

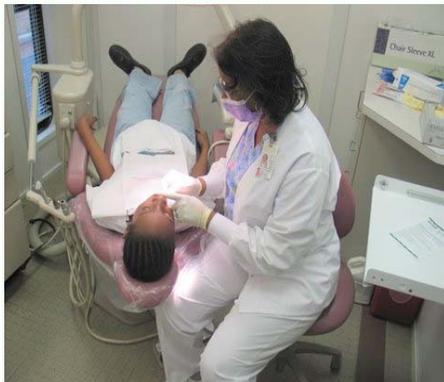


FULTON COUNTY, GEORGIA

SINGLE AUDIT REPORT

December 31, 2009

(Prepared under Auditor's Thereon)



FULTON COUNTY, GEORGIA

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

December 31, 2009

FULTON COUNTY, GEORGIA

SINGLE AUDIT – OMB A-133 COMPLIANCE REPORTS

DECEMBER 31, 2009

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**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***

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 Members of the Board of Commissioners
Fulton County, Georgia:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fulton County, Georgia (“the County”) as of and for the year ended December 31, 2009, which collectively comprise the County’s basic financial statements and have issued our report thereon dated October 25, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, we considered the County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 2009-1 through 2009-5. A *significant deficiency* is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the County in a separate letter dated October 25, 2010.

The County's response to the findings identified in our audit is described in the accompanying schedule of finding and questioned costs. We did not audit the County's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the County, 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.

PJK Group, LLC

October 25, 2010

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

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<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-Minority AIDS Initiative	93.914	5H3MHA08420-02-00	1,050,226
HIV	93.914	6H89HA00007-18-01	11,014,002
HIV-Minority AIDS Initiative	93.914	5H3MHA08420-03-00	8,468
HIV	93.914	6H89HA00007-19-01	7,826,938
			<u>19,899,634</u>
Passed through the Department of Human Resources:			
Children 1st Initiative	93.778	FY 2010	125,227
Children 1st Initiative	93.778	427-93-09090060-88	239,095
EPSDT	93.778	FY2010	132,622
EPSDT	93.778	427-93-09090060-88	99,703
Teen Plus Outreach	93.778	427-93-09090060-88	20,952
			<u>617,599</u>
H1N1 Phase III - Mass Vaccine implementation	93.069	FY2010	28,066
H1N1 Phase I Focus Area 1 - Planning and Preparation	93.069	FY2010	23,150
			<u>51,216</u>
TB Comprehensive Clinical - TB Course	93.116	FY2010	1,235
TB Incentives & Enablers	93.116	FY2010	10,000
			<u>11,235</u>
Children Medical	93.994	FY2010	184,009
Children Medical	93.994	427-93-09090060-88	289,308
			<u>473,317</u>
Therapeutic Summer Program	93.558	427-93-09091212-99	56,195
Mental Health, Developmental Disabilities, and Addictive Diseases-TANF	93.558	427-93-933062	38,900
Mental Health, Developmental Disabilities, and Addictive Diseases-TANF	93.558	441-93-1033-069	8,878
Family Planning	93.558	FY2010	314,967
Family Planning	93.558	427-93-09090060-88	236,040
Teen Initiative	93.558	FY2010	135,016
Teen Initiative	93.558	427-93-09090060-88	135,868
Youth Development	93.558	FY2010	31,358
Youth Development	93.558	427-93-09090060-88	36,830
Teen Pregnancy Prevention	93.558	FY2010	248,707
Teen Pregnancy Prevention	93.558	427-93-09090060-88	223,921
			<u>1,466,680</u>
Immunization	93.268	FY2010	63,085
Immunization	93.268	427-93-09090060-88	75,247
			<u>138,332</u>
Comprehensive HIV/STD	93.940	FY2010	150,882
Comprehensive HIV/STD	93.940	427-93-09090060-88	174,259
HIV Prevention Initiative	93.940	FY2010	29,167
HIV Prevention Initiative	93.940	427-93-09090060-88	32,747
			<u>387,055</u>
Mental Health, Developmental Disabilities, and Addictive Diseases	93.958	427-93-737053	36,663
Mental Health, Developmental Disabilities, and Addictive Diseases	93.958	427-93-933058	18,956
			<u>55,619</u>

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	427-93-933058	113,696
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1033068	84,617
MH/DD/AD-Ready for Work Outpatient SAPT	93.959	427-93-933062	6,117
HIV Early Intervention	93.959	441-93-1033063	169,797
HIV Early Intervention	93.959	427-93-933065	167,584
			<u>541,811</u>
Child Support Recovery	93.563	42700-401-3000	122,334
Child Support Recovery	93.563	427-93-0909389-99	125,015
Child Support Enforcement	93.563	427-93-08081478-99	45,745
Child Support Enforcement	93.563	42700-401-3036	45,045
Child Support Enforcement	93.563	427-93-09090388-99	35,527
Child Support Enforcement	93.563	42700-401-3208	11,421
			<u>385,087</u>
MH/DD/AD-MR Community Services	93.667	427-93-933058	460,542
MH/DD/AD-MR Community Services	93.667	441-93-1033068	300,107
			<u>760,649</u>
Passed through the Department of Human Resources and Atlanta Regional Commission:			
Older Americans Act	93.045*	AG0911	2,039,007
Older Americans Act	93.045*	AG1009	1,299,659
			<u>3,338,666</u>
Passed through the Department of Human Resources:			
Tobacco Mini Grant	93.283	427-93-08080060-88	45,525
BT Emergency Preparedness	93.283	FY2010	213,166
BT Emergency Preparedness	93.283	427-93-09090060-88	168,633
Bioterrorism Preparedness Response	93.283	FY2010	47,451
Bioterrorism Preparedness Response	93.283	427-93-09090060-88	25,250
Breastest and More	93.283	FY2010	32,747
Breastest and More	93.283	427-93-09090060-88	43,828
			<u>576,600</u>
Passed through the Centers for Disease Control and Prevention:			
Morehouse School of Medicine-SUCCEED Project	93.283	1-U58-DP-000984-02	60,633
Morehouse School of Medicine-SUCCEED Project	93.283	1-U58-DP-000984-01	3,026
			<u>640,259</u>
Passed through the Substance Abuse and Mental Health Services Administration:			
Project Excell	93.243	1H79TI1019647-01	79,140
Jail Diversion Program	93.243	1H79SM058586-01	55,341
			<u>134,481</u>
Total U.S. Department of Health and Human Services			<u>28,901,640</u>
U.S. Department of Housing and Urban Development			
Direct Assistance:			
CDBG Cluster Programs:			
ARRA-Community Development Block Grant	14.253*	B-09-UY-13-0003	209,247
HERA-Neighborhood Stabilization Program (NSP1)	14.218*	B-08-UN-13-0004	69,160
Community Development Block Grant	14.218*	B02UC130003	229
Community Development Block Grant	14.218*	B03UC130003	19,932

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Community Development Block Grant	14.218*	B04UC130003	181,591
Community Development Block Grant	14.218*	B05UC130003	108,122
Community Development Block Grant	14.218*	B06UC130003	244,542
Community Development Block Grant	14.218*	B07UC130003	576,525
Community Development Block Grant	14.218*	B08UC130003	833,321
Community Development Block Grant	14.218*	B09UC130003	821,242
			<u>2,854,664</u>
Total CDBG Cluster Programs			<u>3,063,911</u>
Transitional Housing-Supportive Services	14.235*	GA0020B4B000801	172,253
Transitional Housing-Operating Services	14.235*	GA0020B4B000801	45,356
Transitional Housing-Administration	14.235*	GA01B700013	17,782
Transitional Housing-Supportive Services	14.235*	GA01B700013	351,476
Transitional Housing-Operating Services	14.235*	GA01B700013	209,949
Supportive Housing-Administration	14.235*	GA01B700023	3,462
Supportive Housing	14.235*	GA01B700023	686,303
Supportive Housing	14.235*	GA0019B4B000801	187,440
			<u>1,674,021</u>
HOME 02	14.239	M-02-DC-13-0202	106,552
HOME 03	14.239	M-03-DC-13-0202	426,913
HOME 04	14.239	M-04-DC-13-0202	6,114
HOME 05	14.239	M-05-DC-13-0202	618
HOME 06	14.239	M-06-DC-13-0202	151,068
HOME 07	14.239	M-07-DC-13-0202	47,521
HOME 08 -Program Income	14.239	-	108,919
			<u>847,705</u>
Emergency Shelter Cluster Programs:			
Direct Assistance:			
ARRA-Homelessness Prevention and Rapid Re-Housing Program	14.257*	S-09-UY-13-0010	<u>590,463</u>
Passed through Department of Community Affairs:			
Emergency Shelter	14.231	200808EEO08C018	12,428
Emergency Shelter	14.231	S-08-UC-13-0010	20,858
Emergency Shelter	14.231	S-09-UC-13-0010	58,774
			<u>92,060</u>
Total Emergency Shelter Cluster Programs			<u>682,523</u>
Total U.S. Department of Housing and Urban Development			<u>6,268,160</u>
U.S. Department of Justice			
Direct Assistance:			
ARRA- FY 2009 Recovery Act JAG-Backlog Elimination Program	16.804	2009-SB-B9-1100	268,449
ARRA- FY 2009 Recovery Act JAG -Information Network System	16.804	2009-SB-B9-1100	161,068
			<u>429,517</u>
Justice Assistance Grant	16.738	2006-DJ-BX-0616	9,795
Justice Assistance Grant	16.738	2007-DJ-BX-0307	200,345
Justice Assistance Grant	16.738	2008-DJ-BX-0363	26,054
			<u>236,194</u>
COPS-Technology	16.710	2005-CK-WX-0294	<u>39,612</u>

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Solving Cold Case	16.560	2005-DN-BX-K017	<u>162,874</u>
Passed through the Georgia Criminal Justice Coordinating Council:			
Victim Witness Assistance	16.575	C07-8-182	167,906
Victim Witness Assistance	16.575	C09-8-065	<u>30,012</u>
			<u>197,918</u>
ARRA -Violence Against Women	16.588	W82-8-023	<u>7,782</u>
Project Safe Neighborhood	16.579	P07-8-004	46,961
Project Safe Neighborhood	16.579	P03-8-010	<u>24,837</u>
			<u>71,798</u>
Passed through the Governor's Office for Children and Families:			
GED Preparatory Program	16.523	06B-FM-0002	11,798
GED Preparatory Program	16.523	JB-07FM-005	6,102
Disproportionate Minority Contact	16.523	05B-CM-0007	93,404
Disproportionate Minority Contact	16.523	JB-08CM-001	7,498
Juvenile Offenders Program	16.523	06B-ST-0001	<u>10,560</u>
			<u>129,362</u>
Literacy Enhancement Program	16.540	07J-12-09-0008	<u>22,061</u>
Total U.S. Department of Justice			<u>1,297,118</u>
U.S. Department of Agriculture			
Passed through the Georgia Department of Human Resources:			
WIC	10.557*	FY2010	1,246,651
WIC	10.557*	427-93-09090060-88	<u>1,423,773</u>
Total U.S. Department of Agriculture			<u>2,670,424</u>
U.S. Department of Education			
Passed through the Georgia Department of Human Resources:			
Early Intervention Coordinator	84.181	FY2010	96,186
Early Intervention Coordinator	84.181	427-93-09090060-88	174,660
Early Intervention Family Support	84.181	FY2010	301,119
Early Intervention Family Support	84.181	427-93-09090060-88	345,238
Early Intervention Case Management	84.181	FY2010	300,272
Early Intervention Case Management	84.181	427-93-09090060-88	279,353
Early Intervention Evaluation and Assessment	84.181	FY2010	64,748
Early Intervention Evaluation and Assessment	84.181	427-93-09090060-88	<u>92,026</u>
Total U.S. Department of Education			<u>1,653,602</u>
U.S. Department of Transportation			
Direct Assistance:			
Rehab Taxiways	20.106	3-13-0007-022	1,233,529
Runway Rehab 8-26 Phase I	20.106	3-13-0007-021	<u>351,384</u>
			<u>1,584,913</u>
Passed through the State of Georgia Department of Transportation	20.205	N/A	<u>557,376</u>
Total U.S. Department of Transportation			<u>2,142,289</u>

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
U.S. Department of Labor			
Direct Assistance:			
WIA Cluster Programs:			
ARRA-Workforce Investment Act-Adult FY 2009	17.258*	32-09-11-03-006	120,782
Harkins Adult Program	17.258*	13-07-11-03-006	451
Workforce Investment Act-Adult FY 2008	17.258*	11-08-11-03-006	75,000
Workforce Investment Act-Adult FY 2009	17.258*	11-09-11-03-006	170,591
Workforce Investment Act-Adult PY 2009	17.258*	10-09-11-03-006	76,898
Workforce Investment Act-Adult FY 2010	17.258*	11-10-11-03-006	156,939
			<u>600,661</u>
ARRA-Workforce Investment Act-Youth FY 2009	17.259*	33-09-11-03-006	523,966
Workforce Investment Act-Youth PY 2008	17.259*	15-08-11-03-006	183,279
Workforce Investment Act-Youth PY 2009	17.259*	15-09-11-03-006	141,858
			<u>849,103</u>
ARRA-Workforce Investment Act-Dislocated Worker FY 2009	17.260*	34-09-11-03-006	329,788
Rapid Response Program	17.260*	43-08-11-03-006	137,690
Workforce Investment Act-Dislocated Worker PY 2008	17.260*	30-08-11-03-006	4,652
Workforce Investment Act-Dislocated Worker FY 2009	17.260*	31-09-11-03-006	410,917
Workforce Investment Act-Dislocated Worker PY 2009	17.260*	30-09-11-03-006	276,274
Workforce Investment Act-Dislocated Worker FY 2010	17.260*	31-10-11-03-006	380,718
			<u>1,540,039</u>
Total WIA Cluster Programs			<u>2,989,803</u>
Total U.S. Department of Labor			<u>2,989,803</u>
National Endowment for the Humanities			
Direct Assistance:			
Margaret Mitchell Collection	45.149	PG-50454-09	5,789
			<u>5,789</u>
Passed through the Georgia Humanities Council:			
Ashley Bryan Grant	45.129	2007-084G	5,000
Hosea Williams Collection	45.129	GHC-2007-057G	1,000
			<u>6,000</u>
Total National Endowment for the Humanities			<u>11,789</u>
Institute of Museum and Library Services			
Passed through the Georgia Office of Public Library Services			
Prime Time Reading Program	45.310	119-753107	2,670
Total Institute of Museum and Library Services			<u>2,670</u>
Department of Homeland Security			
Passed through the United Way of Metro Atlanta:			
ARRA -Emergency Food and Shelter Program	97.114	-	17,932
Emergency Food and Shelter Program	97.024	174000-069	14,119
Emergency Food and Shelter Program	97.024	26-1740-00-069-E1	12
			<u>14,131</u>

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Passed through the Georgia Emergency Management Agency:			
Law Enforcement Terrorism Prevention Program	97.067	2007-GE-T7-0054	163,777
Urban Area Security Initiative	97.067	2006-GE-T6-0066	1,182,684
			<u>1,346,461</u>
Total Department of Homeland Security			<u>1,378,524</u>
Total Federal Expenditures			<u>47,316,019</u>
State of Georgia			
Department of Human Resources:			
Public Health	-	427-93-09090060-88	13,029,896
Public Health	-	FY2010	15,096,001
EPI Capacity	-	427-93-09090060-88	37,117
EPI Capacity	-	FY2010	23,481
STD Data Entry	-	427-93-09090060-88	12,799
STD Data Entry	-	FY2010	11,264
High-Risk Maternal	-	427-93-09090060-88	5,710
High-Risk Maternal	-	FY2010	76,870
District Cadre	-	427-93-09090060-88	136,352
District Cadre	-	FY2010	132,866
Infant Vitality	-	427-93-09090060-88	331,282
Infant Vitality	-	FY2010	336,794
Directly Observed Therapy	-	427-93-09090060-88	74,236
Directly Observed Therapy	-	FY2010	39,514
TB Case Management	-	427-93-09090060-88	81,911
Breast/Cervical Cancer	-	427-93-09090060-88	56,789
Breast/Cervical Cancer	-	FY2010	21,741
Dental Supplies	-	FY2010	7,125
Chronic Disease Prevention	-	427-93-09090060-88	158,156
Chronic Disease Prevention	-	FY2010	26,667
Hearing Screening Equipment	-	427-93-09090060-88	19,404
Hearing Screening Equipment	-	FY2010	195
State Cervical Cancer	-	427-93-09090060-88	63,000
Children First Care Support	-	FY2010	54
TB Fulton Co Outbreak Response	-	FY2010	20,211
FC House Ballroom Community	-	FY2010	17,340
TB Shelter A-FC Outbreak and Response	-	FY2010	16,951
Community Substance Abuse	-	427-93-933070	45,000
			<u>29,878,726</u>
Georgia Board of Public Safety:			
Public Safety Training Center	-	-	<u>262,058</u>
Office of Planning and Budget:			
Pass through the Georgia Council for the Arts:			
Grassroots Art Program	-	FY09-41-2434	25,723
Organizational Program	-	FY09-41-2278	66,820
Organizational Program	-	FY10-41-2583	2,499
			<u>95,042</u>
Department of Technical and Adult Education:			
Library-GED Testing	-	GED20875	1,198
Library-GED Testing	-	GED23687	21,174
Library-GED Testing	-	GED26526	5,926
			<u>28,298</u>

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2009

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>
Office of Public Library Services Operational Support	-	-	<u>1,127,586</u>
Department of Juvenile Justice Medicaid Target Case Management	-	461-93-070118	<u>14,829</u>
Miscellaneous Grants:			
Georgia Emergency Management Agency-Tornado 2008	-	-	80,048
Georgia Council of Superior Court Judges	-	-	18,590
Judicial Council of Georgia-Drug Court Implementation	-	-	13,682
Judicial Council of Georgia-Family Drug Court Operatons	-	24305	15,185
Administrative Office of the Courts-Drug Court Enhancement	-	-	21,409
Administrative Office of the Courts-Adult Felony Enhancement Grant	-	-	108
Administrative Office of the Courts-Juvenile Court Judges	-	-	189,332
Administrative Office of the Courts-Superior Court Judges	-	-	813,519
Office of the Secretary of State - Help America Vote Program	-	2008-03	<u>45,761</u>
			<u>1,197,634</u>
Total State Expenditures			<u>32,604,173</u>
Other Local Grants			
GILEAD Sciences, Inc.	-	N/A	2,559
CAEAR Foundation/Health Services Planning Council	-	N/A	1,863
GA Association of CSB, Inc.	-	N/A	1,974
Friends of Benson, Inc.	-	N/A	3,448
FBI-Joint Terrace Task Force	-	315MAT-C83995	14,255
U.S. Marshall-Fugitive Task Force-Police	-	FATF-10-0011	1,376
U.S. Marshall-Fugitive Task Force-Police	-	FATF-09-0011	8,369
U.S. Marshall-Fugitive Task Force-Sheriff	-	FATF-08-0019	37,440
U.S. Marshall-Fugitive Task Force-Marshall	-	FATF-10-0153	4,294
U.S. Marshall-Fugitive Task Force-Marshall	-	FATF-09-0153	8,952
GBI-High Intensity Drug Area Task Force	-	N/A	13,046
Fireman's Fund Insurance	-	-	8,007
American Libraries Association	-	-	1,200
Atlanta-Fulton Library Foundation	-	-	21,170
Gates Foundation	-	-	180
American Cancer Society	-	-	1,493
Bristol-Myers Squibb	-	-	<u>10,000</u>
Total Other Local Grants			<u>139,626</u>
Total Federal, State, and Other Local Grant Expenditures			<u>\$ 80,059,818</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, 2009

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 2009 transactions have not been presented herein. The majority of these programs has completed their program activities but may not have been officially closed out. Grant revenues and expenditures incurred prior to 2009 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 PROGRAM

Economic Development Agency ("EDA") Program provides loans to promote the development and expansion of small businesses in Fulton County, Georgia. There were no disbursements of loans during 2009. The outstanding balance of these revolving loans at December 31, 2009 was \$472,732.

FULTON COUNTY, GEORGIA

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

DECEMBER 31, 2009

NOTE 4 - SUBRECIPIENTS

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

Program	Amount
Community Development Block Grant - CFDA # 14.218	
City of Alpharetta	\$ 57,171
City of College Park	222,000
City of East Point	802
City of Hapeville	174,844
City of Roswell	547,200
Union City	110,000
Africa's Children Fund	20,000
Atlanta Enterprise Center	15,000
Cooperative Resource Center	2,918
Council on Aging	20,000
Economic Development Corp of Fulton County	70,000
Families First	15,000
Find A Way Home (aka AHMEN Housing)	11,889
Fulton County Health Department	10,000
Fulton County Library	13,649
Fulton County Workforce Development	85,809
Marcus Jewish Center	12,254
Metro Fair Housing	40,425
North Fulton Charities	80,000
Partnership Against Domestic Violence	20,000
Quality Living Services	10,000
Senior Services North Fulton	10,000
Tapestry Youth Ministry	20,000
Teens at Work	55,000
Trinity Care, Inc.	20,000
Young Adult Guidance Center (YAGC)	52,256
Women's Economic Development Agency (WEDA)	4,867
	<u>\$ 1,701,084</u>

FULTON COUNTY, GEORGIA

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

DECEMBER 31, 2009

Program	Amount
HIV- Ryan White Program - CFDA # 93.914	
Grady Hospital	8,001,408
DeKalb Board of Health	853,930
Fulton County Health Department	2,838,693
Crawford Long-Ryan White Care	801,698
AID Atlanta	2,245,677
Project Open Hand	829,923
Positive Impact, Inc.	831,597
St. Joseph's Mercy Care	764,174
Atlanta Legal Aid	101,469
Cobb Board of Health	466,489
AID Gwinnett	715,606
Grady ADAP	273,604
Emory Quality Management	178,486
Clarke County Board of Health	45,775
Aids Alliance for Faith and Health, Inc.	26,652
HOPE through divine Intervention	32,093
Integrated Life Center	42,223
Aniz, Inc.	19,770
Southern Crescent HIV Center	14,402
	<u>\$ 19,083,669</u>

Older Americans - CFDA # 93.045

South Fulton Senior Services	\$ 234,776
Senior Services North Fulton	267,492
State of Georgia Department of Human Resources	456,344
Senior Citizens Services of Metro Atlanta	72,054
Visions Adult Day Health, Inc.	100,740
Fulton County Senior Collaborative	539,928
Project Open Hand/Atlanta, Inc.	484,376
Alpha Nursing Services	149,082
	<u>\$ 2,304,792</u>

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

**Report on Compliance with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

To the Members of the Board of Commissioners
Fulton County, Georgia:

Compliance

We have audited the compliance of Fulton County, Georgia (“the County”) with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County’s management. Our responsibility is to express an opinion on the County’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of the County’s compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with

those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-01 through 2009-05.

Internal Control Over Compliance

The Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in the internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2009-01 through 2009-05. A significant deficiency in internal control over compliance is a deficiency, or 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.

Schedule of Expenditures of Federal, State and Other Local Grant Awards

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, 2009, and have issued our report thereon dated October 25, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements.

The accompanying schedule of expenditures of federal, state and other local grant 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

October 25, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
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 auditors' report issued on compliance for major programs:	Unqualified
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:

- 14.253 – ARRA-Community Development Block Grant
- 14.218 – Community Development Block Grant
- 14.235 – Transitional Housing/Supportive Housing
- 14.257 – ARRA-Homelessness Prevention and Rapid Re-Housing Program
- 10.557 – Nutrition Program for Women Infants and Children (WIC)
- 17.258 – Workforce Investment Act (Cluster - Adult Program)
- 17.259 – Workforce Investment Act (Cluster - Youth Program)
- 17.260 – Workforce Investment Act (Cluster - Dislocated Worker Program)
- 93.045 – Special Programs for the Aging – Older Americans Act

Dollar threshold used to distinguish between type A and type B programs:	\$1,419,446
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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, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2009-1

Matching, Level of Effort and Earmarking – Earmarking and Reporting

Community Development Block Grant – CFDA 14.218

Criterion:

Not more than 20 percent of the total CDBG grant plus 20 percent of program income received during a program year, may be obligated during that year for planning and program administrative costs as outlined in 24 CFR Section 570.200.

Condition:

The County's C04PR26 Financial Summary Report shows the total percentage for planning and administration cost as 15.91 percent. The calculated percentage should be 20.36 percent, which is in excess of the allowable percentage. In addition, we noted that required information for specific line items were also omitted and/or entered incorrectly.

Cause:

The County's lack of a systematic process to ensure reports are reviewed for accuracy resulted in the incorrect program income amount used to calculate planning and administrative costs percentage and specific line items being omitted and/or entered incorrectly. The financial information submitted did not provide an accurate account of program activities as of December 31, 2009.

Questioned Cost:

None.

Recommendation:

We recommend that the County strengthen its procedures for tracking the planning and administration costs on a monthly basis and review the CO4PR26 Financial Summary Report for accuracy.

Management Response:

Management concurs with audit finding.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Finding No. 2009-2

Program Income

Community Development Block Grant – CFDA 14.218

Criterion:

Determine whether the program income was properly calculated in accordance with the stated criteria.

Condition:

Per review of the Revenue Budget Summary, total program income recorded in the financial system is \$88,545. Per review of the Loan Management System (LMS) the total program income is \$80,662. No reconciliation had been performed to determine which amount was correct.

Cause:

The County lacks a systematic check and balance system to ensure that all revenue received is properly captured in LMS and recorded in the financial system.

Questioned Cost:

Not determinable.

Recommendation:

The County should perform a reconciliation of the LMS and financial system to determine the amount of program income as of 12/31/09.

Management Response:

Management concurs with audit finding.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Finding No. 2009-3

Subrecipient Monitoring

Specials Programs for the Aging Grant (Older Americans Act) – CFDA 93.045

Criterion:

Subrecipients are to be monitored during the award period through reporting, site visits, regular contact or other means to provide reasonable assure that federal awards are administered in compliance with federal requirements.

Condition:

Required monitoring of all subrecipients of the Older Americans program was not completed as required. Monitoring was performed for three out of 14 Senior Centers' congregant meal programs. We noted no evidence of reviews was being performed for In-Home Services, Home-Delivered Meals, Transportation Services or Adult Day Care.

Cause:

Management indicated that this is a result of staff turnover during the year. As a result, the subrecipient monitoring was not performed timely.

Questioned Cost:

None.

Recommendation:

We recommend that the County perform the required monitoring on a regular basis to assure that federal awards are administered as required by 45 CFR Section 1321.65.

Management Response:

Management concurs with audit finding.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Finding No. 2009-4

Equipment and Real Property Management

Nutrition Program for Women, Infants and Children Grant (WIC) – CFDA 10.557

Criterion:

Property records shall be maintained accurately and shall include: description, acquisition date, location, property decal number etc. A physical inventory of property shall be taken and reconciled to the property records once every two years.

Condition

Our review of the program's equipment, determined that four items that were on-site at various locations were not included in the State's online inventory system as required. One item on hand had a different tag number than what was noted on the inventory listing and one item was not at the assigned location.

Cause:

The County did not perform a periodic review and reconciliation of the physical inventory to the State's inventory listing.

Questioned Cost:

None.

Recommendation:

We recommend that the County reconcile the physical inventory to the State's inventory system and perform a periodic review of inventory tags and location of items to ensure that all equipment is properly accounted for.

Management Response:

Management concurs with audit finding.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

Finding No. 2009-5

Activities Allowed or Unallowed

Transitional Housing/Supportive Housing – CFDA 14.235

Criterion:

Grants may be used for acquiring structures, rehabilitating structures, acquiring and rehabilitating structures, new construction, leasing, operating costs for supportive housing, and supportive services as described in 24 CFR sections 583.105 through 583.125.

Condition:

The County did not maintain proper supporting documentation for 45 out of 70 expenditures and/or purchasing card transactions tested. We noted instances in which there was no evidence of items being received, items being shipped to locations other than County sites and in some cases items purchased seemed to be supported with altered invoices.

Cause:

The County lacks a systematic process to ensure that items purchased and/or ordered were actually requested and/or received. As a result, invoices were submitted for payment that did not properly reflect actual expenditures of the County.

Questioned Cost: \$34,406.86

Recommendation:

We recommend that the County strengthen its procurement policies and procedures to ensure that all purchases are properly approved and reviewed. We also recommend that proper supporting documentation and proof of receipt of goods are maintained.

Management Response:

Management concurs with audit finding.