

SINGLE AUDIT REPORT

FULTON COUNTY, GEORGIA

YEAR ENDED DECEMBER 31, 2017

Prepared Under Auditor's Report Thereon



FULTON COUNTY, GEORGIA

Single Audit

(With Independent Auditor's Report Thereon)

December 31, 2017

FULTON COUNTY, GEORGIA

SINGLE AUDIT

DECEMBER 31, 2017

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	3-7
Notes to the Schedule of Expenditures of Federal, State and Other Local Grant Awards	8-9
Report Required By the Uniform Guidance:	
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	10-13
Schedule of Findings and Questioned Costs	14-16
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***

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 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, 2017, 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 15, 2018. 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.

PJC Group, LLC

Atlanta, Georgia
June 15, 2018

FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2017

<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 H9HA00007-26-02	9,925,541	9,319,157
HIV Emergency Relief Grant Program	93.914	6 H9HA00007-26-02	15,905,755	15,105,606
			<u>25,831,296</u>	<u>24,424,763</u>
FDA-Risk Based Inspection Program	93.103	R-MP-1611-04289	12,366	-
FDA-Regional Food Seminar	93.103	G-T-1611-04073	1,351	-
			<u>13,717</u>	<u>-</u>
Passed through the Georgia Department of Public Health:				
Georgia STD AAPPs Project	93.977	FY 2016	13,264	-
Breast and Cervical Cancer	93.752	FY 2016	55,887	-
Outpatient UNHSI/Audiology Support	93.994	FY 2016	27,740	-
FP District Cadre Position Alignment	93.994	FY 2016	30,150	-
Children Medical	93.994	FY 2016	163,126	-
			<u>221,016</u>	<u>-</u>
Family Planning	93.558	FY 2016	249,748	-
Youth Development	93.558	FY 2016	55,847	-
			<u>305,595</u>	<u>-</u>
Personal Responsibility Education Program (PREP)	93.092	FY2016	12,381	-
Antibiotic Resistant Gonorrhea Laboratory Technologist	93.323	FY 2016	7,914	-
Immunization Action Plan	93.539	FY 2016	309,117	-
BPI-5 Cities Readiness (CRI)	93.069	FY 2016	35,032	-
PHEP Zika 2016	93.069	FY2016	17,000	-
Public Health Emergency Preparedness (PHEP)	93.069	FY 2016	280,539	-
			<u>332,571</u>	<u>-</u>
Hospital Preparedness Program	93.889	FY 2016	24,419	-
PHEP Supplemental Readiness	93.074	FY 2016	33,946	-
Passed through the Department of Behavioral Health and Developmental Disabilities (DBHDD):				
Substance Abuse Recovery Support Clubhouse Services	93.959	44100-906-0000082832	264,649	-
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1633043	3,065	-
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1733046	63,594	-
			<u>331,308</u>	<u>-</u>
HIV Early Intervention	93.959	441-93-1733047	57,152	-
HIV Early Intervention	93.959	44100-263-0262018116	33,525	-
			<u>421,985</u>	<u>-</u>
Department of BHDD - Community Services 17-18	93.667	44100-263-9072018112	15,941	-
Passed through the Georgia Department of Human Services:				
State Coordinated Transportation Program	93.667	42700-362-0000050633	551,124	-
Child Support Enforcement	93.563	42700-401-0000049826	33,440	-
Child Support Enforcement	93.563	42700-401-0000059300	28,987	-
Child Support Enforcement	93.563	42700-401-00000-49825	18,077	-
Child Support Enforcement	93.563	42700-401-0000059299	16,258	-
			<u>96,762</u>	<u>-</u>
Passed through the Department of Human Services and Atlanta Regional Commission:				
Special Programs for the Aging FY16-17	93.045	AG1506	1,288,311	248,087
Special Programs for the Aging FY17-18	93.045	AG1560	1,016,888	377,339
			<u>2,305,199</u>	<u>625,426</u>
Passed through the Center for Disease Control and Prevention:				
HIV Prevention (HIPP)	93.940	6-NU62PS003679-05 *	1,625,344	1,297,374

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, 2017

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
HIV Prevention (HIPP)	93.940	6-NU62PS003679-05-05 *	5,695,290	2,852,305
Passed through the Center for Disease Control and Prevention:			<u>7,320,634</u>	<u>4,149,679</u>
Partnership to Improve Community Health (PICH)	93.331	5 NU58DP005568-03-00 *	3,238,080	1,199,899
			<u>3,238,080</u>	<u>1,199,899</u>
Total U.S. Department of Health and Human Services			<u>41,110,848</u>	<u>30,399,767</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	55,919	-
HERA-Neighborhood Stabilization Program (NSP3)	14.218	B-11-UN-13-0004	309	-
Community Development Block Grant	14.218	B-07-UC-13-0003	23	-
Community Development Block Grant	14.218	B-09-UC-13-0003	2,076	-
Community Development Block Grant	14.218	B-10-UC-13-0003	2,214	-
Community Development Block Grant	14.218	B-15-UC-13-0003	376,971	191,000
Community Development Block Grant	14.218	B-16-UC-13-0003	526,947	178,910
Total CDBG Cluster Programs			<u>964,459</u>	<u>369,910</u>
Housing Cluster Programs:				
Permanent Housing Program	14.235	GA0173L4B021605	264,321	-
Permanent Housing Program	14.235	GA0173L4B021504	57,429	-
			<u>321,750</u>	<u>-</u>
HOME Cluster Programs:				
Direct Assistance:				
HOME 06	14.239	M-06-DC-13-0202	4,596	-
HOME 07	14.239	M-07-DC-13-0202	592	-
HOME 09	14.239	M-09-DC-13-0202	51,547	51,547
HOME 10	14.239	M-10-DC-13-0202	46,408	46,408
HOME 14	14.239	M-14-DC-13-0202	221,606	218,226
HOME 15	14.239	M-15-UC-13-0211	105,178	17,256
HOME 16	14.231	M-16-UC-13-0211	30,917	-
Total HOME Cluster Programs			<u>460,844</u>	<u>333,437</u>
Emergency Shelter Cluster Programs:				
Direct Assistance:				
Emergency Solutions 2015	14.231	E-15-UC-13-0003	270,320	254,053
Emergency Solutions 2016	14.231	E-16-UC-13-0003	59,837	-
Total Emergency Shelter Cluster Programs			<u>330,157</u>	<u>254,053</u>
Continuum of Care Cluster Programs:				
Direct Assistance:				
Continuum of Care Coordinated Intake Grant FY 2016	14.267	GA0232L4B021402	89,623	-
Continuum of Care Coordinated Intake Grant FY 2015	14.267	SU62PS003679-04	13,402	-
Continuum of Care Planning Grant FY 2015	14.267	GA0301L4B021500	11,420	-
Total Continuum of Care Cluster Programs			<u>114,445</u>	<u>-</u>
Passed through Georgia Department of Community Affairs:				
HERA-Neighborhood Stabilization Program - State NSP	14.228	08-NS-5051	107	-
Total U.S. Department of Housing and Urban Development			<u>2,191,762</u>	<u>957,400</u>
U.S. Department of Justice				
Direct Assistance:				
2014 Justice Assistance Grant	16.738	2014-DJ-BX-0954	60,337	-
2015 Justice Assistance Grant	16.738	2015-DJ-BX-0868	85,400	-
2016 Justice Assistance Grant	16.738	2016-DJ-BX-1045	70,948	-
			<u>216,685</u>	<u>-</u>
BJA Body Worn Camera	16.835	2016-BC-BX-K104	1,465	-

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FULTON COUNTY, GEORGIA

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

YEAR ENDED DECEMBER 31, 2017

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Justice and Mental Health Collaboration	16.745	2016-MO-BX-0022	132,074	-
Second Chance Act Initiative	16.812	2016-CZ-BX-0011	170,978	99,944
Equitable Sharing Program-District Attorney's Office	16.922	GA060015A	6,475	-
Equitable Sharing Program-Police	16.922	GA0601300	13,090	-
Equitable Sharing Program-Sheriff	16.922	GA0600000	29,124	-
			48,689	-
Passed through the Georgia Criminal Justice Coordinating Council:				
Victim Witness Assistance	16.575	C16-8-207\C15-8-374	42,510	-
Victim Witness Assistance	16.575	C16-8-001\C14-8-109	143,820	-
			186,330	-
Total U.S. Department of Justice			756,221	99,944
U.S. Department of Agriculture				
Passed through the Georgia Department of Public Health:				
WIC - Personnel	10.557	FY 2016	1,133,842	-
WIC - Operations	10.557	FY 2016	66,974	-
WIC-Nutrition	10.557	FY 2016	11,740	-
WIC Peer Counselor	10.557	FY 2016	40,339	-
WIC-Breastfeeding	10.557	FY 2016	5,198	-
Total U.S. Department of Agriculture			1,258,093	-
U.S. Department of Transportation				
Passed through the State of Georgia Department of Transportation:				
Airport-North Terminal Apron Phase I	20.106	AP017-9031-28(121)	3,193,990	-
			3,193,990	-
Passed through the State of Georgia Department of Transportation:				
Federal Aid Highway Program -Bridge Repair-Co Wide	20.205	C131	203,401	-
Federal Aid Highway Program -Sandtown Pedestrian Network	20.205	T162	251,325	-
Federal Aid Highway Program -SR 279 Flat Shoals to Sullivan	20.205	T209	1,840,161	-
Federal Aid Highway Program -Will Lee Road	20.205	T123	4,960	-
Federal Aid Highway Program -Butner & Stonewall Tell	20.205	T242	496,505	-
Federal Aid Highway Program -Wolf Creek Multiuse Trail	20.205	T257	947,319	-
			3,743,671	-
Passed through the Governor's Office of Highway Safety:				
Public Safety Pedestrian and Bicycle Safety	20.616	GA-2017-405b M1*PS High-242	7,128	-
Total Department of Transportation			6,944,789	-
U.S. Department of Labor				
Passed through the State of Georgia Department of Labor and				
WIOA Cluster Programs:				
Workforce Innovation and Opportunity Act-Adult PY 2015	17.258	11-15-15-03-006	824	-
Workforce Investment Act-Adult FY 2015	17.258	14-14-15-03-006	999	-
Workforce Innovation and Opportunity Act-Adult FY 2016	17.258	11-15-16-03-006	93,069	-
Workforce Innovation and Opportunity Act-Adult PY 2016	17.258	11-16-16-03-006	7,435	-
Workforce Innovation and Opportunity Act-Adult PY 2016	17.258	36-16-16-03-006	75,002	-
Workforce Innovation and Opportunity Act-Adult FY 2016	17.258	11-16-17-03-006	823,325	-
Workforce Innovation and Opportunity Act-Adult PY 2017	17.258	11-16-16-03-006	85,245	-
			1,085,899	-
Workforce Innovation and Opportunity Act-Youth OSY PY 2015	17.259	OSY-15-16-03-006	5,694	-
Workforce Innovation and Opportunity Act-Youth PY 2015	17.259	15-15-15-03-006	111,891	-
Workforce Innovation and Opportunity Act-Youth PY 2016	17.259	15-16-16-03-006	558,550	-
			676,135	-
Workforce Innovation and Opportunity Act-Dislocated Worker PY 2015	17.278	31-15-15-03-006	42,794	-
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2016	17.278	31-15-16-03-006	571,596	-

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, 2017

<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 Discretionary	17.278	31-16-16-03-006	29,421	-
Workforce Innovation and Opportunity Act-Dislocated Worker FY 2017	17.278	31-16-17-03-006	632,495	-
			<u>1,276,306</u>	<u>-</u>
Total Department of Labor-WIOA Cluster			<u>3,038,340</u>	<u>-</u>
Department of Homeland Security				
Direct Assistance:				
Fire and Emergency Response Hiring Program (SAFER) Passed through Georgia Emergency Management Agency:	97.083	EMW-2015-FH-00625	645,837	-
Hazard Mitigation Grant	97.039	HMGP-1165-0006	200,103	-
Total Department of Homeland Security			<u>845,940</u>	<u>-</u>
U. S. Department of Education				
Passed through the Georgia Department of Public Health:				
Infants & Toddlers with Disabilities Total Department of Education	84.181	FY 2016	124,147	-
			<u>124,147</u>	<u>-</u>
Total Federal Expenditures			<u>56,270,140</u>	<u>31,457,111</u>
State of Georgia				
Department of Public Health:				
Public Health	-	FY 2016	4,454,407	-
EPI Capacity	-	FY 2016	35,073	-
EPSDT Case Management	-	FY 2016	3,924	-
Fulton County Admin Cadre	-	FY 2016	344,316	-
E H R Medicaid Incentive Program	-	FY 2016	16,710	-
Teen Pregnancy Prevention	-	FY 2016	10,347	-
Children's 1st	-	FY 2016	79,749	-
Children 1st Initiative	-	FY 2016	88,509	-
Directly Observed Therapy	-	FY 2016	30,688	-
Breast/Cervical Cancer	-	FY 2016	40,236	-
Chronic Disease Prevention	-	FY 2016	47,377	-
LNHSI Program	-	FY 2016	9,104	-
State Cervical Cancer	-	FY 2016	25,224	-
Early Intervention	-	FY 2016	87,174	-
Oral Health	-	FY 2016	18,927	-
Ryan White Part B	-	FY 2016	1,823	-
EPI Capacity - Additional	-	FY 2016	14,464	-
HIV Office PREP - Personnel Funding	-	FY 2016	2,893	-
			<u>5,310,945</u>	<u>-</u>
Department of Transportation:				
Airport-Brown Field Improve-2016	-	AP017-9000-27(121)	1,172,644	-
Off System Safety Pilot Project	-	-	18,453	-
Fairburn Road	-	-	1,258,352	-
South Fulton Resurfacing	-	-	1,250,251	-
			<u>3,699,700</u>	<u>-</u>
Passed through the Georgia Criminal Justice Coordinating Council:				
Juvenile Justice Incentive - Project Higher Hope	-	Y16-8-048	205,495	-
Juvenile Justice Incentive - Project Higher Hope	-	Y17-8-029	36,168	-
Drug Court Implementation	-	A17-8-013	45,738	-
Drug Court Implementation	-	A18-8-012	22,546	-
Family Drug Court Operatons	-	J17-8-100	28,361	-
Family Drug Court Operatons	-	J18-8-088	19,798	-
Veterans Court	-	J18-8-102	63,217	-
Veterans Court	-	J16-8-085	89,606	-
Juvenile Drug Court Operations	-	A18-8-029	15,063	-
Juvenile Drug Court Operations	-	A-17-8-029	22,600	-

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, 2017

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Juvenile Accountability 2018	-	A18-8-030	12,822	-
Juvenile Accountability 2017	-	A17-8-034	19,943	-
Juvenile Justice Incentive - Evidence Based	-	Y18-8-012	159,398	-
Mental Health Court	-	J17-8-064	147,251	-
Mental Health Court	-	J18-8-067	119,294	-
Adult Drug Court	-	J17-8-024	142,760	-
Adult Drug Court	-	J18-8-024	61,331	-
			<u>1,211,391</u>	<u>-</u>
Office of Public Library Services				
GPLS E-Rate Program	-	-	21,843	-
GPLS Library Public Access Computer	-	-	102,898	-
Operational Support	-	-	1,592,332	-
			<u>1,717,073</u>	<u>-</u>
Miscellaneous Grants:				
Department of BHDD - Georgia Apex Project	-	44100-026-0000063397	184,202	-
Department of BHDD - Comm Substance Abuse-Treatment Court	-	441-93-1633054	12,430	-
Department of BHDD - Community Services	-	441-93-1733048	80,167	-
Department of BHDD - Community Services	-	441-93-1633007	1,387	-
Department of BHDD - Community Mental Health Services	-	441-93-1733046	975	-
Administrative Office of the Courts-Juvenile Court Judges	-	-	167,534	-
Administrative Office of the Courts-Superior Court Judges	-	-	1,113,582	-
			<u>1,560,277</u>	<u>-</u>
Total State Expenditures			<u>13,499,386</u>	<u>-</u>
Other Local Grants				
Universal Service Admin Company(USAC) Library Support	-	110929UA T	190,454	-
State Justice Institute Educational Neglect Project	-	SJI-15-T-233	7,215	-
Kaiser Community Foundation Program	-	-	32,609	-
ACCG - Georgia County Internship Program(External Affairs)	-	-	3,873	-
ACCG - Georgia County Internship Program (DREAM)	-	-	8,543	-
NCSC - Civil Justice Initiative Implementation	-	SJI-16-P-231	3,367	-
People Partnering for Progress Gang Prevention Program	-	-	28,349	-
Friends of Benson, Inc.	-	-	2,667	-
FBI-Joint Terrorist Task Force-Police	-	-	8,591	-
U.S. Marshall-Fugitive Task Force-Sheriff	-	JLEO-17-0019	20,720	-
U.S. Marshall-Fugitive Task Force-Police	-	JLEO-17-0011	16,581	-
U.S. Marshall-Fugitive Task Force-Marshall	-	JLEO-17-0153	19,653	-
GBI-High Intensity Drug Trafficking Area Task Force(HIDTA)-Sheriff	-	-	10,673	-
GBI-High Intensity Drug Trafficking Area Task Force(HIDTA)-Police	-	-	2,363	-
Atlanta Hawks - Creel Park Project	-	-	47,639	-
Atlanta-Fulton Library Foundation	-	-	16,976	-
ALA-Native Voices Exhibit	-	-	250	-
The National Arts Program Foundation	-	-	3,145	-
Total Other Local Grants			<u>423,668</u>	<u>-</u>
Total Federal, State, and Other Local Grant Expenditures			<u>70,193,194</u>	<u>31,457,111</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, 2017

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 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 2017 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 2017 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, 2017

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.

NOTE 5 – *FULTON COUNTY BOARD OF HEALTH*

As of July 1, 2017, pursuant to House Bill 885 of the Georgia State Legislature, the County Health Department was transitioned into a Board of Health, including relocation of its services into a new facility. This new entity contracted with the County for employees, space, and support services. The intergovernmental agreement for provisions of services can extend up to 50 years or until this entity assumes full functionality of internal services. As a result, the Schedule of Expenditures doesn’t include grant awards for this new organization after June 30, 2017.

**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, 2017. 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 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 Workforce Innovation and Opportunity Act Grant Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding CFDA numbers 17.258, 17.259, 17.278 Workforce Innovation and Opportunity Act Grant Cluster as described in finding number *2017-001* for Indirect Costs. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Workforce Innovation and Opportunity Act Grant Program

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 Workforce Innovation and Opportunity Act Grant Cluster for the year ended December 31, 2017.

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, 2017.

Other Matters

The results of our auditing procedures disclosed 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 item *2017-002*. 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 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 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 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 2017-001 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 2017-002 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, 2017, and have issued our report thereon dated June 15, 2018, 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 June 15, 2018. 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.

PJC Group, LLC

Atlanta, Georgia

July 17, 2018

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

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? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

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

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

CFDA # 17.258, 17.259, 17.278 Qualified
 CFDA #'s 10.557, 20.106, 20.205, 93.331, 93.940, 97.083 Unmodified

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

Identification of major programs:

- 10.557 – Nutrition Program for Women Infants and Children (WIC)
- 17.258 – Workforce Innovation and Opportunity Act (Cluster – Youth Program)
- 17.259 – Workforce Innovation and Opportunity Act (Cluster – Adult Program)
- 17.278 – Workforce Innovation and Opportunity Act (Cluster - Dislocated Worker)
- 20.106 – Airport Improvement Program
- 20.205 – DOT Highway Planning & Construction (Federal Aid Highway Program)
- 93.331 – Partnership to Improve Community Health
- 93.940 – HIV Prevention Program
- 97.083 – Staffing For Adequate Fire and Emergency Response (SAFER)

Dollar threshold used to distinguish between type A and type B programs: \$ 1,688,104

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, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2017-001

Allowable Costs and Activities

U.S. Department of Labor

Workforce Investment Opportunity Act (WIOA) Cluster – CFDA #17.258, 17.259, 17.278

Criterion:

The County is responsible for ensuring indirect cost allocations are in accordance with the indirect cost rate noted within the County's central service Cost Allocation Plan on file.

Condition:

During our review of indirect costs, we determined that the County correctly calculated the indirect cost amount although, recorded the incorrect amount. This resulted in the indirect cost not being in accordance with the central services Cost Allocation Plan (CAP) on file. The indirect cost rate noted within the CAP is 20.5002% for grant programs; although the indirect cost rate generated as a result of the incorrect entry was 21.8944%.

Cause and Effect:

The County does not have a process in place to ensure that the indirect cost rate noted within the central services cost allocation plan is being used and that indirect costs have been calculated and recorded correctly.

Questioned Cost:

\$40,227

Recommendation:

We recommend that the County strengthen its procedures surrounding management review of indirect cost calculations.

Management Response:

Management concurs with the audit finding. Control measures put in place include a redesigned, easier to use indirect cost calculation tool to prevent such errors from occurring in the future. In addition, a two-step verification process conducted by the Financial Analyst and the Financial Manager to ensure that the correct amount calculated on the tool is recorded and has been implemented.

FULTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

Finding No. 2017-002

Eligibility

U.S. Department of Labor

Workforce Investment Opportunity Act (WIOA) Cluster – CFDA #17.258, 17.259, 17.278

Criterion:

The County is responsible for ensuring that a participant is eligible to receive services under the WIOA program. The County requires management review of participant files to ensure that eligibility procedures have been performed during the intake process to ensure each participant is eligible.

Condition:

During our review of 40 eligible participant files, seven out of twenty youth participant files did not contain evidence of management review.

Cause and Effect:

The County does not have a process in place to ensure that all participant files are reviewed by management.

Questioned Cost:

None

Recommendation:

We recommend that the County strengthen its procedures surrounding management review of participant files during the intake process to ensure individuals receiving services are eligible.

Management Response:

Management concurs with the audit finding. To address current participant files that are non-compliant, staff will review the participant files and tag those that are non-compliant with an identifier. For all new participant files, the department has developed and implemented a standardized 3-level review process wherein each file will contain a Case Record Checklist (CROC) signed by the reviewers. Going forward and effective immediately, staff will perform periodic randomized reviews of participant files to ensure that the review process has been implemented with fidelity and that staff adhere to the process.