

CHEROKEE COUNTY, GEORGIA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

CHEROKEE COUNTY, GEORGIA
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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**

Board of Commissioners
Of Cherokee County Georgia
Canton, 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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 financial statements. 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richards, Cauley + Associates, LLC

Kennesaw, Georgia
March 27, 2025



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

Board of Commissioners
Of Cherokee County Georgia
Canton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cherokee County Georgia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the 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, 2024. 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.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the County as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated March 27, 2025, 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 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.

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.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
September 23, 2025

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	-	185,154	224,712
Community Development Block Grants/Entitlement Grants	14.218	-	55,836	77,798
Community Development Block Grants/Entitlement Grants	14.218	-	325,560	514,280
Community Development Block Grants/Entitlement Grants	14.218	-	375,633	375,633
Community Development Block Grants/Entitlement Grants	14.218	-	132,583	132,583
Community Development Block Grants/Entitlement Grants	14.218	-	1,732	2,522
			<u>1,076,498</u>	<u>1,327,528</u>
Total U.S. Department of Housing and Urban Development			<u>1,076,498</u>	<u>1,327,528</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Programs				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	13,466
Equitable Sharing Program	16.922	-	-	76,332
Direct Programs				
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	-	-	23,268
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	-	-	76,573
Passed through the Criminal Justice Coordinating Council				
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	E22-8-002	-	523
			<u>-</u>	<u>100,364</u>
Passed through the Prosecuting Attorney's Council of Georgia				
Crime Victim Assistance	16.575	C19-8-103	-	8,165
Crime Victim Assistance	16.575	C19-8-103	-	32,679
Crime Victim Assistance	16.575	C22-8-076	-	119,188
Crime Victim Assistance	16.575	C22-8-076	-	31,777
			<u>-</u>	<u>191,809</u>
Passed through the Criminal Justice Coordinating Council				
Treatment Court Discretionary Grant Program	16.585	Q19-8-026	-	32,340
Vilence Against Women Formula Grants	16.588	W23-8-056	-	83,289
			<u>-</u>	<u>83,289</u>
Total U.S. Department of Justice			<u>-</u>	<u>497,600</u>
U.S. DEPARTMENT OF THE HOMELAND SECURITY				
Pass through United Way Worldwide				
Emergency Food and Shelter National Board Program	97.024	183000015	-	5,173
Pass through Georgia Emergency Management and Homeland Security Agency				
Emergency Management Performance Grants	97.042	OEM22-EO-00005-S01	-	5,000
Emergency Management Performance Grants	97.042	OEM23-EO-00005-S01	-	50,000
			<u>-</u>	<u>55,000</u>
Total U.S. Department of Homeland Security			<u>-</u>	<u>60,173</u>
U.S. DEPARTMENT OF EDUCATION				
Passed through the Georgia Recreation and Parks Association				
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	2024 MOU	-	74,997
Total U.S. Department of Education			<u>-</u>	<u>74,997</u>

(continued on the following page)

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Pass through Atlanta Regional Commission				
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	AG2402	-	214,639
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	AG2502	-	58,037
Pass through Georgia Department of Human Services				
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	42700-362-0025117530	-	15,043
			-	287,719
Pass through Atlanta Regional Commission				
Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	AG2402	-	328,337
Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	AG2502	-	122,202
			-	450,539
Pass through Atlanta Regional Commission				
Nutrition Services Incentive Program	93.053	AG2402	-	36,550
Nutrition Services Incentive Program	93.053	AG2502	-	21,294
			-	57,844
Total Aging Cluster			-	796,102
Pass through Atlanta Regional Commission				
National Family Caregiver Support, Title III, Part E	93.052	AG2402	-	13,599
National Family Caregiver Support, Title III, Part E	93.052	AG2502	-	18,697
			-	32,296
Pass through Georgia Department of Human Services				
Family Connection Grants	93.605	427-93-202400135	39,375	39,375
Family Connection Grants	93.605	427-93-202500135	14,085	14,085
			53,460	53,460
Pass through Atlanta Regional Commission				
Social Services Block Grant	93.667	AG2402	-	19,944
Social Services Block Grant	93.667	AG2502	-	2,767
Pass through Georgia Department of Human Services				
Social Services Block Grant	93.667	42700-362-0000358372	-	3,446
Social Services Block Grant	93.667	42700-362-00025117530	-	20,416
			-	46,573
Total U.S. Department of Health and Human Services			53,460	928,431
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	GA-2019-002	-	380,822
Federal Transit Formula Grants	20.507	GA-2021-002	-	370,055
Federal Transit Formula Grants	20.507	GA-2022-016	-	3,778
Federal Transit Formula Grants	20.507	GA-2023-034	-	346,958
Federal Transit Formula Grants	20.507	GA-2024-013	-	2,330
Federal Transit Formula Grants	20.507	GA-2024-026	-	12,165
			-	1,116,108
Direct Programs				
Safe Streets and Roads for All	20.939	693JJ32340037	-	90,567
Pass through Georgia Department of Transportation				
Formula Grants for Rural Areas and Tribal Transit Programs	20.509	T007214	-	162,633
Formula Grants for Rural Areas and Tribal Transit Programs	20.509	T007296	-	91,877
			-	254,510

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CHEROKEE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Pass through Georgia Department of Human Services Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	42700-362-0000358372	-	253,246
Total U.S. Department of Transportation			-	1,714,431
U.S. DEPARTMENT OF TREASURY				
Direct Assistance				
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	3,858,523	12,292,287
Passed-through State of Georgia				
Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0013884	-	337,500
Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-ARPA-01	-	759,436
Pass through Atlanta Regional Commission				
Coronavirus State and Local Fiscal Recovery Funds	21.027	AG2332	-	71,660
			3,858,523	13,460,883
Total U.S. Department of Treasury			3,858,523	13,460,883
Total Expenditure of Federal Awards			<u>\$ 4,988,481</u>	<u>\$ 18,064,043</u>

CHEROKEE COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards received by Cherokee County, Georgia (the County). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included in this 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.

NOTE 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.

NOTE 3 – NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended September 30, 2024.

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Controls over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major Federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Dollar threshold used to distinguish between type A and type B Programs:	\$750,000
Auditee qualified as a low risk auditee?	No
Identification of major federal programs:	

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster
14.218	CDBG – Entitlement Grants Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.044, 93.045, 93.055	Aging Cluster

Section II: Financial Statement Findings

None Reported.

Section III: Federal Awards Findings

None Reported.

CHEROKEE COUNTY, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

STATUS OF PRIOR YEAR FINDINGS

Finding 2023-001 – Subrecipient Monitoring

Condition: Monitoring activities performed by the County did not encompass certain areas necessary to ensure that the subrecipient administered the subaward in compliance with the terms and conditions of the subaward. Specifically, the County had not verified that a subrecipient that was expected to be audited as required by 2 CFR Part 200, Subpart F, met this requirement (2 CFR section 200.331(f)).

Auditee's Response/Status: The finding was corrected.