



**To the Mayor and Council
of the City of South Fulton
South Fulton, Georgia**

In planning and performing our audit of the financial statements of the City of South Fulton, Georgia (the "City") as of and for the fiscal year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the City as of and for the fiscal year ended September 30, 2020. A separate report dated May 24, 2021 contains our report on a material weaknesses in the City's internal control. This letter does not affect our report dated May 24, 2021, on the financial statements of the City.

The following items are offered as constructive suggestions to be considered as part of the ongoing process of modifying and improving the City's practices and procedures:

1) Fiduciary Activities Reporting

GASB 84 addresses the reporting of fiduciary activities and is required to be implemented for reporting periods after December 2020. The City did not chose to early implement GASB 84 in fiscal year 2020 and will implement in fiscal year 2021. We recommend the City start tracking and accounting for revenue and expenditures in the Municipal Court fund in fiscal year 2021 to ensure the information is available to report in the financial statements in fiscal year 2021.

2) Confiscated Assets Controls

During review of controls surrounding the confiscated cash held in the evidence room of the police department, we noted there is currently no process in place for the police department to report the cash balance to the Finance Department on a regular basis. We recommend the City implement a process for the police department to report the cash balance on hand in the evidence room to the Finance Department on a monthly basis.

3) Budget Process

During our review of the original and amended budgets for all funds, we noted differences between what was provided during the audit and what was presented to and approved by the Mayor and Council. For example, the budget was approved by the Mayor and Council for capital project funds as a whole and was deemed a balance budget, however, when the capital project funds budgets were provided during the audit, initially, the budgets were broken out into three (3) capital project funds (Grant, Local, URA) to mirror how those funds were going to be reported in the financial statements which resulted in those budgets not being presented balanced. We also noted some variances between the amended budget provided during the audit and final balance that were ultimately amended by the Mayor and Council approximately eight (8) months subsequent to September 30, 2020. We recommend management of the City present budgets to the Mayor and Council for approval that will mirror how the funds will be reported in the comprehensive annual financial report. We also recommend management develop a better way to track budget amendments through the fiscal year-end to ensure information is readily available upon request.

Closing Thoughts

We have already discussed this comment and suggestion with various City personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than those specified parties.

We appreciate serving the City of South Fulton and would be happy to assist you in addressing and implementing this suggestion in this letter.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 24, 2021