

CHEROKEE COUNTY, GEORGIA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

CHEROKEE COUNTY, GEORGIA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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* 1-2

Independent Auditor’s Report on Compliance For Each Major Federal Program and a
Report on Internal Control Over Compliance in Accordance
with the Uniform Guidance 3-5

Independent Auditor’s Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance6

Schedule of Findings and Questioned Costs 7-8

Schedule of Expenditures of Federal Awards 9-11

Notes to Schedule of Expenditures of Federal Awards 12



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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*

Cherokee County Board of Commissioners
Cherokee County, Georgia
Canton, 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 Cherokee County, Georgia as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Cherokee County, Georgia's basic financial statements, and have issued our report thereon dated March 29, 2022.

Internal Control Over Financial Reporting

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

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cherokee 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*.

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.

Richards, Cauley + Associates, LLC

Kennesaw, Georgia
March 29, 2022



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND A REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Cherokee County Board of Commissioners
Cherokee County, Georgia
Canton, Georgia

Report on Compliance for Each Major Federal Program

We have audited Cherokee County, Georgia's (the County) 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 September 30, 2021. 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.

Basis for Qualified Opinion on the Federal Transit – Formula Grants Program and Emergency Rental Assistance Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA 20.507 Federal Transit – Formula Grants Program as described in finding number 2021-001 for Allowable Costs and CFDA 21.023 Emergency Rental Assistance Program as described in finding number 2021-002 for Reporting and Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to these programs.

Qualified Opinion on the Federal Transit – Formula Grants Program and Emergency Rental Assistance Program

In our opinion, except for the noncompliance items described in the Basis for Qualified Opinion paragraph, 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 the Federal Transit – Formula Grants and Emergency Rental Assistance Programs for the fiscal year ended September 30, 2021

Unmodified Opinion on the Other 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 its other major federal program for the fiscal year ended September 30, 2021.

Other Matters

The County’s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County’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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-003, that we consider to be material weaknesses.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the 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 Cherokee County, Georgia (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2022 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 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* (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.

Richards, Cauley + Associates, LLC

Kennesaw, Georgia
July 30, 2022

**CHEROKEE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Section I Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? _____ yes X no

Significant deficiency identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major federal programs:

Material weakness identified? X yes _____ no

Significant deficiency identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified – 14.218
Qualified – 20.507 and 21.023

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

Identification of major programs:

| <u>Assistance Listing Number</u> | <u>Name of Federal Programs</u> |
|----------------------------------|-------------------------------------|
| 14.218 | CDBG-Entitlement Grants Cluster |
| 20.507 | Federal Transit Cluster |
| 21.023 | Emergency Rental Assistance Program |

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

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

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Section II Financial Statement Findings

None reported.

Section III Federal Award Findings

Finding 2021-001: Material Noncompliance (Allowable Costs)

Federal Transit Cluster

Assistance Listing Number 20.507 – Federal Transit Formula Grants

Department of Transportation

Award Numbers: T006327 and GA-2020-013

Questioned Costs - \$93,865

Criteria: The regulation in 2 CFR 200.403 requires that except as authorized by statute, in order for costs to be allowable under Federal awards, the costs should not be included as a cost of any other federally-financed program in the current period.

Condition: Costs totaling \$93,865 were incorrectly charged to the program.

Cause: The County did not have adequate procedures for tracking costs being submitted for reimbursement.

Effect: Requests for reimbursement submitted under two separate grants included the same costs.

Auditor's Recommendation: The County should maintain separate cost centers for each federal funding source.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with the recommendation to segregate charges by each federal funding source. The County will maintain a subsidiary ledger for each federal funding source and corresponding expenditures that will be reconciled to the General Ledger. Furthermore, the County will restructure the Grants Division in order to improve the billing and expenditure reconciliation process.

Finding 2021-002: Material Noncompliance (Reporting and Special Tests and Provisions)

Assistance Listing Number 21.023 – Emergency Rental Assistance

Department of the Treasury

Award Numbers: ERA0137

Criteria: Agency financial reporting requirements are designed to ensure maximum transparency around the use of ERA award funds consistent with 2 CFR 200 and to enable sufficient monitoring by the Treasury. Expenditures and obligations reported in quarterly reports by the grantee are inputs to Treasury's ERA 2 reallocation expenditure and obligation ratios. The reallocation expenditure ratio determines whether the grantee is subject to involuntary reallocation due to an insufficient ratio and the amount of excess funds subject to recapture by Treasury.

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Condition: Costs reported on the 9/30/2021 SF-425 report submission was \$250,000 higher than the costs reflected in the general ledger for the period.

Cause: The County did not have adequate procedures for preparation and review of the report.

Effect: Amounts expended were overstated in the report submitted to the Treasury for the period.

Auditor's Recommendation: The County should develop procedures to ensure that amounts reported reconcile to the general ledger. Additionally, reports should be reviewed by someone that is independent of the preparation of the report.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with the recommendation and is restructuring the Grants Division to allow for better controls on reporting and reconciliation to the general ledger. The County has changed the deadline for the subrecipient so that metrics are reported in a timelier manner to the County. The Grants Manager will review all reports prior to their submission to the federal funding source in order to confirm accuracy, eligibility and period of performance.

Finding 2021-003: Material Weakness

Federal Transit Cluster

Assistance Listing Number 20.507 – Federal Transit Formula Grants

Department of Transportation

Criteria: The regulation in 2 CFR 200.302 requires that the financial management system of each non-Federal entity must provide for records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to expenditures and be supported by source documentation.

Condition/Effect: As noted in Finding 2021-001, the County did not have an adequate method of tracking expenditures for the related grants. Extensive time was required to identify specific costs that had been included in funding requests for each grant.

Auditor's Recommendation: The County should maintain separate cost centers for each federal funding source.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with the recommendation to segregate charges by each federal funding source. The County will maintain a subsidiary ledger for each federal funding source and corresponding expenditures that will be reconciled to the General Ledger. Furthermore, the County will restructure the Grants Division in order to improve the billing and expenditure reconciliation process.

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Contract or Project Number | Pass through to Subrecipients | Total Expenditures |
|---|---------------------------|-------------------------------|----------------------------------|-----------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Passed through the Georgia Association of Conservation Districts (GACD) | | | | |
| Regional Conservation Partnership Program | 10.932 | GACD-02-18-001 | \$ -- | 24,405 |
| Total U.S. Department of Agriculture | | | -- | 24,405 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| <i>CDBG - Entitlement Grants Cluster:</i> | | | | |
| Direct Grants | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 51,544 | 84,150 |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 55,659 | 153,210 |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 499,109 | 521,667 |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 22,331 | 22,331 |
| COVID-19 Community Development Block Grants/Entitlement Grants | 14.218 | | 776,545 | 781,544 |
| Total U.S. Department of Housing and Urban Development | | | 1,405,189 | 1,562,902 |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Passed through the Criminal Justice Coordinating Council (CJCC): | | | | |
| Violence Against Women Grant (District Attorney) | 16.588 | W19-8-015 | -- | 15,209 |
| Violence Against Women Grant (District Attorney) | 16.588 | W20-8-027 | -- | 70,000 |
| | | | -- | 85,209 |
| Passed through the Prosecuting Attorney's Council of Georgia (PAC-GA): | | | | |
| Victims of Crime Act Formula Grant (District Attorney) | 16.575 | C19-8-103 | -- | 194,964 |
| Victims of Crime Act Formula Grant (District Attorney) | 16.575 | C19-8-102 | -- | 63,141 |
| Victims of Crime Act Formula Grant (Solicitor General's Office) | 16.575 | C19-8-103 | -- | 175,235 |
| | | | -- | 433,340 |
| Direct Grants | | | | |
| COVID-19 - Coronavirus Emergency Supplemental Funding | 16.034 | 2020-VD-BX-0788 | -- | 28,053 |
| Federal Forfeiture Funds (CMANS) | 16.922 | GA0281000 | -- | 39,763 |
| Federal Forfeiture Funds (Sheriff IRS) | 21.016 | GA0281000 | -- | 3,908 |
| Passed through the Criminal Justice Coordinating Council (CJCC): | | | | |
| BJA Adult Drug Court Discretionary Grant Program | 16.585 | Q19-8-009 | -- | 3,826 |
| Direct Grant: | | | | |
| Drug Court Discretionary Grant Program (Juvenile Drug Court) | 16.585 | 2019-DC-BX-0102 | -- | 78,864 |
| | | | -- | 82,690 |
| Total U.S. Department of Justice | | | -- | 672,963 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| Passed through Georgia Emergency Management Agency/Homeland Security (GEMA/HS): | | | | |
| Hazard Mitigation Grant Program | 97.039 | HMGP-4400-0013-F | -- | 12,450 |
| Hazard Mitigation Grant Program | 97.039 | FEMA-4338-DR | -- | 18,000 |
| | | | -- | 30,450 |
| Emergency Performance Management Grant | 97.042 | OEM20-028 | -- | 50,000 |
| Total U.S. Department of Homeland Security | | | -- | 80,450 |

(continued)

**CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Contract or Project Number | Pass through to Subrecipients | Total Expenditures |
|---|------------------------|-------------------------------|----------------------------------|-----------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| <i>Aging Cluster</i> | | | | |
| Passed through Atlanta Regional Commission | | | | |
| Special Programs for the Aging; Title III Part B | 93.044 | AG2101 | -- | 143,229 |
| Special Programs for the Aging; Title III Part B | 93.044 | AG2202 | -- | 23,428 |
| Passed through the Georgia Department of Human Services | | | | |
| Special Programs for the Aging; Title III Part B | 93.044 | 42700-362-0000093554 | -- | 1,792 |
| Special Programs for the Aging; Title III Part B | 93.044 | 42700-362-0000102071 | -- | 13,984 |
| | | | -- | 182,433 |
| Passed through Atlanta Regional Commission | | | | |
| Special Programs for the Aging; Title III Part C | 93.045 | AG2101 | -- | 173,477 |
| Special Programs for the Aging; Title III Part C | 93.045 | AG2202 | -- | 43,887 |
| COVID-19 - CARES Act Senior Services; Title 3C | 93.045 | AG2119 | -- | 152,058 |
| COVID-19 - Families First Coronavirus Relief Act (FFCRA) | 93.045 | AG2040 | -- | 66,870 |
| | | | -- | 436,292 |
| Passed through Atlanta Regional Commission | | | | |
| Nutrition Services Incentive Program | 93.053 | AG2101 | -- | 29,748 |
| <i>Total Aging Cluster</i> | | | -- | 648,473 |
| Passed through Atlanta Regional Commission | | | | |
| Social Services Block Grant | 93.667 | AG2101 | -- | 15,846 |
| Passed through the Georgia Department of Human Services | | | | |
| Social Services Block Grant | 93.667 | 42700-362-0000093554 | -- | 18,316 |
| Social Services Block Grant | 93.667 | 42700-362-0000102071 | -- | 4,786 |
| | | | -- | 38,948 |
| Passed through Atlanta Regional Commission | | | | |
| National Family Caregiver Support; Title III Part E | 93.052 | AG2101 | -- | 18,312 |
| National Family Caregiver Support; Title III Part E | 93.052 | AG2202 | -- | 2,983 |
| | | | | 21,295 |
| Passed through the Georgia Department of Human Services | | | | |
| Family Connection | 93.605 | 427-93-202100030 | 37,245 | 37,245 |
| Family Connection | 93.605 | 427-93-202200030 | 12,000 | 12,000 |
| | | | 49,245 | 49,245 |
| Direct Grants | | | | |
| COVID-19 - CARES Act EMS Provider Relief Funds | 93.498 | CARES Act | -- | 49,012 |
| Total U.S. Department of Health and Human Services | | | 49,245 | 806,973 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through Georgia Office of Highway Safety | | | | |
| HEAT Law Enforcement | 20.614 | GA-2021-FAST-402PT-032 | -- | 84,583 |
| Passed through the Georgia Department of Human Services | | | | |
| 5310 Elderly/Disabled | 20.513 | 42700-362-0000083651 | -- | 1,835 |
| <i>Federal Transit Cluster:</i> | | | | |
| Passed through the Georgia Department of Transportation (GDOT): | | | | |
| COVID-19 - GDOT CARES Act Sec 5311 | 20.507 | T006327 | -- | 164,404 |
| Direct Grants | | | | |
| COVID-19 - FY20 CARES Act Sec 5307 | 20.507 | GA-2020-013 | -- | 672,327 |
| Federal Transit Formula Grant | 20.507 | GA-2019-002 | -- | 119,727 |
| | | | -- | 792,054 |
| <i>Total Federal Transit Cluster</i> | | | -- | 956,458 |
| Passed through the Georgia Department of Transportation (GDOT): | | | | |
| GDOT 5311 Operating (formula grant) | 20.509 | T007132 | -- | 44,396 |
| Total U.S. Department of Transportation | | | -- | 1,087,272 |

(continued)

**CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Contract or Project Number | Pass through to Subrecipients | Total Expenditures |
|---|------------------------|-------------------------------|----------------------------------|----------------------------|
| U.S. DEPARTMENT OF TREASURY | | | | |
| Direct Grants | | | | |
| COVID-19 - Emergency Rental Assistance Round 1 | 21.023 | ERA0137 | 1,420,902 | 1,423,084 |
| COVID-19 - American Rescue Plan Act 2021 | 21.027 | SLFRF | -- | 175,133 |
| Total U.S. Department of Treasury | | | <u>1,420,902</u> | <u>1,598,217</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,875,336</u> | <u>\$ 5,833,182</u> |

CHEROKEE COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

1. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Cherokee County, Georgia (the County). All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in Note 1C to the County’s basic financial statements. Expenditures are recognized following the applicable cost principles contained in either Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) or the OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Indirect Cost Rates

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

3. Relationship to Federal Financial Reports

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

4. U.S. Department of Health and Human Service – Provider Relief Funds

Amounts reported on the Schedule of Expenditures of Federal Awards for the fiscal year ended September 30, 2021 consist of the following reporting submissions to the Department of Health and Human Services during the fiscal year:

| | |
|----------------|--------------------|
| Quarter 4 2020 | \$ 4,409.70 |
| Quarter 1 2021 | \$ 0.00 |
| Quarter 2 2021 | <u>\$44,601.95</u> |
| Total | <u>\$49,011.65</u> |