

March 27, 2018

Subject: Request for Proposals #1465-P: Audit Services – Addendum 1

Gentlemen/Ladies:

Below, please find responses to questions, clarification, or additional information for the above referenced Request for Proposal. You will need to consider this information when preparing your proposal.

- 1. Appears that another audit firm audits the Development Authority and is not included in this RFP, correct?**

Yes; that is correct. The Development Authority has their own auditor.

- 2. Can we get a copy of the Government Auditing Standards internal control and compliance reporting package along with the Single Audit?**

Yes; see attached.

- 3. How many auditor journal entries were proposed for FY2017?**

Two (2) journal entries were proposed.

- 4. What were the audit fees and any additional fees from the audit firm for the FY2016 and FY 2017?**

Fees include auditing services, such as Single Audit, Financial Statements, County and Water System CAFRs, Landfill Assurance Reporting, as well as advice and counseling. FY2016 \$76,970 & FY2017 \$79,695.

- 5. How many days and staff are normally on site from your audit firm during the audit fieldwork?**

Typically, the audit firm is on-site for two weeks. The number of staff varies between three – four.

6. Does the County prepare the financial statements and CAFR for both the County and the Water System? It appears from the RFP that the County prepares these and not the auditor?

As part of the agreement with the auditing firm, the auditing firm charged a separate fee for CAFR preparation, which include the County and Water System.

Received by _____ Company _____

Note: If this addendum is not returned to the Fayette County Purchasing Department or if it is returned not signed, all responders shall still be responsible for the requirements of this addendum and the specifications or changes herein.

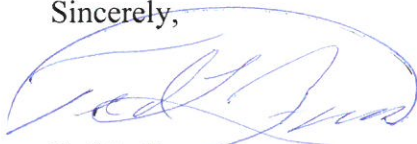
The opening date for this request for proposal has not changed. **The opening date is: 3:00pm, Thursday, April 5, 2018.** Proposals must be received in the Purchasing Department at the address above in Suite 204 on or before the opening date and time.

So that this procurement process can be completed in a timely manner, the time for submitting questions has expired.

If you have already submitted a proposal, it will be opened and the submitting firm name will be read on the opening date. If you would not like your proposal opened or should you desire to submit a new proposal, your original proposal must be picked up, or you must notify the Fayette County Purchasing Department **in writing** to, email address: tbarwicks@fayettecountyga.gov or fax to (770) 719-5515 of your desire to not have your proposal opened.

Thank you for your attention to this matter.

Sincerely,



Ted L. Burgess
Director of Purchasing

TLB/tcb

Attachment

FAYETTE COUNTY, GEORGIA

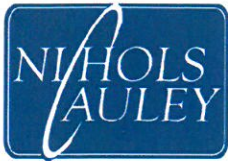
**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND
*GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED JUNE 30, 2017

FAYETTE COUNTY, GEORGIA
FOR THE YEAR ENDED JUNE 30, 2017

Table of Contents

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	1
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, REPORT ON INTERNAL CONTROL OVER, COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	8
SCHEDULE OF PRIOR AUDIT FINDINGS.....	10



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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 Honorable Chairman and
Members of the Board of Commissioners
Fayette County, Georgia

We have audited 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, 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 Fayette County, Georgia as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Fayette County, Georgia's basic financial statements, and have issued our report thereon dated December 21, 2017. Our report includes a reference to other auditors who audited the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, as described in our report on Fayette County, Georgia's 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 Fayette County, Georgia'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 Fayette County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Fayette County, Georgia'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.

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

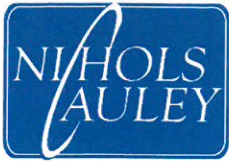
We noted certain matters that we have reported to management of Fayette County, Georgia in a separate letter dated December 21, 2017.

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.

Richels, Cauley + Associates, LLC

Atlanta, Georgia
December 21, 2017



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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

Fayette County Board of Commissioners
Fayette County, Georgia
Fayetteville, Georgia

Report on Compliance for Each Major Federal Program

We have audited Fayette County's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 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 (CFR) 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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2017.

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.

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 were not 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by 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 June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 21, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic financial statements or to the basic 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 as a whole.

Richels, Cauley + Associates, LLC

Atlanta, Georgia
December 21, 2017

Fayette County, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Passed through to Subrecipients	Total Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct Program:				
Equitable Sharing Program	16.922	GA0560000	\$ -	\$ 565,208
Passed Through Criminal Justice Coordinating Council:				
Juvenile Accountability Block Grant	16.523	N13-8-004	-	21,152
Total U.S. Department of Justice			-	586,360
U.S. DEPARTMENT OF TREASURY				
Direct Program:				
Equitable Sharing Program	21.000	GA0560000	-	442,183
Total U.S. Department of Treasury			-	442,183
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Georgia Department of Transportation Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	PI 0015076		1,241
Highway Planning and Construction	20.205	PI 0012623	-	693,939
Total U.S. Department of Transportation			-	695,180
Total Expenditures of Federal Awards			\$ -	\$ 1,723,723

Fayette County, Georgia
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Fayette County, Georgia (the County) under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rates

The County has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Fayette County, Georgia
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unmodified
 Internal control over financial reporting:
 Material weakness identified? yes no
 Significant deficiencies identified? yes none reported
 Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
 Material weakness identified? yes no
 Significant deficiencies identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Fayette County, Georgia
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings

None Reported

Fayette County, Georgia
Schedule of Prior Audit Findings
Year Ended June 30, 2017

None noted.