



ATLANTA REGIONAL COMMISSION

SINGLE AUDIT REPORT

For the Year Ended December 31, 2012

crace | galvis | mcgrath

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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JUL 15 2013

July 8, 2013

The Honorable Michael A. Beatty
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 Commissioner Beatty:

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, 2012.

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, 2012

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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, 2012, 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 12, 2013.

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 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. 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.

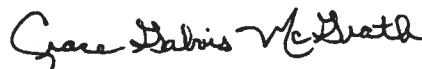
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

June 12, 2013

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, 2012. 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, 2012.

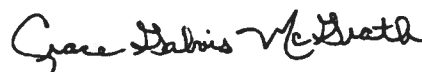
Report on Internal Control Over Compliance

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



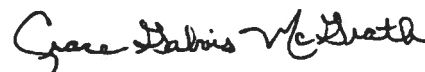
Crace Galvis McGrath, LLC

June 18, 2013

**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, 2012, and have issued our report dated June 12, 2013, 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.



Crace Galvis McGrath, LLC

June 18, 2013

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SCHEDULES

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Atlanta Regional Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2012

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	Aging Cluster
93.778	Medicaid
17.258, 17.259 & 17.278	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: \$ 1,322,774

Auditee qualified as low-risk auditee? _____ yes _____ no

Atlanta Regional Commission
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

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, 2012

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	\$ 66,679
Total U. S. Department of Commerce			66,679
Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
2008-GE-T8-0017	Urban Areas Security Initiative (UASI)	97.067	2,490,791
2009-SS-T9-0047	Urban Areas Security Initiative (UASI)	97.067	4,100,450
2010-SS-TO-0034	Urban Areas Security Initiative (UASI)	97.067	91,300
2011-SS-00081-S01	Urban Areas Security Initiative (UASI)	97.067	31,425
Total Department of Homeland Security			6,713,966
Corporation for National & Community Service			
Direct Assistance			
11SRSGA003	Retired & Senior Volunteer Program	94.002	207,644
Total Corporation for National & Community Service			207,644
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	1,465,826
42700-373-0000012643	Title III , Part A & B - Supportive Services	93.044	1,395,707
42700-373-0000008187	Title III, Part C1 - Congregate Meals, Part C2 Home Delivered Meals	93.045	2,049,500
42700-373-0000012643	Title III, Part C1 - Congregate Meals, Part C2 - Home Delivered Meals	93.045	1,841,042
42700-373-0000008187	Nutrition Services Incentive Program (NSIP)	93.053	446,643
42700-373-0000012643	Nutrition Services Incentive Program (NSIP)	93.053	294,776
Total Aging Cluster			7,493,494
427-93-ARRA09004-99	ARRA - CDSMP	93.725	50,726
Medicaid			
42700-373-0000008187	Indigent Care Trust Fund (CCSP)	93.778	1,259,505
42700-373-0000012643	Indigent Care Trust Fund (CCSP)	93.778	1,217,818
427-93-373-0000005015	ESP/CHAT Web Hosting	93.778	10,413
Total Medicaid			2,487,736
42700-373-0000008187	Long Term Care Ombudsman	93.042	66,214
42700-373-0000012643	Long Term Care Ombudsman	93.042	113,127
			179,341
42700-373-0000008187	Title III, Part D - Health Promotion Services	93.043	20,484
42700-373-0000012643	Title III, Part D - Health Promotion Services	93.043	65,139
			85,623
42700-373-0000008187	Title III, Part E - Family Caregiver Support	93.052	466,313
42700-373-0000012643	Title III, Part E - Family Caregiver Support	93.052	415,859
			882,172

Atlanta Regional Commission
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor /Program Title	Program Name	CFDA NO.	Expenditures
42700-373-0000012179	Aging and Disabilities Resource Center - State	93.048	16,216
90AP2664/02	AoA Discretionary - Lifelong Community	93.048	<u>268,683</u>
			<u>284,899</u>
42700-373-0000008187	Social Services Block Grant (SSBG)	93.667	710,301
42700-373-0000012643	Social Services Block Grant (SSBG)	93.667	<u>436,853</u>
			<u>1,147,154</u>
42700-373-0000008187	Money Follows the Person	93.791	363,796
42700-373-0000012643	Money Follows the Person	93.791	<u>409,452</u>
			<u>773,248</u>
CT-0811-0021	Community Based Care Transitions Program	93.621	<u>406,704</u>
42700-373-0000008187	Aging and Disabilities Resource Center	93.779	128,286
42700-373-0000012643	Aging and Disabilities Resource Center	93.779	<u>88,525</u>
			<u>216,811</u>
Total U.S. Department of Health and Human Services			<u>14,007,908</u>
U.S. Department of Labor			
Passed through Georgia Dept. of Human Services			
42700-373-0000008187	Senior Community Service Employment Program	17.235	151,360
42700-373-0000012643	Senior Community Service Employment Program	17.235	<u>152,376</u>
			<u>303,736</u>
Passed through Georgia Dept. of Labor			
AA-14670-05-55(66317004)	Western Innovation Crescent	17.266	2,546
AA-20189-10-55-A-13	WRR Sustainability Grant	17.266	<u>104,834</u>
			<u>107,380</u>
WIA Cluster			
10-10-11-03-007	WIA, Adult Program	17.258	16,412
10-11-11-03-007	WIA, Adult Program	17.258	34,042
11-11-11-03-007	WIA, Adult Program	17.258	454,278
11-12-11-03-007	WIA, Adult Program	17.258	<u>1,293,129</u>
			<u>1,797,861</u>
15-10-11-03-007	Youth Programs	17.259	164,307
15-11-11-03-007	ARRA, WIA, Youth Program	17.259	<u>1,480,878</u>
			<u>1,645,185</u>
30-10-11-03-007	WIA, Dislocated Worker	17.278	108,298
31-11-11-03-007	WIA, Dislocated Worker	17.278	513,158
30-11-11-03-007	WIA, Dislocated Worker	17.278	135,306
31-12-11-03-007	WIA, Dislocated Worker	17.278	<u>1,477,917</u>
			<u>2,234,679</u>
Passed through State of Georgia – Governor’s Office of Workforce Development			
10-11-11-03-007	WIA, Adult Program	17.258	15,120
11-11-11-03-007	WIA, Adult Program	17.258	(1,783)
11-12-11-03-007	WIA, Adult Program	17.258	1,048,857
11-12-12-03-007	WIA, Adult Program	17.258	163,710
11-12-13-03-007	WIA, Adult Program	17.258	<u>515,809</u>
			<u>1,741,713</u>

Atlanta Regional Commission
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor /Program Title	Program Name	CFDA NO.	Expenditures
15-12-11-03-007	Youth Programs	17.259	1,268,874
15-11-11-03-007	ARRA, WIA, Youth Program	17.259	<u>535,045</u>
			1,803,919
31-12-12-03-007	WIA, Dislocated Worker	17.278	339,357
30-11-11-03-007	WIA, Dislocated Worker	17.278	99,173
31-12-11-03-007	WIA, Dislocated Worker	17.278	1,373,185
31-12-13-03-007	WIA, Dislocated Worker	17.278	<u>327,922</u>
			2,139,637
	Total WIA Cluster		11,362,994
Total U.S. Department of Labor			11,774,110
U.S. Department of Transportation			
Direct Assistance - Federal Transit Administration			
GA-90-X316-00	Urban Area Formula Program	20.507	<u>97,108</u>
	Transit Services Program Cluster		
GA-37-X024-00	JARC	20.516	319,197
GA-57-X009-00	New Freedom Program	20.521	229,482
GA-57-X012-02	New Freedom Program	20.521	<u>145,676</u>
	Total Transit Services Program Cluster		694,355
Passed through Georgia Dept. of Transportation			
	Highway Planning and Construction Cluster		
00101257	Highway Planning and Construction (PL)	20.205	4,294,206
CSCMQ-0006-00(780)	Highway Planning: Rideshare Program/TDM	20.205	1,585,179
GA-90-2301	Regional Transit Implementation	20.205	264,690
0010511	Development of Long Range TDM Plan	20.205	174,806
CMQ-0008-00(550)	Transportation Demand Mgt. Employer	20.205	1,140,236
0009713	Livable Centers Initiative Policy Studies	20.205	973,599
0009714	Livable Centers Initiative Policy Studies	20.205	439,823
0008731	County Comprehensive Transportation Plan	20.205	165,414
0008732	County Comprehensive Transportation Plan	20.205	<u>37,274</u>
	Total Highway Planning and Construction Cluster		9,075,227
T004227	Federal Transit Technical Studies Grants	20.505	<u>1,455,465</u>
Total U.S. Department of Transportation			11,322,155
Total Schedule of Federal Assistance			\$ 44,092,462

Atlanta Regional Commission
Notes To Schedule Of Expenditures Of Federal Awards
For the Year Ended December 31, 2012

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, 2012

4. Subrecipients (continued)

PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS
OAA Title V - SCSEP	17.235	290,864
Adult Program	17.258	2,779,295
Youth Program	17.259	2,729,186
Dislocated Worker Program	17.278	663,337
WRR Sustainability Grant	17.266	85,324
Dislocated Worker Program	17.278	2,578,608
COUNTY TRANSPORTATION PLANNING	20.205	202,688
GA DOT LCI Planning Studies Program	20.205	658,567
Regional Rideshare Program	20.205	117,750
LIVEABLE CENTERS INITIATIVE POLICY STUDIES FY 2010	20.205	241,643
TDM EMPLOYER SERVICES	20.205	1,132,679
FY 10 JARC	20.516	279,850
FY 09 NEW FREEDOM	20.521	217,620
FY 11 NEW FREEDOM	20.521	80,215
SSBG-LTCO	93.042	3,407
Money Follows the Person - LTCO	93.042	24,798
LTCO	93.042	51,820
OAA Title VII-2 - LTCO Activity	93.042	53,376
Title III LTCO Sub	93.042	54,833
OAA Title III B - Supportive Services	93.044	1,980,653
OAA Title III C1 - Congregate Meals	93.045	1,949,342
OAA Title III C2 - Home Delivered Meals	93.045	2,170,059
Discretionary Grant	93.048	21,750
ESP Development and Support	93.048	24,570
OAA Title III E - Family Caregiver Support	93.052	554,784
AoA - NSIP	93.053	741,419
SSBG - HCBS	93.667	458,723
SSBG - LTCO	93.667	3,306
SSBG - Money Follows the Person	93.667	7,025
ARRA - CDSMP	93.725	18,318
Community Care Services Program (CCSP)	93.778	3,651,316
ESP/CHAT Web Hosting	93.778	15,825
Money Follows the Person	93.791	99,020
Retired Senior Volunteer Program	94.002	4,998
Total		<u>\$ 23,946,968</u>

Atlanta Regional Commission
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2012

Federal Award Findings and Questioned Costs

None Reported