



ATLANTA REGIONAL COMMISSION

SINGLE AUDIT REPORT

For the Year Ended December 31, 2011

crace | galvis | mcgrath

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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August 10, 2012

RECEIVED

AUG 20 2012

Mr. Jim Frederick, CFE
Director, Planning & Quality Growth
Georgia Department of Community Affairs
60 Executive Park Drive South
Atlanta, GA 30329

RE: Transmittal of Documents in Compliance with the Official Code of Georgia
Annotated (OCGA) Section 50-20-1 et seq.

Dear Mr. Frederick:

In compliance with the above cited Code Section, transmitted herewith is ARC's Comprehensive Annual Financial Report (CAFR) and Single Audit Reports on Compliance and Internal Controls, prepared by Crace Galvis Mcgrath, LLP for the year ended December 31, 2011.

Please feel free to contact Diane Pelletier, ARC's Financial Services Manager at (404)-463-3160, if you have any technical questions regarding these reports. Please continue to ensure that all official correspondence is addressed to me.

Your continuing cooperation is appreciated.

Sincerely,



Douglas R. Hooker
Executive Director

DRH:el

Enclosures

CC: State Auditor



Atlanta Regional Commission
Single Audit Report
For the Year Ended December 31, 2011

TABLE OF CONTENTS

	<u>Page (s)</u>
<u>REPORTS</u>	
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	1,2
Independent Auditor's 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	3,4
Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.....	5
<u>SCHEDULES</u>	
Schedule of Findings and Questioned Costs.....	6,7
Schedule of Expenditures of Federal Awards	8-10
Notes to Schedule of Expenditures of Federal Awards.....	11,12
Summary Schedule of Prior Audit Findings	13

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 Atlanta Regional Commission
Atlanta, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlanta Regional Commission (the "Commission"), as of and for the year ended December 31, 2011, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 6, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures 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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 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.

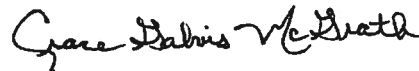
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in

internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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*.

This report is intended solely for the information and use of the Members of the Atlanta Regional Commission, the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crace Galvis McGrath, LLC

June 6, 2012

**INDEPENDENT AUDITOR'S 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 Atlanta Regional Commission
Atlanta, Georgia

Compliance

We have audited the Atlanta Regional Commission's compliance 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 its major federal programs for the year ended December 31, 2011. The Atlanta Regional Commission'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 Atlanta Regional Commission's management. Our responsibility is to express an opinion on the Atlanta Regional Commission'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 Atlanta Regional Commission'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 on the Atlanta Regional Commission's compliance with those requirements.

In our opinion, the Atlanta Regional Commission 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, 2011.

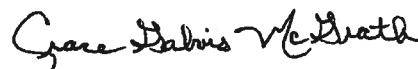
Internal Control Over Compliance

The management of the Atlanta Regional Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Atlanta Regional Commission's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the 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 Atlanta Regional Commission'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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Atlanta Regional Commission, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crace Galvis McGrath, LLC

June 25, 2012

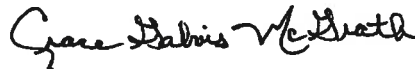
**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

To the Members of the Atlanta Regional Commission
Atlanta, Georgia

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Atlanta Regional Commission, as of and for the year ended December 31, 2011, and have issued our report dated June 6, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Atlanta Regional Commission. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by *U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 basic 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 State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Members of the Atlanta Regional Commission, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crace Galvis McGrath, LLC

June 6, 2012

Atlanta Regional Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2011

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unqualified
 Internal control over financial reporting:
 Material weakness identified? _____ yes no
 Significant deficiency identified
 not considered to be material weakness? _____ yes none reported
 Noncompliance material to financial statements
 noted? _____ yes no

Federal Awards

Internal control over major programs:
 Material weakness identified? _____ yes no
 Significant deficiency identified
 not considered to be material weakness? _____ yes none reported

Type of auditor’s report issued on compliance
 for major programs: unqualified
 Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? _____ yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
97.067	Urban Area Security Initiative
93.044, 93.045, 93.053 & 93.725	Aging Cluster
93.778	Medicaid Cluster
93.667	Social Services Block Grant
17.258, 17.259 & 17.260	WIA Cluster
20.205	Highway Planning and Construction Cluster
20.505	Federal Transit Technical Studies

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 1,249,848
 Auditee qualified as low-risk auditee? yes no

Atlanta Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

None Reported

Atlanta Regional Commission
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Pass-through Grantor /Program Title	Program Name	CFDA NO.	Expenditures
U.S. Department of Commerce			
Direct Assistance			
04-83-06496	Partnership Planning Grant	11.302	\$ 56,545
Total U. S. Department of Commerce			<u>56,545</u>
Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
2007-GE-T7-0054	Urban Areas Security Initiative (UASI)	97.067	888,787
2008-GE-T8-0017	Urban Areas Security Initiative (UASI)	97.067	2,640,401
2009-SS-T9-0047	Urban Areas Security Initiative (UASI)	97.067	<u>1,204,129</u>
Total Department of Homeland Security			<u>4,733,317</u>
Corporation for National & Community Service			
Direct Assistance			
08SRSGA002	Retired & Senior Volunteer Program	94.002	107,455
11SRSGA003	Retired & Senior Volunteer Program	94.002	<u>21,541</u>
Total Appalachian Regional Commission			<u>128,996</u>
U.S. Department of Health and Human Services			
Passed through Georgia Dept. of Human Resources			
Aging Cluster			
42700-373-0000008187	Title III , Part A & B - Supportive Services	93.044	1,276,948
42700-373-0000005116	Title III , Part A & B - Supportive Services	93.044	1,341,134
42700-373-0000008187	Title III, Part C1 - Congregate Meals, Part C2 - Home Delivered Meals	93.045	1,522,583
42700-373-0000005116	Title III, Part C1 - Congregate Meals, Part C2 - Home Delivered Meals	93.045	1,931,223
42700-373-0000008187	Nutrition Services Incentive Program (NSIP)	93.053	241,546
42700-373-0000005116	Nutrition Services Incentive Program (NSIP)	93.053	166,959
427-93-ARRA09004-99	ARRA, CDSMP	93.725	<u>100,175</u>
Total Aging Cluster			<u>6,580,568</u>
Medicaid Cluster			
42700-373-0000008187	Indigent Care Trust Fund (CCSP)	93.778	1,173,791
42700-373-0000005116	Indigent Care Trust Fund (CCSP)	93.778	1,274,026
427-93-373-0000005015	ESP/CHAT Web Hosting	93.778	<u>66,388</u>
Total Medicaid Cluster			<u>2,514,205</u>
42700-373-0000008187	Long Term Care Ombudsman	93.042	61,494
42700-373-0000005116	Long Term Care Ombudsman	93.042	<u>48,432</u>
			<u>109,926</u>
42700-373-0000008187	Title III, Part D - Health Promotion Services	93.043	47,212
42700-373-0000005116	Title III, Part D - Health Promotion Services	93.043	<u>28,867</u>
			<u>76,079</u>

Atlanta Regional Commission
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Pass-through Grantor /Program Title	Program Name	CFDA NO.	Expenditures
42700-373-0000008187	Title III, Part E - Family Caregiver Support	93.052	385,915
42700-373-0000005116	Title III, Part E - Family Caregiver Support	93.052	<u>451,733</u>
			<u>837,648</u>
42700-373-0000005116	SMP - High Fraud	93.048	11,520
90AP2664/02	AoA Discretionary - Lifelong Community	93.048	<u>256,323</u>
			<u>267,843</u>
42700-373-0000008187	Social Services Block Grant (SSBG)	93.667	857,687
42700-373-0000005116	Social Services Block Grant (SSBG)	93.667	<u>882,325</u>
			<u>1,740,012</u>
42700-373-0000008187	Money Follows the Person	93.791	138,775
42700-373-0000005116	Aging and Disabilities Resource Center - MIPPA	93.071	44,479
42700-373-0000008187	Aging and Disabilities Resource Center	93.779	162,505
42700-373-0000005116	Aging and Disabilities Resource Center	93.779	<u>224,381</u>
			<u>386,886</u>
Total U.S. Department of Health and Human Services			<u>12,696,421</u>
U.S. Department of Labor			
Passed through Georgia Dept. of Human Resources			
42700-373-0000005116	Senior Community Service Employment Program	17.235	205,426
42700-373-0000008187	Senior Community Service Employment Program	17.235	<u>118,896</u>
			<u>324,322</u>
Passed through Georgia Dept. of Labor			
AA-18634-09-55-A-13-A	WRR Sustainability Grant	17.266	178,460
AA-18634-09-55-A-13-B	GA Entertainment Media	17.266	366,912
AA-20189-10-55-A-13	WRR Sustainability Grant	17.266	<u>80,740</u>
			<u>626,112</u>
WIA Cluster			
10-09-11-03-007	WIA, Adult Program	17.258	16,373
10-10-11-03-007	WIA, Adult Program	17.258	99,803
10-11-11-03-007	WIA, Adult Program	17.258	180,676
11-11-11-03-007	WIA, Adult Program	17.258	1,955,734
11-12-11-03-007	WIA, Adult Program	17.258	392,211
11-10-11-03-007	WIA, Adult Program	17.258	88,224
32-09-11-03-007	ARRA, Adult Program	17.258	<u>476,380</u>
			<u>3,209,401</u>
15-09-11-03-007	Youth Programs	17.259	65,412
15-10-11-03-007	WIA, Adult Program	17.259	1,866,648
15-11-11-03-007	ARRA, WIA, Youth Program	17.259	<u>960,521</u>
			<u>2,892,581</u>

Atlanta Regional Commission
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Pass-through Grantor /Program Title	Program Name	CFDA NO.	Expenditures
30-09-11-03-007	WIA, Dislocated Worker	17.260	77,507
30-10-11-03-007	WIA, Dislocated Worker	17.260	379,081
31-10-11-03-007	WIA, Dislocated Worker	17.260	526,227
34-09-11-03-007	ARRA, Dislocated Workers	17.260	362,315
MI-17292-08-60-A-13	BRAC Innovations	17.260	796,137
31-11-11-03-007	WIA, Dislocated Worker	17.260	1,997,520
30-11-11-03-007	WIA, Dislocated Worker	17.278	512,498
31-12-11-03-007	WIA, Dislocated Worker	17.278	330,365
			<u>4,981,650</u>
	Total WIA Cluster		<u>11,083,632</u>
	Total U.S. Department of Labor		<u>12,034,066</u>
U.S. Department of Transportation			
Direct Assistance - Federal Transit Administration			
	Transit Services Program Cluster		
GA-37-X021-00	JARC	20.516	46,247
GA-37-X018-00	JARC	20.516	142,397
			<u>188,644</u>
GA-57-X007-00	New Freedom Program	20.521	361,509
			<u>361,509</u>
	Total Transit Services Program Cluster		<u>550,153</u>
Passed through Georgia Dept. of Transportation			
	Highway Planning and Construction Cluster		
9657	Highway Planning and Construction (PL)	20.205	4,412,276
9234	Highway Planning and Construction (PL)	20.205	1,241,641
CSCMQ-0006-00(780)	Highway Planning: Rideshare Program/TDM (Commute Connections)	20.205	1,250,582
GA-90-2301	Regional Transit Implementation	20.205	573,310
STP-00009-00(312)	Strategic Regional Thoroughfare Plan	20.205	690,156
PECMQ-0006-00(772)	Transportation Demand Mgt. Employer	20.205	742,413
AR801-F	Livable Centers Initiative Policy Studies	20.205	702,135
0009713	Livable Centers Initiative Policy Studies	20.205	348,285
PESTP-0008-00(729)	County Comprehensive Transportation Plan	20.205	17,332
	Total Highway Planning and Construction Cluster		<u>9,978,130</u>
T003898	Federal Transit Technical Studies Grants	20.505	1,483,967
	Total U.S. Department of Transportation		<u>12,012,250</u>
	Total Expenditures of Federal Awards		<u>\$ 41,661,595</u>

Atlanta Regional Commission
Notes To Schedule Of Expenditures Of Federal Awards
For the Year Ended December 31, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards received by the Atlanta Regional Commission. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in this schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C of the Atlanta Regional Commission financial statements.

3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

4. Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the Atlanta Regional Commission provided federal awards to the subrecipients as noted on the following page.

Atlanta Regional Commission
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

4. Subrecipients (continued)

PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS
OAA Title V - SCSEP	17.235	282,634
Adult Program	17.258	2,293,832
WIA/ARRA Adult Program	17.258	364,244
Youth Program	17.259	2,248,134
BRAC INNOVATIONS	17.260	719,332
Dislocated Worker Program	17.260	2,434,494
WIA/ARRA Dislocated Worker Program	17.260	235,259
GA Entertainment Media	17.266	140,112
WRR Sustainability Grant	17.266	178,730
Dislocated Worker Program	17.278	592,110
COUNTY TRANSPORTATION PLANNING FY 2009	20.205	13,866
GA DOT LCI Planning Studies Program	20.205	100,687
LIVEABLE CENTERS INITIATIVE POLICY STUDIES FY 2010	20.205	434,685
TDM EMPLOYER SERVICES	20.205	593,931
FY 08 JARC	20.516	107,370
FY 09 NEW FREEDOM	20.521	176,424
Money Follows the Person - LTCO	93.042	12,401
OAA Title VII-2 - LTCO Activity	93.042	87,772
OAA Title III B - Supportive Services	93.044	1,700,803
OAA Title III C1 - Congregate Meals/C2 - Home Delivered Meals Discretionary Grant	93.045	3,018,058
OAA Title III E - Family Caregiver Support	93.048	31,785
AoA - NSIP	93.052	444,959
SSBG - HCBS	93.053	408,505
SSBG - LTCO	93.667	1,019,557
ARRA - CDSMP	93.667	5,797
Community Care Services Program (CCSP)	93.725	38,682
ESP/CHAT Web Hosting	93.778	1,819,915
Total	93.778	11,988
		<u>\$ 19,516,066</u>

Atlanta Regional Commission
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2011

Federal Award Findings and Questioned Costs

None Reported