



ATLANTA REGIONAL COMMISSION

SINGLE AUDIT REPORT

For the Year Ended December 31, 2014

crace | galvis | mcgrath

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Atlanta Regional Commission
Atlanta, 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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.

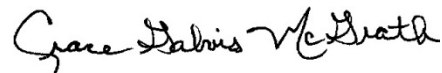
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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*.

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.



Crace Galvis McGrath, LLC
Kennesaw, GA

June 15, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Members of the Atlanta Regional Commission
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Atlanta Regional Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Atlanta Regional Commission's major federal programs for the year ended December 31, 2014. 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.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Atlanta Regional Commission, complied, in all material respects,

with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

The Atlanta Regional Commission's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Atlanta Regional Commission'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 Atlanta Regional Commission 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 Atlanta Regional Commission'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 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.

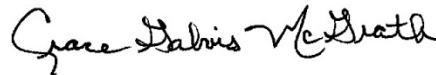
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

The Atlanta Regional Commission's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Atlanta Regional Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



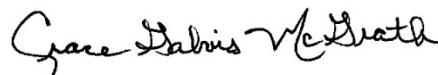
Crace Galvis McGrath, LLC
Kennesaw, GA

June 15, 2015

**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AS REQUIRED BY OMB CIRCULAR A-133**

To the Members of the Atlanta Regional Commission
Atlanta, Georgia

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, 2014, and have issued our report dated June 15, 2015, which contained unmodified 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.



Crace Galvis McGrath, LLC
Kennesaw, GA

June 15, 2015

SCHEDULES

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Atlanta Regional Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2014

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unmodified
 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 all major programs: unmodified

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	Aging Cluster
93.778	Medicaid
17.258, 17.259 & 17.278	WIA Cluster
20.205	Highway Planning and Construction Cluster
93.unk	Community-base Care Transitions program
20.505	Metropolitan Transportation Planning

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 1,384,674

Auditee qualified as low-risk auditee? yes _____ no

Atlanta Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section II- Financial Statement Findings

None Reported

Section III - Federal Award Findings

2014-001 Monitoring

Program: Urban Area Security Initiative
CFDA: 14.871
CFDA Program Title: Homeland Security Grant Program

Criteria: A pass through entity is responsible for ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that required audits are completed within 9 months of the end of the subrecipient's fiscal year.

Condition: Monitoring activities did not ensure that the subrecipient met the requirements as provided in OMB Circular A-133.

Cause/Effect: The subrecipient did not meet the audit requirements as provided in OMB Circular A-133.

Recommendation: We recommend monitoring activities be modified to ensure all subrecipients meet the audit requirements of OMB Circular A-133.

Management Response: Management concurs with the finding and the recommendation. Management and the program manager have reviewed the process and are modifying the monitoring activities over subrecipients to ensure appropriate audit requirements are fulfilled under OMB CircularA-133.

Atlanta Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

2014-002 Questioned Cost

Program: Urban Area Security Initiative
CFDA: 14.871
CFDA Program Title Homeland Security Grant Program

Criteria: Reimbursement of the total group health insurance premium for employees' health insurance premium for employee health coverage was requested from Georgia Emergency Management Agency. The subrecipient's employees share in the costs of the group health insurance. Thus, only the subrecipient's share of the premium should be reimbursed by Georgia Emergency Management Agency.

Condition: Subgrantee was over reimbursed for health care premiums for an extended period of time.

Cause/Effect: The costs are considered questioned costs. Known questioned costs under this program are \$70,876.

Recommendation: Procedures should be reviewed to ensure only the subrecipient's share of costs be reimbursed by the grant program.

Management Response: Management concurs with the finding and the recommendation. Management and the program manager have reviewed the process and have modified the review of reimbursable expenses and have begun to recover over reimbursed costs.

Atlanta Regional Commission
 Schedule of Federal Expenditures
 For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor / Program	Program Name	CFDA NO.	Expenditures
U.S. Department of Commerce			
Direct Assistance			
04-83-06886	Regional Economic Development Plan	11.302	67,582
Total U. S. Department of Commerce			67,582
Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
2008-GE-T8-0017	Urban Areas Security Initiative (UASI)	97.067	114
2011-SS-00081-S01	Urban Areas Security Initiative (UASI)	97.067	4,371,429
2012-SS-00063-S01	Urban Areas Security Initiative (UASI)	97.067	2,883,719
2013-SS-00054-S01	Urban Areas Security Initiative (UASI)	97.067	981,430
Total Department of Homeland Security			8,236,692
Corporation for National & Community Service			
Direct Assistance			
11SRSGA003	Retired & Senior Volunteer Program	94.002	42,130
14SRSGA003	Retired & Senior Volunteer Program	94.002	120,858
Total Corporation for National & Community Service			162,988
U.S. Department of Health and Human Services			
Direct Assistance			
CT-0811-0021	Community Based Care Transitions Program	93.unk	1,995,567
Passed through Georgia Dept. of Human Resources			
Aging Cluster			
42700-373-0000020809	Title III , Part A & B - Supportive Services	93.044	1,148,756
42700-373-0000030236	Title III , Part A & B - Supportive Services	93.044	1,359,572
			2,508,328
42700-373-0000020809	Title III, Part C1 - Congregate Meals, Part C2 - Home Delivered Meals	93.045	1,997,574
42700-373-0000030236	Title III, Part C1 - Congregate Meals, Part C2 - Home Delivered Meals	93.045	1,798,270
			3,795,844
42700-373-0000020809	Nutrition Services Incentive Program (NSIP)	93.053	195,387
42700-373-0000030236	Nutrition Services Incentive Program (NSIP)	93.053	265,653
			461,040
	Total Aging Cluster		6,765,212
Medicaid Cluster			
42700-373-0000020809	Indigent Care Trust Fund (CCSP)	93.778	1,261,469
42700-373-0000030236	Indigent Care Trust Fund (CCSP)	93.778	1,281,831
42700-373-0000023061	ESP/CHAT Web Hosting	93.778	59,366
	Total Medicaid Cluster		2,602,666
42700-373-0000020809	Indigent Care Trust Fund (CCSP) - PHQ0	93.609	40,000
42700-373-0000030236	Indigent Care Trust Fund (CCSP) - PHQ0	93.609	20,000
			60,000
42700-373-0000020809	Long Term Care Ombudsman	93.042	76,865
42700-373-0000030236	Long Term Care Ombudsman	93.042	99,096
			175,961
42700-373-0000020809	Title III, Part D - Health Promotion Services	93.043	62,346
42700-373-0000030236	Title III, Part D - Health Promotion Services	93.043	53,308
			115,654
42700-373-0000020809	Chronic Disease Self Management Program	93.734	13,665
42700-373-0000020809	Title III, Part E - Family Caregiver Support	93.052	500,792
42700-373-0000030236	Title III, Part E - Family Caregiver Support	93.052	427,329
			928,121
42700-373-0000025208	Caregiver Education	93.048	17,322
42700-373-0000020730	Cultural Ambassador	93.048	33,250

Atlanta Regional Commission
 Schedule of Federal Expenditures
 For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor /Program	Program Name	CFDA NO.	Expenditures
42700-373-0000028148	Cultural Competency	93.048	9,521
			60,093
42700-373-0000020809	Social Services Block Grant (SSBG)	93.667	578,218
42700-373-0000030236	Social Services Block Grant (SSBG)	93.667	303,298
			881,516
42700-373-0000020809	Money Follows the Person	93.791	390,937
42700-373-0000030236	Money Follows the Person	93.791	422,874
			813,811
42700-373-0000020809	Aging and Disabilities Resource Center	93.779	63,809
42700-373-0000030236	Aging and Disabilities Resource Center	93.779	62,444
			126,253
Total U.S. Department of Health and Human Services			\$14,538,519
U.S. Department of Interior			
Passed through Georgia Environmental Protection Division			
GSMSEC319H	Stormwater Manual	66.460	40,765
Total U.S. Department of Interior			40,765
U.S. Department of Labor			
Passed through Georgia Dept. Economic Development			
WIA Cluster			
11-13-13-03-007	WIA, Adult Program	17.258	39,657
11-13-14-03-007	WIA, Adult Program	17.258	3,006,939
11-14-14-03-007	WIA, Adult Program	17.258	20,107
11-14-15-03-007	WIA, Adult Program	17.258	138,567
			3,205,270
15-12-11-03-007	Youth Programs	17.259	115,271
15-13-11-03-007	Youth Programs	17.259	2,250,997
15-14-14-03-007	Youth Programs	17.259	1,572,673
			3,938,941
31-14-14-03-007	WIA, Dislocated Worker	17.278	19,721
31-12-12-03-007	WIA, Dislocated Worker	17.278	18,186
31-12-13-03-007	WIA, Dislocated Worker	17.278	325,742
31-13-13-03-007	WIA, Dislocated Worker	17.278	84,419
31-13-14-03-007	WIA, Dislocated Worker	17.278	2,570,835
31-14-15-03-007	WIA, Dislocated Worker	17.278	93,128
44-13-13-03-007	WIA, Dislocated Worker	17.278	50,661
44-13-14-03-007	WIA, Dislocated Worker	17.278	47,923
99-13-11-03-007	WIA, Dislocated Worker	17.278	150,000
			3,360,615
Total WIA Cluster			10,504,826
Total U.S. Department of Labor			\$10,504,826
U.S. Department of Transportation			
Direct Assistance - Federal Transit Administration			
Federal Transit Capital & Oper Asst Grants			
GA-90-X336	Regional Transit Implementation	20.507	65,311
GA-95-X026	Atlanta Beltline Project	20.507	240,929
GA-90-2322	Spaulding Transit Study	20.507	79,600
GA-90-X316-00	Regional Transit Planning & Coordination	20.507	109,893
			495,733
GA-04-0040	FTA- Mobility Mgmt CC	20.514	120,201
GA-95-2022	FTA- Mobility Mgmt CC	20.514	62,782
			182,983
GA-37-X024-00	JARC	20.516	6,900
GA-37-X031	JARC	20.516	398,509
			405,409
GA-57-X014	New Freedom Program	20.521	326,557
GA-57-X012-02	New Freedom Program	20.521	102,216
			428,773
Total Transit Services Program Cluster			834,182
Total Federal Transit Capital & Oper Asst Grants			1,512,898

Atlanta Regional Commission
 Schedule of Federal Expenditures
 For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor /Program	Program Name	CFDA NO.	Expenditures
Passed through Georgia Dept. of Transport	Highway Planning and Construction Cluster		
0011794	Highway Planning and Construction (PL)	20.205	4,791,187
0008741	Regional Rideshare Program	20.205	1,397,724
0010934	TDM Employer Services	20.205	1,076,449
0012772	Implementing Eco-Logical	20.205	43,074
0010460	Livable Centers Initiative Policy Studies	20.205	658,133
0010459	Livable Centers Initiative Policy Studies	20.205	512,335
0008733	Surface Transportation Program	20.205	104,522
0008731	County Comprehensive Transportation Plan	20.205	155,305
0008732	County Comprehensive Transportation Plan	20.205	824,558
	Total Highway Planning and Construction Cluster		9,563,287
REVUP1302	Metropolitan Transportation Planning-Reg Breeze	20.505	37,456
T005022	Metropolitan Transportation Planning	20.505	1,490,784
			1,528,240
Total U.S. Department of Transportation			\$12,604,425
Total Schedule of Federal Assistance			\$46,155,797

Atlanta Regional Commission
Notes To Schedule Of Expenditures Of Federal Awards
For the Year Ended December 31, 2014

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, 2014

4. Subrecipients (continued)

PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS
Homeland Security Grant Program-UASI	97.067	\$ 8,236,692
Adult Program	17.258	2,127,730
Youth Program	17.259	3,273,653
Dislocated Worker Program	17.278	2,136,737
County Transportation Planning	20.205	1,109,430
Livable Centers Initiative Policy Studies	20.205	979,254
TDM Employer Services	20.205	1,000,682
Spaulding Transit Study	20.205	79,600
Atlanta Beltline project	20.205	246,535
FY 10 JARC	20.516	6,900
FY 12 JARC	20.516	348,291
FY 11 New Freedom	20.521	25,107
FY 12 New Freedom	20.521	315,940
LTCO	93.042	173,178
Money Follows the Person - LTCO	93.042	12,402
OAA Title IIIA - Admin	93.044	9,626
OAA Title III B - Supportive Services	93.044	2,259,688
OAA Title III C1 - Congregate Meals	93.045	4,019,133
Cultural Competency	93.048	35,000
OAA Title III E - Family Caregiver Support	93.052	476,109
NSIP	93.053	461,040
CCSP-PHQ-9	93.609	60,000
Community Based Care Transitions Program	93.unk	108,052
SSBG - HCBS	93.667	21,650
SSBG - LTCO	93.667	6,430
SSBG - Money Follows the Person	93.667	6,350
Community Care Services Program (CCSP)	93.778	3,660,870
ESP/CHAT Web Hosting	93.778	59,366
Money Follows the Person	93.791	89,799
Total		\$ 31,345,244

Atlanta Regional Commission
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2014

Federal Award Findings and Questioned Costs

None Reported