stabilization Program - CFDA # 14.218 and 14.228	
APD Solutions, LLC	\$ 75,260
Atlanta Neighborhood Development Partnership, Inc.	3,496,570
Total Neighborhood Stabilization Program - CFDA #14.218 and 14.228	<u>\$ 3,571,830</u>
HIV- Ryan White Program - CFDA # 93.914	
Grady Hospital	\$ 8,619,986
DeKalb County Board of Health	1,123,265
Fulton County Health Department	2,187,908
Crawford Long-Ryan White Care	611,708
AID Atlanta	2,239,070
Project Open Hand	1,001,368
Positive Impact, Inc.	910,110
Aniz, Inc.	232,278
St. Joseph's Mercy Care	641,523
Our Common Welfare (Here's to Life, Inc.)	166,664
Atlanta Legal Aid	99,337
Clayton County Board of Health	323,802
Cobb County Board of Health	634,158
AID Gwinnett	835,436
Recovery Consultants of Atlanta	46,727
AIDS Healthcare Foundation	84,112
Emory Quality Management	350,887
Clarke County Board of Health	59,229
Georgia Department of Public Health	299,953
Total Ryan White Program - CFDA #93.914	<u>\$ 20,467,521</u>

FULTON COUNTY, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER
LOCAL GRANT AWARDS

DECEMBER 31, 2013

NOTE 4 - SUBRECIPIENTS (continued)

<u>Program</u>	<u>Amount</u>
HIV Prevention Program - CFDA # 93.940	
AID Atlanta, Inc.	\$ 81,200
Dekalb County Board of Health	358,315
HIV/AIDS Empowerment Resource Center for Young Women, Inc.	114,286
Positive Impact, Inc.	33,001
Sisterlove, Inc.	64,900
Total HIV Prevention Program - CFDA # 93.940	<u>\$ 651,702</u>
Older Americans - CFDA # 93.045	
Addus Health Care, Inc.	\$ 3,137
Fulton County Senior Collaborative	263,243
Help at Home	80,000
Project Open Hand/Atlanta, Inc.	178,247
Senior Connections	36,604
Fulton County Senior Services	131,939
V-Ryan Management, Inc.	36,530
Total Older Americans Program - CFDA #93.045	<u>\$ 729,700</u>
Home Investment Partnerships Program	
Atlanta Neighborhood Development Partnership, Inc.	\$ 400,000
Housing Authority of Fulton County	170,808
Total HOME Investment Partnerships Program -CFDA # 14.239	<u>\$ 570,808</u>

**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 OMB CIRCULAR A-133**

**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 OMB Circular A-133**

To the Board of Commissioners
Fulton County, Georgia:

Report on Compliance for Each Major Federal Program

We have audited Fulton County, Georgia's ("the County") compliance 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 the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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 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 the County'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 County's compliance.

Opinion on Each Major Federal Program

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 December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 items *2013-1 and 2013-2*. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 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 the County'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2, that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 the County as of and for the year ended December 31, 2013, and have issued our report thereon dated June 20, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We have not performed any additional procedures with respect to the audited financial statements subsequent to June 20, 2014.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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 financial statements or to the 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 taken as a whole.

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

PJC Group, LLC

Atlanta, Georgia

August 25, 2014, except as to the paragraph relating to the

Schedule of Expenditures of Federal Awards, which is

as of June 20, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness (es) identified?	No
• Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness (es) identified?	No
• Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes
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 section 510(a) of Circular A-133?	Yes

Identification of major programs:

- 14.218 – Community Development Block Grant and Neighborhood Stabilization Program Cluster
- 14.239 – HOME Investment Partnership
- 93.045 – Special Programs for the Aging – Older Americans Act
- 93.914 – HIV – Ryan White Program

Dollar threshold used to distinguish between type A and type B programs:	\$1,440,268
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Auditee qualified as low-risk auditee?	Yes
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II. FINANCIAL STATEMENT FINDINGS

No Financial Statement findings noted.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2013-1

Program Income

U.S. Department of Housing and Urban Development

Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP)
Cluster – CFDA #14.218

Criterion:

Grantees that choose to make loans and use income derived from loan payments as program income are responsible for having a loan origination and servicing system in effect which assures that earned income is properly recorded and used.

Condition:

During our review of program income we were informed that the loan origination and servicing system was not being used. The department was instead using an excel spreadsheet to track program income derived from loan payments.

Cause:

The County did not have a process in place to ensure that the loan origination and servicing system was accessible by management.

Questioned Cost:

None.

Recommendation:

We recommend that the County utilize its Business Improvement Loan Program “BILP” loan origination and servicing system instead of an excel spreadsheet. The system should be accessible on more than one computer with access restricted through user passwords. All information previously maintained on the spreadsheet should be entered into the system. Management should also perform a periodic review of the information to include, at a minimum, the Detail Payment List/Status Report to ensure that all information has been properly recorded.

Management Response:

Management concurs with audit finding.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

Finding No. 2013-2

Reporting

U.S. Department of Housing and Urban Development

Home Investment Partnerships Program– CFDA #14.239

Criterion:

Participating jurisdictions of the HOME program must maintain records demonstrating compliance with the matching requirements of 24 CFR Sections 92.218, 92.219, 92.220, 92.221 and 92.222, including a running log and project records documenting the type and amount of match contributions by project.

Condition:

During our review of the matching compliance requirement we were initially provided with an incorrect log. During our testing we noted eight of the 25 items selected for review revealed a different amount than what was listed on the log and supporting documentation was not provided for four of the items selected.

Cause:

The County lacks a systematic process for ensuring that the records demonstrating compliance with the matching requirement are accurate and complete and that supporting documentation is properly maintained.

Questioned Cost:

None.

Recommendation:

We recommend that the County implement policies and procedures to ensure that the Match Log is accurate and is prepared in accordance with federal guidelines. The County should strengthen its procedures surrounding the review and accuracy of the information contained in the log by management performing a periodic review of the log and the supporting documentation. We also recommend a quality review be performed of all amounts included on the current log to determine that amounts are accurate and to ensure that all supporting documentation is accessible and properly stored.

Management Response:

Management concurs with audit finding.



DEPARTMENT OF FINANCE

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**2013 OMB CIRCULAR A-133
SINGLE AUDIT
CORRECTIVE ACTION PLAN**

Finding No. 2013-1

**U.S. Department of Housing and Urban Development
Community Development Block Grant (CDBG) and
Neighborhood Stabilization Program (NSP) Cluster
CFDA #14.218**

Finding

During the review of program income, the auditors noted that the Loan Origination and Servicing System was not being used. The Housing and Community Development Department was only using an excel spreadsheet to track program income derived from loan payments.

Corrective Action

Staff assigned to manage the loan servicing system retired in December 2013. The Housing and Community Development Department (HCD) is currently working with the designated software provider to secure additional licenses for access on multiple computers and related training by November 2014, after which staff will begin entering all information previously maintained on spreadsheets into the loan servicing system. Our goal is to become current by March 2015. HCD will also be requesting an additional staff position (Quality Control Project Manager) for the 2015 Budget as part of the October 5, 2014 budget submission. Pending the approval of the budget for the hiring of a Quality Control Project Manager position, the Project Manager will perform quarterly reviews of the loan status report for accuracy.

**2013 OMB CIRCULAR A-133
SINGLE AUDIT
CORRECTIVE ACTION PLAN, continued**

Finding No. 2013-2

**U.S. Department of Housing and Urban Development
HOME Investment Partnership Program
CFDA #14.239**

Finding

During the review for matching compliance, the auditors noted 8 of the 25 items selected for review revealed different amounts than what was listed on the match log. Additionally, supporting documentation was not provided for 4 items of the samples selected.

Corrective Action

The Housing and Community Development Department (HCD) will update the current policies and procedures manual for the HOME Program to ensure the match log process complies with federal guidelines. All HOME staff will be made aware, trained and receive a copy of the revised policy guide to ensure compliance. A quality review of the existing match log will be conducted to determine accuracy and whether adequate supporting documentation is available. These measures will be implemented by December 31, 2014. HCD will also be requesting additional staff positions for the 2015 Budget as part of the October 5, 2014 budget submission (Community Development Specialist and a Quality Control Project Manager). Pending the approval of the budget for the hiring of a Quality Control Project Manager position, the Project Manager will perform quarterly reviews of the log, along with supporting documentation, to ensure accuracy. The hired Community Development Specialist will be dedicated to the HOME Program and be responsible for reporting, IDIS processing, financial tracking, and programmatic compliance. The hired Quality Assurance Project Manager will review all files and contracts to ensure accuracy of data, performance measures, compliance for monitoring and audits by both internal and external partners and make recommendations for policies and procedures updates for the Housing Division.

**2013 OMB CIRCULAR A-133
SINGLE AUDIT
STATUS OF PRIOR YEAR FINDINGS**

Finding No. 2012-1

**U.S. Department of Homeland Security
Staffing For Adequate Fire and Emergency Response (SAFER)
CFDA #97.083**

Finding

The Quarterly Performance Reports for the 1st, 2nd, and 3rd quarters were not submitted by the 30th day following the end of each quarter.

Current Status

The auditors noted corrective actions were taken during the year. Finding closed.

Finding No. 2012-2

**U.S. Department of Housing and Urban Development
Community Development Block Grant (CDBG) and
Neighborhood Stabilization Program (NSP) Cluster
CFDA #14.218**

Finding

The Federal Funding Accountability and Transparency Act (FFATA) sub-award reporting was not submitted timely. FFATA requires reporting of sub-award obligations greater than \$25,000 by the 30th of each month following the execution of the sub-award agreement. The County does not have a systematic process for communicating these obligations to the Grants Administrator to ensure timely reporting.

Current Status

The auditors noted corrective actions were taken during the year. Finding closed.

**2013 OMB CIRCULAR A-133
SINGLE AUDIT
STATUS OF PRIOR YEAR FINDINGS, continued**

Finding No. 2012-3

**U.S. Department of Housing and Urban Development
Community Development Block Grant (CDBG) and
Neighborhood Stabilization Program (NSP) Cluster
CFDA #14.218**

Finding

During the audit, it was noted that one employee was incorrectly charged to the NSP Program. The Deputy Director of Fulton County's Housing and Human Services Department requested an employee be transferred from the NSP grant to another division. However, the required transfer memos were misplaced.

Current Status

The auditors noted corrective actions were taken during the year. Finding closed.

Contact Person:

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