

FULTON COUNTY, GEORGIA



SINGLE AUDIT REPORT **Fiscal Year Ended December 31, 2019**

(PREPARED UNDER AUDITOR'S REPORT THEREON)

FULTON COUNTY, GEORGIA

Single Audit

(With Independent Auditor's Report Thereon)

December 31, 2019

FULTON COUNTY, GEORGIA

SINGLE AUDIT

DECEMBER 31, 2019

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**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, the general fund and south fulton special district budget to actual comparisons, and the aggregate remaining fund information of Fulton County, Georgia (“the County”), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 7, 2020. Our report includes a reference to other auditors who audited the financial statements of the Fulton-Dekalb Hospital Authority and the Fulton County Board of Health, 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.

RJC Group, LLC

Atlanta, Georgia
September 7, 2020

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2019

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>		<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
U.S. Department of Health and Human Services					
Direct Assistance:					
HIV Emergency Relief Grant Program	93.914	6 H89HA00007-28-03	*	11,046,934	10,434,747
HIV Emergency Relief Grant Program	93.914	6 H89HA00007-29-01	*	16,492,313	14,818,471
Building Capacity for HIV Elimination	93.914	1 U69HA33218-01-00	*	12,650	-
				<u>27,551,897</u>	<u>25,253,218</u>
Passed through the Department of Behavioral Health and Developmental Disabilities (DBHDD):					
Substance Abuse Recovery Support Clubhouse Services	93.959	44100-906-0000117729		267,686	267,686
Substance Abuse Recovery Support Clubhouse Services	93.959	44100-906-0000136688		47,307	47,307
Community Substance Abuse-Adult	93.959	44100-263-0262019029		208,115	208,115
HIV Early Intervention	93.959	44100-263-0262019030		78,736	-
HIV Early Intervention	93.959	44100-263-0262020030		38,276	-
				<u>640,121</u>	<u>523,108</u>
Department of BHDD - Community Services 18-19	93.667	44100-263-9072019009		77,309	-
Department of BHDD - Community Services 19-20	93.667	44100-263-9072020009		22,233	-
Passed through the Georgia Department of Human Services:					
State Coordinated Transportation Program	93.667	42700-362-0000070313		405,168	-
State Coordinated Transportation Program	93.667	42700-362-0000070313		626,012	-
				<u>1,130,722</u>	<u>-</u>
Child Support Enforcement	93.563	42700-401-0000070920		34,872	-
Child Support Enforcement	93.563	42700-401-0000083198		32,175	-
Child Support Enforcement	93.563	42700-401-0000070804		16,690	-
Child Support Enforcement	93.563	42700-401-0000083152		20,771	-
				<u>104,509</u>	<u>-</u>
Passed through the Department of Human Services and Atlanta Regional Commission:					
Special Programs for the Aging FY18-19	93.045	AG1908	*	2,714,819	2,524,271
Special Programs for the Aging FY19-20	93.045	AG2008	*	752,239	655,858
				<u>3,467,058</u>	<u>3,180,129</u>
Targeted Capacity Expansion - SAMHSA FY19	93.243	1H79T1082030-01		13,124	-
Peer Recovery Support Svcs Expansion Project FY18-19	93.243	6H79T1081170-01M001		127,728	60,644
Peer Recovery Support Svcs Expansion Project FY19-20	93.243	6H79T1081170-01M002		64,857	28,272
				<u>205,710</u>	<u>88,916</u>
Total U.S. Department of Health and Human Services				<u>33,100,017</u>	<u>29,045,371</u>
U.S. Department of Housing and Urban Development					
Direct Assistance:					
CDBG Cluster Programs:					
Community Development Block Grant	14.218	B-14-UC-13-0003	*	4,198	3,450
Community Development Block Grant	14.218	B-15-UC-13-0003	*	55,923	55,827
Community Development Block Grant	14.218	B-16-UC-13-0003	*	118,328	50,458
Community Development Block Grant	14.218	B-17-UC-13-0003	*	640,582	474,058
Community Development Block Grant	14.218	B-18-UC-13-0003	*	679,666	468,556
Community Development Block Grant	14.218	B-19-UC-13-0003	*	260,220	194,655
Total CDBG Cluster Programs				<u>1,758,917</u>	<u>1,247,003</u>
HOME Cluster Programs:					
Direct Assistance:					
HUD Home Projects	14.239	-	*	163,981	163,981
HOME 07	14.239	M-07-DC-13-0202	*	32,228	4,648
HOME 10	14.239	M-10-DC-13-0202	*	83,462	-
HOME 15	14.239	M-15-UC-13-0211	*	298,592	298,502
HOME 16	14.239	M-16-UC-13-0211	*	78,966	58,250
HOME 17	14.239	M-17-UC-13-0211	*	16,488	1,321
HOME 18	14.239	M-18-UC-13-0211	*	70,416	2,595
HOME 19	14.239	M-19-UC-13-0211	*	109,849	-
Total HOME Cluster Programs				<u>853,982</u>	<u>529,297</u>

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2019

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Emergency Shelter Cluster Programs:				
Direct Assistance:				
Emergency Solutions 2017	14.231	E-17-UC-13-0003	169,971	156,396
Emergency Solutions 2018	14.231	E-18-UC-13-0003	53,470	-
Total Emergency Shelter Cluster Programs			<u>223,442</u>	<u>156,396</u>
Continuum of Care Cluster Programs:				
Direct Assistance:				
Continuum of Care Coordinated Intake Grant FY 2017	14.267	GA0302L4B021702	159,093	122,940
Continuum of Care Coordinated Intake Grant FY 2018	14.267	GA0302L4B021803	34,364	23,880
Continuum of Care Planning Grant FY 2016	14.267	GA0337L4B021600	48,279	48,279
Continuum of Care Planning Grant FY 2017	14.267	GA0354L4B021700	33,246	5,000
Total Continuum of Care Cluster Programs			<u>274,981</u>	<u>200,099</u>
Total U.S. Department of Housing and Urban Development			<u>3,111,321</u>	<u>2,132,796</u>
U.S. Department of Justice				
Direct Assistance:				
Sexual Assault Kit Initiative (SAKI)	16.833	2018-AK-BX-0026	220,215	-
2016 Justice Assistance Grant	16.738	2016-DJ-BX-1045	38,668	-
BJA Body Worn Camera	16.835	2016-BC-BX-K104	6,480	-
Just and MH Collab - Stepping Up Engagement Team	16.745	2018-MO-BX-0041	17,669	-
Second Chance Act Initiative	16.812	2016-CZ-BX-0011	363,063	282,667
Youth Crime Prevention	16.812	2017-CZ-BX-0028	65,680	49,440
			<u>428,743</u>	<u>332,107</u>
Equitable Sharing Program-District Attorney's Office	16.922	GA060015A	46,477	-
Equitable Sharing Program-Police	16.922	GA0601300	29,515	-
Equitable Sharing Program-Sheriff	16.922	GA0600000	40,561	-
			<u>116,554</u>	<u>-</u>
Passed through the Georgia Criminal Justice Coordinating Council:				
Victim Witness Assistance	16.575	C17-8-171	142,430	-
Victim Witness Assistance	16.575	C18-8-264	36,461	-
Victim Witness Assistance	16.575	C17-8-171	237,070	-
Victim Witness Assistance	16.575	C18-8-264	75,870	-
Comp Advocate - VOCA	16.575	C17-8-170	138,575	-
Comp Advocate - VOCA	16.575	C18-8-263	43,766	-
Violence Against Women (VAWA)		W18-8-021	69,438	-
			<u>743,609</u>	<u>-</u>
Total U.S. Department of Justice			<u>1,571,938</u>	<u>332,107</u>
U.S. Department of Transportation				
Passed through the State of Georgia Department of Transportation:				
Airport Taxiway Improvements - RIM	20.106	AP018-9034-29(121)	1,307,573	-
Airport-North Terminal Apron Phase I	20.106	AP017-9031-28(121)	1,063,033	-
Airport-North Terminal Airfield Taxiway Phase 3	20.106	AP018-9034-29(121)	1,242,463	-
			<u>3,613,069</u>	<u>-</u>
Highway Planning and Construction -Old National Highway Sidewalks	20.205	CSSTP-0006-00(912) -T209	336,428	-
			<u>336,428</u>	<u>-</u>
Passed through the Governor's Office of Highway Safety:				
Public Safety Pedestrian and Bicycle Safety	20.616	GA-2019-405h FHX-008	5,089	-
Total Department of Transportation			<u>3,954,587</u>	<u>-</u>
U.S. Department of Labor				
Passed through the State of Georgia Department of Labor and				
WIOA Cluster Programs:				
Workforce Innovation and Opportunity Act-Adult FY 2017	17.258	R11-17-17-03-006	16,524	-
Workforce Innovation and Opportunity Act-Adult PY 2017	17.258	11-17-17-03-006	8,754	-
Workforce Innovation and Opportunity Act-Adult FY 2018	17.258	11-17-18-03-006	507,142	473,494
Workforce Innovation and Opportunity Act-Adult PY 2018	17.258	11-18-18-03-006	11,334	-

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2019

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Workforce Innovation and Opportunity Act-Adult FY 2019	17.258	11-18-19-03-006	630,339	432,029
Workforce Innovation and Opportunity Act-Adult PY 2019	17.258	11-19-19-03-006	5,762	-
Workforce Innovation and Opportunity Act-Adult PY 2020	17.258	11-19-20-03-006	32,909	-
			<u>1,212,763</u>	<u>905,523</u>
Workforce Innovation and Opportunity Act-Youth PY 2017	17.259	15-17-17-03-006	384,862	373,213
Workforce Innovation and Opportunity Act-Youth PY 2018	17.259	15-18-18-03-006	510,651	394,863
Workforce Innovation and Opportunity Act-Youth PY 2019	17.259	15-19-19-03-006	3,590	-
			<u>899,102</u>	<u>768,077</u>
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2017	17.278	R31-17-17-03-006	28,814	-
Workforce Innovation and Opportunity Act-Dislocated Worker PY 2017	17.278	36-17-17-03-006	53,472	52,922
Workforce Innovation and Opportunity Act-Dislocated Worker PY 2017	17.278	31-17-17-03-006	129,808	78,379
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2018	17.278	31-17-18-03-006	599,671	179,433
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2018	17.278	36-17-18-03-006	544,122	-
Workforce Innovation and Opportunity Act-Dislocated Worker PY 2018	17.278	31-18-18-03-006	97,454	95,892
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2019	17.278	31-18-19-03-006	178,363	48,521
Workforce Innovation and Opportunity Act-Dislocated Worker PY 2019	17.278	31-19-19-03-006	2,509	-
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2019	17.278	31-19-20-03-006	14,165	-
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2019	17.278	36-18-19-03-006	57,238	-
			<u>1,705,616</u>	<u>455,146</u>
Total Department of Labor-WIOA Cluster			<u>3,817,481</u>	<u>2,128,746</u>
National Endowment for the Arts:				
Promotion of the Arts-Our Town Program	45.024	1809786-42-18	38,451	38,451
Total National Endowment for the Arts			<u>38,451</u>	<u>38,451</u>
Total Federal Expenditures			<u>45,593,794</u>	<u>33,677,470</u>
State of Georgia				
Criminal Justice Coordinating Council:				
Juvenile Drug Court Operations 19-20	-	A20-8-028	5,618	-
CACJ Local Law Enforcement	-	K19-8-003	36,360	-
Juvenile Justice Incentive - Project Higher Hope	-	Y18-8-028	34,006	-
Juvenile Justice Incentive - Project Higher Hope	-	Y19-8-028	35,112	-
Drug Court Implementation	-	A19-8-012	35,690	-
Drug Court Implementation	-	A20-8-012	24,933	-
Family Drug Treatment	-	E18-8-005	30,774	-
Family Drug Court Operations	-	J19-8-103	36,734	-
Family Drug Court Operations	-	J20-8-112	6,980	-
Veterans Court	-	J20-8-091	116,974	-
Veterans Court	-	J19-8-091	102,508	-
Juvenile Drug Court Operations	-	A19-8-029	2,730	-
Juvenile Justice Incentive - Evidence Based	-	Y19-8-013	255,933	-
Mental Health Court	-	J20-8-067	172,361	-
Mental Health Court	-	J19-8-068	187,974	-
Adult Drug Court	-	J19-8-024	181,324	-
Adult Drug Court	-	J20-8-025	169,993	-
			<u>1,436,005</u>	<u>-</u>
Atlanta Regional Commission:				
ARC Innovative Mobility Options	-	AG19	50,001	-
			<u>50,001</u>	<u>-</u>
Office of Public Library Services:				
GPLS E-Rate Program	-	-	15,653	-
GPLS E-Rate Program	-	-	10,199	-
GPLS Library Public Access Computer	-	-	113,967	-
O Gilder Lehrman Institute - Revisiting the Founding Era	-	-	500	-
Operational Support	-	-	1,630,401	-
			<u>1,770,719</u>	<u>-</u>
Miscellaneous Grants:				
Department of BHDD - Georgia Apex Project	-	44100-906-0000117729	125,463	-
Department of BHDD - Comm Substance Abuse-Treatment Court	-	44100-263-0262020031	17,055	-
Department of BHDD - Comm Substance Abuse-Treatment Court	-	44100-263-0262019031	38,317	-
Department of BHDD - Permanent Supportive Housing Services	-	44100-263-0262020029	3,484	-
Administrative Office of the Courts-Juvenile Court Judges	-	-	360,927	-
Administrative Office of the Courts-Superior Court Judges	-	-	817,960	-

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2019

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Department of Community Affairs (GHFA)-Homeless Assistance Grant	-	-	7,334	-
Department of Community Affairs (GHFA)-Homeless Assistance Grant	-	-	34,180	-
Department of BHDD - Community Mental Health Services 18-19	-	44100-263-0262019029	18,446	-
			<u>1,423,166</u>	<u>-</u>
Total State Expenditures			<u>4,679,891</u>	<u>-</u>
Other Local Grants				
State Justice Institute - Technical Assistance	-	SJI-19-T-006	51,179	-
Juvenile Probation Assessment 17-19	-	SJI-17-T-207	55,000	-
Fulton-Dekalb Hospital Authority- Adolescent Intervention Project	-	-	3,200	-
FDHA Text-4-Help Intervention Project	-	-	23,500	-
Universal Service Admin Company(USAC) Library Support	-	-	91,787	-
Universal Service Admin Company(USAC) Library Support	-	-	141,179	-
ACCG - Georgia County Internship Program(Real Estate & Asset Management)	-	-	6,091	-
ACCG - Georgia County Internship Program(Information Technology)	-	-	3,079	-
NCSC - Civil Justice Initiative Implementation	-	SJI-16-P-231	4,718	-
People Partnering for Progress Gang Prevention Program	-	-	15,544	-
Friends of Benson, Inc.	-	-	1,191	-
U.S. Marshall-Fugitive Task Force	-	JLEO-18-0011	41,891	-
GBI-High Intensity Drug Trafficking Area Task Force(HIDTA)-Sheriff	-	*****	2,506	-
Total Other Local Grants			<u>440,865</u>	<u>-</u>
Total Federal, State, and Other Local Grant Expenditures			<u>50,714,550</u>	<u>33,677,470</u>

* Denotes major program.

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

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

DECEMBER 31, 2019

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. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 Uniform Guidance 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 2019 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 2019 under these grants remain subject to audit by either the grantor agency or its representatives within the limitations of the appropriate circulars.

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 GRANT PROGRAMS

Grant revenue received from the State of Georgia for various public, physical, behavioral health programs, as well as transportation programs may include a combination of both Federal and State awards. In these instances, estimates of the federal grant allocations have been provided to the County. The Schedule of Expenditures of Federal, State and Other Local Awards reflect the combination of both Federal and State grant expenditures related to these programs.

FULTON COUNTY, GEORGIA

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

DECEMBER 31, 2019

NOTE 3 - *SUBRECIPIENTS*

In accordance with the Uniform Guidance, 2 CFR Part 200 Subpart F, program funds passed through to subrecipient organizations are included on the Schedule of Expenditures of Federal, State, and Other Local Awards as “Payments to Subrecipients”.

NOTE 4 – *INDIRECT COST RATE*

The 10% de minimus cost rate isn't used on programs presented on the schedule. Fulton County claims indirect cost, where applicable, using a plan rate developed in accordance with the required OMB Circular.

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal
Awards Required by the Uniform Guidance**

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 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, 2019. 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.

The County's basic financial statements include the operations of the Fulton County Board of Health, which expended approximately \$10,594,818 in federal awards which is not included in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2019. Our audit, described below, did not include the operations of the Fulton County Board of Health because they engaged other auditors to perform an audit in accordance with 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).

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Community Development Block Grant

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding CFDA No. 14.218 Community Development Block Grant as described in finding *2019-01* for Program Income. Compliance with such a requirement is necessary, in our opinion, for the County to comply with the requirements applicable to this program.

Qualified Opinion on Community Development Block Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Community Development Block Grant for the year ended December 31, 2019.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items *2019-002* through *2019-003*. 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 schedule of findings and questioned costs. 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-002 through 2019-003 to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 7, 2020, which contained an unmodified opinion on those financial statements. We have not performed any additional procedures with respect to the audited financial statements subsequent to September 7, 2020. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

PSC Group, LLC

Atlanta, Georgia
November 16, 2020

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes
- Significant deficiency identified that are not considered to be material weaknesses? Yes

Type of auditor's report issued on compliance for each major program:

	CFDA No.	Type of Report
Community Development Block Grant and Neighborhood Stabilization Program Cluster	14.218	Qualified
HOME Investment Partnerships Program	14.239	Unmodified
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	Unmodified
HIV Emergency Relief Grant Program	93.914	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): Yes

Dollar threshold used to distinguish between type A and type B programs: \$ 1,367,814

Auditee qualified as low-risk auditee: No

II. FINANCIAL STATEMENT FINDINGS

No financial statement findings noted.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2019-001

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 determined that the loan origination and servicing system was not being utilized to track and maintain active loans during 2019. Sufficient documentation showing receipt of program income was not provided for 7 out of 8 active borrowers during 2019. Furthermore, the County was also unable to provide sufficient documentation related to loan collection efforts with the borrower.

Cause and Effect:

The County did not ensure program income was properly tracked and that the loan origination and servicing system was being utilized to maintain the information.

Questioned Cost:

None

Identification of Whether The Audit Finding Was A Repeat of A Finding in The Immediately prior Audit:

A similar finding was reported in the prior year's audit as finding number 2018-002.

Recommendation:

We recommend that the County utilize its Business Improvement Loan Program "BILP" loan origination and servicing system. Management should also perform a periodic review of the active loans within the loan origination and servicing system to ensure that all information has been properly recorded and active loans are being properly managed and serviced.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

View of Responsible Officials:

Management concurs with the audit finding. In consultation with HUD and the County Attorney's Office, the department is establishing a Loan Collection Policy that will establish the criteria and procedures to be followed to designate a CDBG Business Improvement loan as uncollectible for write-off in accordance with HUD Regulations. Upon HUD approval process, the department will dissolve the BILP portfolio the end of 2021.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Finding No. 2019-002

Subrecipient Monitoring

U.S. Department of Housing and Urban Development

Home Investment Partnerships Program– CFDA #14.239

Criterion:

A pass-through entity is responsible for monitoring the subrecipient’s use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The pass-through entity is also responsible for ensuring that performance goals are achieved.

Condition:

During our review of the program’s only subrecipient, we noted that sufficient monitoring was not performed during the contract period. We further note that the single audit report was not obtained and reviewed by management. Sufficient monitoring would include on-site visits and ensuring the subrecipient tracked the program’s progress with program objectives and program requirements as listed in the subrecipient’s contract.

Cause and Effect:

The County lacks the necessary levels of controls to ensure that monitoring of subrecipients is occurring during the contract period. As a result, the subrecipient was not properly monitored, and therefore management is not in compliance with subrecipient monitoring requirements.

Questioned Cost:

None

Recommendation:

The County should strengthen its internal controls to ensure subrecipients are monitored during their contract period to ensure compliance with federal program requirements.

View of Responsible Officials:

Management concurs with the audit finding. The department has a waiver from HUD for the 2020 subrecipient monitoring due to COVID-19 constraints. They are, however, developing an internal policy and process to ensure that all subrecipients are monitor during 2021 in accordance to compliance guidelines.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Finding No. 2019-003

Subrecipient Monitoring

U.S. Department of Health and Human Services

Special Programs for the Aging-Title III, Part C-Nutrition Services – CFDA #93.045

Criterion:

A pass-through entity is responsible for monitoring the subrecipient’s use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The pass-through entity is also responsible for ensuring that performance goals are achieved.

Condition:

During our review of seven subrecipients, we noted that sufficient monitoring was not performed for one subrecipient during the contract period. Sufficient monitoring would include on-site visits and ensuring the subrecipient tracked the program’s progress with program objectives and program requirements as listed in the subrecipient’s contract.

Cause and Effect:

The County lacks the necessary levels of controls to ensure that monitoring of subrecipients is occurring during the contract period. As a result, the subrecipient was not properly monitored, and therefore management is not in compliance with subrecipient monitoring requirements.

Questioned Cost:

None

Recommendation:

The County should strengthen its internal controls to ensure subrecipients are monitored during their contract period to ensure compliance with federal program requirements.

View of Responsible Officials:

Management concurs with the audit finding. The Department of Senior Services will employ the Division Manager and a designated staff member from our Nutrition Services unit to begin monitoring and provide on-site visits commencing the week of November 16, 2020 and provide a final report prior to December 31, 2020 for FY20 Monitoring requirement.