

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
(A COMPONENT UNIT OF CHEROKEE COUNTY, GEORGIA)**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORTS**

YEAR ENDED JUNE 30, 2019

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

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INDEPENDENT AUDITOR'S REPORT

To the Board of Health
Cherokee County Department of Public Health
1710 Whitehouse Court
Dalton, Georgia 30720

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Cherokee County Department of Public Health (Department), a component unit of Cherokee County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Department's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Department as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules related to the Employees' Retirement System, schedules related to the State OPEB Fund, schedules related to the SEAD-OPEB, and budgetary comparison information on pages 4 through 11 and 49 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The financial information listed as supplemental information in the table of contents and the schedule of expenditures of federal awards, 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 (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The financial information listed as supplemental information in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 financial information listed as supplemental information in the table of contents and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2019 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Richels, Cauley + Associates, LLC

Dalton, Georgia
December 5, 2019

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

The management of the Cherokee County Department of Public Health (Department) is pleased to provide this narrative discussion and analysis of the financial activities of the Department for the fiscal year ended June 30, 2019. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Public Health Facilities and Staffing: The clinical operations of the Cherokee County Department of Public Health (Department) are located on 1919 Univeter Road in Canton, Georgia & 75 North Main Street in Woodstock, Georgia. The Cherokee County Department of Public Health has 154 full time employees and 21 part time employees.

Public Health: This program includes state public health mandated services that are funded primarily through specific grant-in-aid allotments, local governmental funding, Medicare/Medicaid reimbursement fees, and contract reimbursements for services. This revenue is used to primarily fund the salaries and related fringe benefits of nurses, physicians, and support staff. It is also used to fund related expenses that provide the following to Cherokee County residents: cancer screenings, child and family health planning services, immunizations, hypertension screening and management, tuberculosis services, sexually transmitted disease services, dental services, pharmacy services, environmental services (e.g. food service inspections, tourist accommodations, sewage disposal, insect control, etc.), and health assessment services.

North Georgia Health District Oversight: The Cherokee, Fannin, Gilmer, Murray, Pickens, and Whitfield County Departments of Public Health comprise Georgia's Public Health District 1 Unit 2. The Health District provides administrative support services, the cost of which is recorded in the financial records of the Cherokee County Department of Public Health and is allocated to the other Departments based on their proportionate share of these expenses.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

Financial Highlights

- The Department's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$6,888,125 (total net position) as of June 30, 2019.
- Total net position are comprised of the following:
 - (1) Investment in capital assets of \$493,147;
 - (2) Restricted for prior year program income of \$1,872,408;
 - (3) Unrestricted net position reports a deficit of \$9,253.680.
- The Department's governmental fund reported total ending fund balance of \$4,665,698 at June 30, 2019. This compares to the prior year ending fund balance of \$4,511,697 showing an increase of \$154,001 during the current year.
- The Department's financial stability from year-to-year is somewhat dependent on its ability to carry over patient-generated fees from one fiscal year into the following fiscal year to meet total annual funding requirements. The State allows the Department to re-budget and spend carry over funds in the year subsequent to receipt. Administrative claiming is included as this type of funding. The administrative claiming income is designed to obtain Medicaid reimbursement for administrative costs for non-clinical, population-based services attributable to those who are Medicaid eligible.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Department's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Department also includes in this report additional information to supplement the basic financial statements.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

Required Financial Statements

Government-wide Statements

The government-wide statements report information about the Department as a whole. These statements provide both long-term and short-term information about the Department's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Department's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. It also provides the basis for evaluating the capital structure of the Department and assessing the liquidity and financial flexibility of the Department. The Statement of Net Position is prepared using accounting methods similar to private sector companies.

The second government-wide statement is the *Statement of Activities*, which reports how the Department's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

Fund financial statements of the Department consist of the following:

The Department's basic services are included in a governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statement provides a detailed short-term view that helps you determine whether or not there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on page 16 that explains the relationship (or differences) between them.

The fund financial statements are presented on pages 14-16 of this report.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

Financial Analysis of the Department

The Statement of Net Position and Statement of Activities report information about the Department's net position and the changes in them. One can think of the Department's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the Department's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the Department's Statement of Net Position is presented in the table below.

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Change</u>
<u>Assets</u>			
Current and other assets	\$ 5,956,890	\$ 5,149,333	\$ 807,557
Capital assets, net	493,147	452,344	40,803
Total assets	<u>6,450,037</u>	<u>5,601,677</u>	<u>848,360</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows	<u>4,594,496</u>	<u>3,687,435</u>	<u>907,061</u>
<u>Liabilities</u>			
Current liabilities	907,884	915,139	(7,255)
Long-term liabilities	<u>14,380,144</u>	<u>15,812,682</u>	<u>(1,432,538)</u>
Total liabilities	<u>15,288,028</u>	<u>16,727,821</u>	<u>(1,439,793)</u>
<u>Deferred Inflows of Resources</u>			
Deferred inflows	<u>2,644,630</u>	<u>716,155</u>	<u>1,928,475</u>
<u>Net Position</u>			
Investment in capital assets	493,147	452,344	40,803
Net position - restricted	1,872,408	1,908,932	(36,524)
Net position - unrestricted	<u>(9,253,680)</u>	<u>(10,516,140)</u>	<u>1,262,460</u>
Total net position	<u>\$ (6,888,125)</u>	<u>\$ (8,154,864)</u>	<u>\$ 1,266,739</u>

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

The Department's net position is comprised of restricted net position, unrestricted net position, and investment in capital assets. As shown above, at the end of the fiscal year 2019, the Department had a total net position of (\$6,888,125) which is an increase of \$1,266,739 from the previous fiscal year. Of the total net position, \$(9,253,680) is unrestricted deficit, restricted net position of \$1,872,408 represents net income of specific programs that must be utilized in the next fiscal year, and \$493,147 is invested in capital assets.

Changes in Net Position

The following table is a summary of the major changes in net position compared to the prior year as shown in the Statement of Activities.

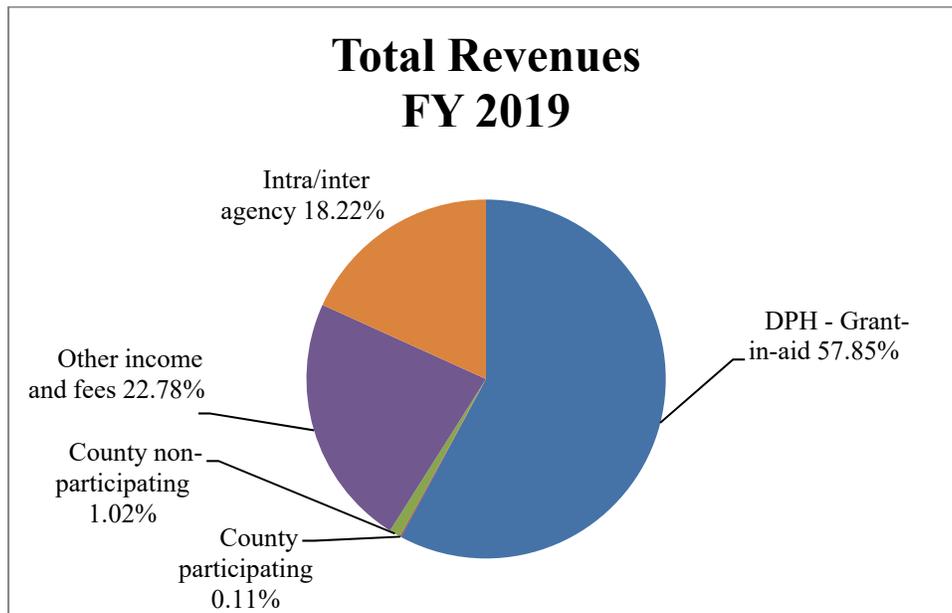
	FY 2019	FY 2018	Change
Revenues:			
DPH - Grant-in-aid	\$ 9,757,529	\$ 10,073,869	\$ (316,340)
County participating	19,708	19,708	-
County non-participating	172,625	172,625	-
Other income and fees	3,843,020	3,974,077	(131,057)
Intra/inter agency	3,072,710	2,860,830	211,880
Total revenues	16,865,592	17,101,109	(235,517)
Expenses:			
Salaries and fringe benefits	9,235,871	9,263,740	(27,869)
Depreciation	118,538	104,369	14,169
Equipment	12,683	39,815	(27,132)
Other operating	3,465,212	3,533,890	(68,678)
Intra/inter agency	1,764,593	1,770,231	(5,638)
Indirect costs	1,001,956	974,087	27,869
Total expenditures	15,598,853	15,686,132	(87,279)
Change in net position	1,266,739	1,414,977	(148,238)
Net position - beginning	(8,154,864)	(9,569,841)	1,414,977
Net position - ending	\$ (6,888,125)	\$ (8,154,864)	\$ 1,266,739

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

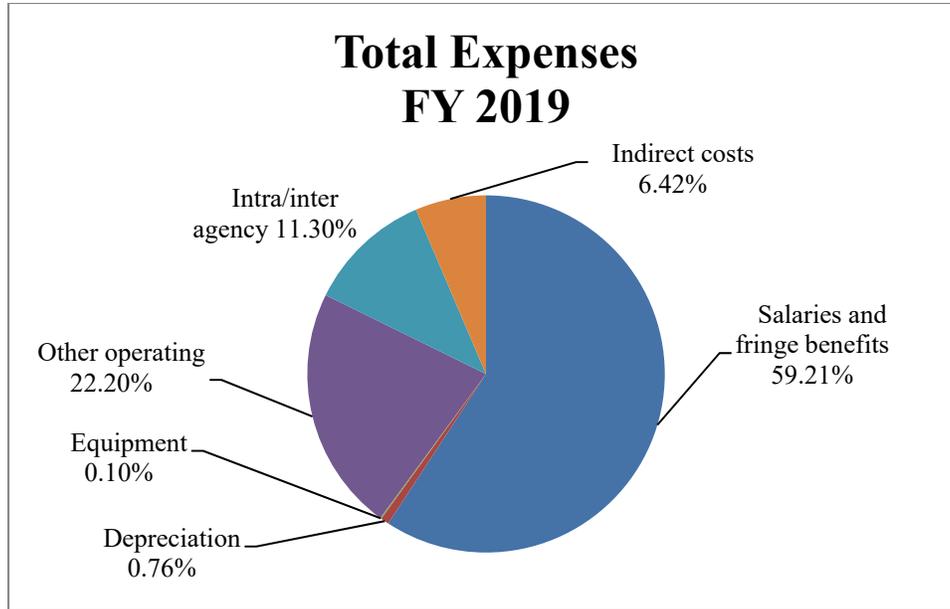
As shown above, in fiscal year 2019, the Department received \$16,865,592 in revenues. Total revenues decreased by \$235,517 (1.38%) from the prior year primarily due to a decrease in grant-in-aid funding of \$316,340 from the Georgia Department of Public Health. This decrease was due to GIA reductions in program funding in the WIC and BCCP programs. The Department also saw an increase in intra/inter agency revenues of \$211,880. The increase reflects inter-agency transfers between counties and program sharing staffing and resources in the delivery of public health services (i.e. Family Planning, Immunizations and Environmental Services).

In fiscal year 2019, the Cherokee County Department of Public Health incurred \$15,598,853 in expenses related to all state programs and health clinic operations, a decrease of \$87,279 from fiscal year 2018. These decreased costs were primarily due to a decrease other operating expenses of \$68,678. The decrease was primarily due to a reduction in repairs and maintenance costs. Other expense categories did not fluctuate significantly from the previous year.

The following graphs illustrate the breakout of the Department's total revenues and expenses by major category as shown in the Statement of Activities.



**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**



Capital Assets

The following table provides a summary of capital asset activity:

	Governmental Activities	
	2019	2018
Capital assets:		
Office equipment	\$ 506,586	\$ 506,586
Computer equipment	360,345	336,691
Clinical equipment	776,148	745,471
Office furniture	44,254	44,254
Leasehold improvements	338,202	250,982
Vehicles	469,181	451,391
Total depreciable assets	<u>2,494,716</u>	<u>2,335,375</u>
Less accumulated depreciation	<u>2,001,569</u>	<u>1,883,031</u>
Net book value - depreciable assets	<u>\$ 493,147</u>	<u>\$ 452,344</u>
Percentage depreciated	80.23%	80.63%

The Department purchased \$159,341 in new assets during the current year. Depreciation expense totaling \$118,538 was taken in the current year. The Department's assets are now 80.23% depreciated.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)**

Budgetary Highlights

The District staff, in conjunction with the County Health Department staff, develops an annual budget and presents it to the County Board of Health for approval. At the time the budget is prepared and adopted, the amount of the state and county appropriated funds are only estimates. The final state appropriation, if different from the staff estimate, will affect grant-in-aid, intra/inter agency, county participating and county non-participating and administrative claiming line items. The comparison between original budget and final budget line items for these revenues will reflect the differences between the staff estimates and state allocations.

For reporting purposes, the fees for services collected by the Department in a fiscal year are shown as revenues. The Department also includes in the budget and operations revenue carried forward from the prior year but does not reflect this as revenue in the current year activity. This is a practice which is common among other health departments and a practice that is approved by the Georgia Department of Public Health.

There were significant variations from the original budget to the final budget and from the final budget to the actual results. State grant in aid, fee income, Medicaid/Medicare, administrative claiming, and intra/inter agency revenue were budgeted using projections based on current known financial information and circumstances. These projections were subsequently adjusted according to changes in grant allocations, state budget revisions and economic conditions. The revenues budgets were amended upward in 2019, by \$2,568,748 or 17.66% and actual revenues were below final budget by \$250,876 or 1.47%.

Furthermore, salaries, other operating, and indirect costs expenses were originally budgeted based on funding and position requirements present at the beginning of the fiscal year and subsequently adjusted. The Department underspent the final expenditure budget by \$436,092 or 2.54%. All departments attempted to minimize their spending.

Currently Known Facts, Decisions or Conditions

There are no litigation issues, capital additions or major policy decisions currently under review.

Requests For Information

This financial report is designed to provide a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. Questions concerning any information provided in this report or request for additional financial information should be addressed to the Director of Fiscal Management, North Georgia Health District, District 1 Unit 2, 1710 Whitehouse Court Dalton, Georgia 30720.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 3,582,028
Investments	250,575
Receivables	369,614
Due from Department of Public Health (DPH)	830,670
Due from other governments	123,249
Prepaid expenses	110,889
Other assets	7,910
Capital assets, net of accumulated depreciation of \$2,001,569	493,147
Net OPEB asset	<u>681,955</u>
Total assets	<u>6,450,037</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pension benefits	2,547,916
Deferred outflows related to OPEB benefits	<u>2,046,580</u>
Total deferred outflows of resources	<u>4,594,496</u>
<u>LIABILITIES</u>	
Accounts payable	309,106
Due to Department of Public Health	299,331
Due to other governments	800
Noncurrent liabilities:	
Net pension liability	8,910,664
Net OPEB liability	5,170,833
Due within one year	298,647
Due in more than one year	<u>298,647</u>
Total liabilities	<u>15,288,028</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pension benefits	205,345
Deferred inflows related to OPEB benefits	<u>2,439,285</u>
Total deferred inflows of resources	<u>2,644,630</u>
<u>NET POSITION</u>	
Investment in capital assets	493,147
Restricted for prior year program income	1,872,408
Unrestricted (deficit)	<u>(9,253,680)</u>
Total net position	<u>\$ (6,888,125)</u>

See accompanying independent auditor's report and notes to financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Statement of Activities

Year Ended June 30, 2019

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities -				
Public health services	<u>\$ 15,598,853</u>	<u>\$ 3,352,666</u>	<u>\$ 13,504,321</u>	<u>\$ 1,258,134</u>
General revenues:				
Unrestricted investment earnings				<u>8,605</u>
Total general revenues				<u>8,605</u>
Change in net position				1,266,739
Net position - beginning				<u>(8,154,864)</u>
Net position - ending				<u><u>\$ (6,888,125)</u></u>

See accompanying independent auditor's report and notes to financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Balance Sheet
Governmental Funds**

June 30, 2019

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 3,582,028
Investments	250,575
Receivables	369,614
Due from Department of Public Health	830,670
Due from other governments	123,249
Prepaid expenses	110,889
Other assets	7,910
Total assets	<u>\$ 5,274,935</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ 309,106
Due to Department of Public Health	299,331
Due to other governments	800
Total liabilities	<u>609,237</u>
Fund balance:	
Nonspendable - prepaid expenses	110,889
Restricted - prior year program income	1,872,408
Assigned - public health	2,682,401
Total fund balance	<u>4,665,698</u>
The amount reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds	493,147
Items related to OPEB, including OPEB asset, deferred inflows and outflows, are not available to pay for current-period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds	566,192
Certain liabilities, such as compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(597,294)
Items related to pensions, including pension asset and liability, deferred inflows and deferred outflows, are not available to pay for current-period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds	(6,568,093)
Items related to OPEB, including OPEB liability, deferred inflows and outflows, are not available to pay for current-period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds	<u>(5,447,775)</u>
Net position of governmental activities	<u>\$ (6,888,125)</u>

See accompanying independent auditor's report and notes to financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds**

Year Ended June 30, 2019

	<u>General Fund</u>
Revenues:	
DPH - grant-in-aid	\$ 9,757,529
County participating	19,708
County non-participating	172,625
Fee income	2,732,972
Medicaid/Medicare	238,548
Other local funds	8,605
Federal grants	481,525
Administrative claiming	381,146
Donations	224
Intra/inter agency	<u>3,072,710</u>
Total revenues	<u>16,865,592</u>
Expenditures:	
Salaries and fringe benefits	10,307,806
Equipment	172,024
Other operating	3,465,212
Intra/inter agency	1,764,593
Indirect costs	<u>1,001,956</u>
Total expenditures	<u>16,711,591</u>
Net change in fund balance	154,001
Fund balance at beginning of year	<u>4,511,697</u>
Fund balance at end of year	<u><u>\$ 4,665,698</u></u>

See accompanying independent auditor's report and notes to financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds to the Statement of Activities**

Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds \$ 154,001

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current year.

Current year capital asset additions 159,341
Current year depreciation expense (118,538)

In the statement of activities, certain operating expenses - compensated absences (vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). During this year, compensated absences increased by \$42,289.

(42,289)

In the government-wide financial statements, pension expense is determined by the amount of change in net pension liability and the related deferred inflows and outflows of resources for the current period. In the governmental funds, however, pension expense is measured by the amount of financial resources used (essentially the amount paid). This is the amount by which the change in net pension liability and changes in related deferred inflows and outflows of resources exceeded retirement contributions made during the year.

(108,951)

In the government-wide financial statements, OPEB expense is determined by the amount of change in net OPEB asset/liability and the related deferred inflows and outflows of resources for the current period. In the governmental funds, however, OPEB expense is measured by the amount of financial resources used (essentially the amount paid). This is the amount by which retirement contributions made during the year exceeded the change in net OPEB asset/liability and changes in related deferred inflows and outflows of resources.

1,223,175

Change in net position of governmental activities

\$ 1,266,739

See accompanying independent auditor's report and notes to financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cherokee County Department of Public Health (Department) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the Department are described below.

A. Reporting entity

The Cherokee County Department of Public Health was created by constitutional ratification and is a component unit of Cherokee County, Georgia.

The Cherokee County Board of Health (Board) is a seven member board comprised of a Cherokee County Commission representative, the Cherokee County school superintendent, a licensed physician practicing in Cherokee County, a City of Canton Council representative, two members appointed by the Cherokee County Commission and one member appointed by the City of Canton Council.

The Board has decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Board determines its public health operating budget annually subject to the approval of the Cherokee County Board of Commissioners. The budget of other various programs is determined based on funds awarded by the Georgia Department of Public Health. Budget revisions are approved by management. All annual appropriations lapse at year-end.

The Board determines the community's health needs, collects and analyzes data, develops programs and activities, secures compliance with rules and regulations and enforces laws pertaining to health.

These financial statements present the Department as a component unit of Cherokee County, Georgia (the primary government). As defined by Governmental Accounting Standards Board (GASB) Statement No. 61, as amended, component units are legally separate entities that are included in the primary government's reporting entity because of the significance of their operating or financial relationships with the primary government. The Department is a component unit of Cherokee County, Georgia because it is fiscally accountable. Further, the Department has no related party organizations nor does it participate in any joint ventures.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-wide financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Department as a whole.

In the statement of net position, activities are reported using the *economic resources basis* and the *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Board's net position is reported in three parts; invested in capital assets; restricted net position; and unrestricted net position. The Board first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for the public health function. Direct expenses are those that are specifically associated with the public health function and therefore are clearly identifiable to that function. The Department has no indirect expenses which require allocation to the public health function.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function.

C. Fund financial statements

The financial transactions of the Department are reported in a single governmental fund in the fund financial statements. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses as appropriate. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

D. Assets, liabilities, fund balance, net position, and deferred outflows/inflows

1. Cash and investments

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition by the Department. Investments are stated at cost, which approximates market value.

Georgia law authorizes the Department to invest in the following types of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States government
- Obligations fully insured or guaranteed by the United States government or United States Government Agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e. Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

The Department does not maintain any formalized deposit or investment policies. See Note II.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, liabilities, fund balance, net position, and deferred outflows/inflows

2. Receivables

The Department provides public health services for the citizens of Cherokee County, Georgia, regardless of their ability to pay for such services. Services are provided based on a sliding fee schedule. Individuals receiving services are requested to pay for the services rendered, but payment is not required. Detailed records of amounts receivable from patient services are maintained, but a 100% allowance for doubtful accounts is maintained for that amount. The allowance is maintained due to the uncertainty as to the collectability of the balance. The Department maintains a policy that fees are recognized when collected.

Other receivables including those from the Georgia Department of Public Health are deemed fully collectible. See Note III. There is no specific allowance provided for them.

3. Inventory

Inventory is stated at the lower of cost or market. Cost is determined on the first-in, first out basis. Inventories are expensed when consumed.

4. Capital assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental column in the government-wide financial statements. For generally accepted accounting principles (GAAP) purposes, the Department defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend assets lives are not capitalized. See Note V. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Computer equipment	3 years
Office equipment	5 years
Office furniture	10 years
Clinical equipment	4 years
Vehicles	6 years
Leasehold improvements	10 years

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, liabilities, fund balance, net position, and deferred outflows/inflows

5. Accrued liabilities

Once incurred, accrued liabilities are paid in a timely manner and in full from current financial resources, and are reported as obligations in the fund financial statements.

6. Compensated absences

Annual and sick leave costs are accrued as a liability as the benefits are earned. Employees can earn annual leave at the rate of ten (10) hours per month during the first five (5) years of employment; twelve (12) hours per month after five (5) through ten (10) years of employment; and fourteen (14) hours per month after ten (10) years of employment. There is no requirement that annual leave be taken, but the maximum accumulation is (45) days. At termination, employees are paid for any accumulated annual leave. See Note VI.

Employees accumulate sick leave at the rate of ten (10) hours per month. The maximum permissible accumulation is ninety (90) days. Forfeited leave is accumulated and according to certain provisions can be utilized for extended major illnesses and retirement. No sick leave is paid upon employee termination. Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note IX.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, liabilities, fund balance, net position, and deferred outflows/inflows

8. Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Postemployment Benefit Fund (State OPEB Fund) and the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) and additions to/deductions from State OPEB Fund and SEAD-OPEB fiduciary net position have been determined on the same basis as they are reported by State OPEB Fund and SEAD-OPEB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note XI.

9. Fund balance – governmental fund financial statement

The following categories are used by the Department for classifying fund balance in the governmental fund financial statements:

Nonspendable – the portion of fund balance that includes amounts that cannot be spent because they are either not in spendable form (prepaid items, inventories of supplies, or loans receivable), or be legally or contractually required to be maintained intact.

Restricted – the portion of a fund balance that reflects constraints placed on the use of resources other than nonspendable items that are either externally imposed by creditors, or be imposed by law through constitutional provisions or enabling legislation. The Department has classified prior year program income (PYPI) as restricted.

Committed – the portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Health and remain binding unless removed in the same manner.

Assigned – the portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes that are neither restricted nor committed, as established by the Financial Operations and Services Manager.

Unassigned – the portion of a fund balance that includes amounts that do not fall into one of the above four categories.

The Department uses restricted amounts first when both restricted and unrestricted fund

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, liabilities, fund balance, net position, and deferred outflows/inflows

9. Fund balance – governmental fund financial statement

balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the Department would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

10. Net position – government-wide financial statements

Net position represents the difference between assets and liabilities in the government-wide financial statements. Investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

11. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department has two items that qualify for reporting in this category on the Statement of Net Positions related to the Department's pension and OPEB benefits. See Notes IX and XI.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Department has two items that qualify for reporting in this category on the Statement of Net Position related to the Department's pension and OPEB benefits. See Notes IX and XI.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

II. CASH AND INVESTMENTS

A. Custodial credit risk – deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The Department’s cash and investment policies do not specifically address custodial credit risk. As of June 30, 2019, the Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized by GASB pronouncements.

B. Credit risk

State statutes authorize the Department to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker’s acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The Department does not have an investment policy and therefore has elected to follow State statutes for limiting credit risk on investments.

At June 30, 2019, the County had the following investments:

<u>Investment</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Certificate of Deposit	3/13/2020	\$ 250,575

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

II. CASH AND INVESTMENTS

B. Credit risk

See Note 1 for the types of investments authorized by legal provisions. The Board does not have a formal policy addressing credit risk.

The Department has adopted GASB Statement No. 72 (GASB 72), Fair Value Measurements and Application. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the Board has the ability to access.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset which are typically based on the Board's own assumptions, as there is little, if any, related market activity.

The Department's recurring fair value measurements at June 30, 2019, the Certificates of Deposit totaled \$250,575 are classified as Level 2 of the fair value hierarchy.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

III. DUE FROM (TO) THE DEPARTMENT OF PUBLIC HEALTH (DPH)

Program Number	Program Name	Due From	Due To	Net
001	Public Health	\$ -	\$ 28,106	\$ (28,106)
007	WIC - Nutrition Education	31,466	2	31,464
009	WIC - Breastfeeding	2,825	285	2,540
020	Georgia Cancer Registry	12,029	5,135	6,894
024	Children's 1st - 2	23,211	19,103	4,108
025	Federal Cancer Registry	618	3,600	(2,982)
027	Genetics	741	3,541	(2,800)
044	HIV/AIDS Substance Abuse Initiative	8,522	-	8,522
056	Breast and Cervical Cancer Program	70,674	3,700	66,974
066	Immunization Plan	11,913	6,246	5,667
089	HIV District Rent	1,440	-	1,440
094	Ryan White Aids Project	39,458	-	39,458
112	Early Intervention	22,334	13,321	9,013
208	Employee Worksite Wellness	8,998	-	8,998
265	Childhood Lead Poisoning	11,253	6,300	4,953
270	BP1-5 Public Health Emergency Preparedness	28,880	33,863	(4,983)
273	BP1-5 Cities Readiness Initiative	197	318	(121)
283	STD Preventive Clinical Services	5,096	1,216	3,880
301	WIC Personal Services	170,637	-	170,637
329	Breastfeeding Peer Counseling	13,183	2,817	10,366
401	Family Planning	109,723	33,411	76,312
405	State Cervical Cancer Screening Program	31,472	1,134	30,338
409	CP Children Medical Services	73,626	76,456	(2,830)
443	WIC Dietetic Internship	2,818	562	2,256
460	Outpatient Universal Newborn Hearing Screening and Intervention	323	322	1
461	Outpatient UNHSI - Salaries	4,842	4,247	595
464	State Breast and Cervical Cancer	28,573	1,824	26,749
466	Health Promotion Initiative	27,474	5,895	21,579
543	Infants and Toddlers with Disabilities	25,300	12,756	12,544
566	Hospital Preparedness Program	8,955	8,905	50
599	Environmental Health Work Force	201	12,657	(12,456)
633	Arboviral Surveillance	732	319	413
643	WIC Administrative Costs	53,156	13,290	39,866
		<u>\$ 830,670</u>	<u>\$ 299,331</u>	<u>\$ 531,339</u>

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

IV. DUE FROM/TO OTHER GOVERNMENTS

Amounts due from other governments include the following:

Cherokee County, Georgia	\$ 16,028
Gilmer County Department of Public Health	3,107
Murray County Department of Public Health	2,007
Whitfield County Department of Public Health	102,107
Due from other governments	\$ 123,249

Amounts due to other governments include the following:

Georgia Department of Community Health	800
Due to other governments	\$ 800

V. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019
Capital assets:				
Computer equipment	\$ 336,691	\$ 23,654	\$ -	\$ 360,345
Office equipment	506,586	-	-	506,586
Office furniture	44,254	-	-	44,254
Clinical equipment	745,471	30,677	-	776,148
Vehicles	451,391	17,790	-	469,181
Leasehold improvements	250,982	87,220	-	338,202
Capital assets at cost	2,335,375	159,341	-	2,494,716
Less accumulated depreciation:				
Computer equipment	336,691	2,760	-	339,451
Office equipment	432,320	19,536	-	451,856
Office furniture	44,254	-	-	44,254
Clinical equipment	627,500	45,414	-	672,914
Vehicles	342,787	27,752	-	370,539
Leasehold improvements	99,479	23,076	-	122,555
Total accumulated depreciation	1,883,031	118,538	-	2,001,569
Capital assets, net	\$ 452,344	\$ 40,803	\$ -	\$ 493,147

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

VI. LONG-TERM OBLIGATIONS

The following is a summary of changes in noncurrent liabilities of the Department for the fiscal year ended June 30, 2019:

	Balance at June 30, 2018	Additions	Reductions	Balance at June 30, 2019	Amounts due in one year
Compensated absences	\$ 555,005	\$ 319,792	\$ 277,503	\$ 597,294	\$ 298,647

VII. OPERATING LEASES

The Department entered into a one year operating lease agreement for the district building and office facilities commencing on July 1, 2017. The operating lease had a term of twelve months with monthly lease payments of \$14,600. The lease was renewed on July 1, 2018 for an additional twelve months at the same rate. The lease was subsequently renewed on July 1, 2019 for an additional twelve months at the same rate.

The Department entered into a one year operating lease agreement for the living bridge facilities commencing on May 1, 2017. The operating lease had a term of sixty months with monthly lease payments of \$6,500. On May 1, 2018, the lease was renewed for a term of twelve months with monthly lease payments of \$6,600. On May 1, 2019, the lease was renewed for an additional twelve month term with monthly lease payments of \$6,600.

The Department entered into a four year operating lease agreement for an office building commencing on May 1, 2016. The operating lease had a term of four years with monthly lease payments of \$750. There is \$7,500 remaining to be paid under the operating lease.

The Department entered into a five year operating lease agreement for copiers commencing on September 1, 2017. The operating lease had a term of five years with monthly lease payments of \$150.

The Department entered into a five year operating lease agreement for the living bridge facilities commencing on July 27, 2018. The operating lease had a term of sixty months with monthly lease payments ranging from \$8,620 to \$9,702.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

VIII. RELATED PARTIES

A. Georgia Department of Public Health

The Department submits monthly Income and Expenditure Reports to their funding agency, primarily the Georgia Department of Public Health (DPH), for reimbursement purposes. These reports are prepared in accordance with DPH guidelines, and do not include any adjustments made at the fiscal year end. Accordingly, the revenues and expenses included in the financial statements may differ from amounts reported in the June 30, 2019 Income and Expenditure Report submitted to DPH. The financial statements do not reflect prior year program income as a revenue item. The supplemental schedule by program does reflect prior year program income as a revenue item.

The Department received \$9,757,529 (57.85%) of its total revenues from the Georgia Department of Public Health.

The audit provisions of the DPH require the audit be conducted in accordance with:

1. Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants (AICPA).
2. Generally Accepted Governmental Auditing Standards set forth in *Government Auditing Standards* issued by the U.S. Government Accountability Office.
3. If applicable, the provisions of the Office of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

In addition, the DPH requires that the report include “Schedules of Revenues and Expenditures – Budget and Actual” by program. These schedules are not on a budgetary basis and do not include encumbrances. Additionally, DPH requires a “Schedule of Independent Auditor’s Proposed Financial Settlement”, a “Schedule of State Contractual Assistance”, and a “Schedule of Changes in Fund Balance”.

B. Cherokee County, Georgia

Cherokee County, Georgia provides the Department with Building space, liability insurance and maintenance on the building. During the year, the Department also received county participating and non-participating revenues of \$19,708 and \$172,625, respectively, from Cherokee County, Georgia.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Plan description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

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IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Contributions

Member contributions under the Old Plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Department's total required contribution rate for the year ended June 30, 2019 was 24.78% of annual covered payroll for Old Plan members and for New Plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.66% of annual covered payroll for old and new plan members and 21.66% for GSEPS members, plus a 0.12% adjustment for the HB 751 one-time benefit adjustment of 3% to retired state employees. The Department's contributions to ERS totaled \$1,449,305 for the year ended June 30, 2019. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2019, the Department reported a liability of \$8,910,664 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2018. At June 30 2018, the Department's proportion was 0.216750%, which was an increase of 0.008956% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department recognized pension expense of \$1,558,256. At June 30, 2019, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 277,139	\$ -
Changes of assumptions	419,806	-
Net difference between projected and actual earnings on pension plan investments	-	205,345
Changes in proportion and differences between employer contributions and proportionate share of contributions	401,666	-
Employer contributions subsequent to the measurement date	1,449,305	-
Total	\$ 2,547,916	\$ 205,345

Department contributions subsequent to the measurement date of \$1,449,305 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 988,474
2021	337,893
2022	(341,351)
2023	(91,750)
2024	-
Thereafter	-

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Actuarial assumptions

The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. Based on the funding policy adopted by the Board on March 15, 2018, the investment rate of return assumption will be changes to 7.30% in the June 30, 2018 actuarial valuation. Therefore, the investment rate of return used in the roll-forward of the total pension liability is 7.30% using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Actuarial assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
	100.00%	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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IX. RETIREMENT BENEFITS

Employee's Retirement System of Georgia (ERS)

Sensitivity of the Department's proportionate share of the net pension liability to changes in the discount rate

The following presents the Department's proportionate share of the net pension liability calculated using the discount rate of 7.30%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current discount rate (7.30%)	1% Increase (8.30%)
Department's proportionate share of the net pension liability	\$ 12,674,112	\$ 8,910,664	\$ 5,704,110

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

X. GEORGIA DEFINED CONTRIBUTION PLAN

All temporary, seasonal, and part time employees of the Department who are not eligible for membership in the Employees' Retirement System of Georgia are covered by the Georgia Defined Contribution Plan (GDGP), a cost-sharing multiple-employer public employees' retirement system (PERS). The GDGP was created by the 1992 Georgia Law, Act 996, and effective July 1, 1992. GDGP is administered by the ERS Board of Trustees.

Members must contribute seven and one-half percent (7.5%) of gross salary to the plan through payroll deductions. There are no employer contributions. The amount deducted is credited to the individual account of the member. Interest is credited to the member's account on a quarterly basis. The rate of interest is determined by the Board of Trustees based on the rate of return on investments less administrative expense.

Benefits are based on the amount contributed to each participant's account plus interest accumulated. Members who have accumulated at least \$3,500 in their account are eligible to retire at the age of 65 with the option of receiving a periodic payment based on mortality tables and interest accumulation as adopted by the Board of Trustees.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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X. GEORGIA DEFINED CONTRIBUTION PLAN

A member who terminates employment may apply for a refund of contributions and interest which is payable in a lump sum amount.

If a member dies, a lump sum payment of contributions and interest will be made to the designated beneficiary or to the member's estate.

The Department's current year covered payroll was \$304,840. Employees' actual contributions to the plan amounted to \$22,863, which was 7.5% of the Department's covered payroll.

The GDCP held no securities of the Department or other related parties during the year or as of the close of the fiscal year.

XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. State OPEB Fund

Plan description

Employees of State organizations as defined in §45-18-25 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the State OPEB Fund - a cost-sharing multiple employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

Benefits provided

The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *State OPEB Fund*

Contributions

As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the Department were \$1,135,964 for the year ended June 30, 2019. Active employees are not required to contribute to the State OPEB Fund.

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2019, the Department reported a liability of \$5,170,833 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The Department's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the Department's proportion was 0.197693%, which was an increase of 0.008540% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department recognized an OPEB expense of \$5,431. At June 30, 2019, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *State OPEB Fund*

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 406,687
Changes of assumptions	-	1,874,347
Net difference between projected and actual earnings on OPEB plan investments	119,526	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	748,602	-
Employer contributions subsequent to the measurement date	1,135,964	-
Total	\$ 2,004,092	\$ 2,281,034

Contributions subsequent to the measurement date of \$1,135,964 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2020	\$ (418,144)
2021	(418,144)
2022	(434,202)
2023	(142,416)
2024	-
Thereafter	-

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *State OPEB Fund*

Actuarial assumptions

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

Inflation	2.75%
Salary increases	3.25-7.00%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare eligible	7.50%
Medicare eligible	5.50%
Ultimate trend rate	
Pre-Medicare eligible	4.75%
Medicare eligible	4.75%
Year of ultimate trend rate	
Pre-Medicare eligible	2028
Medicare eligible	2022

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *State OPEB Fund*

Actuarial assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. During the fiscal year 2018, the State OPEB fund updated their investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
	<u>100.00%</u>	

* Rates shown are net of inflation

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. State OPEB Fund

Discount rate

The discount rate has changed since the prior measurement date from 3.60% to 5.22%. In order to measure the total OPEB liability for the State OPEB Fund, a single equivalent interest rate of 5.22% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2040. Therefore, the calculated discount rate of 5.22% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Department's proportionate share of the net OPEB liability calculated using the discount rate of 5.22%, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.22%) or 1-percentage-point higher (6.22%) than the current discount rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Department's proportionate share of the net OPEB liability	\$ 6,143,132	\$ 5,170,833	\$ 4,367,535

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Department's proportionate share of the net OPEB liability, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *State OPEB Fund*

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Department's proportionate share of the net OPEB liability	\$ 4,265,573	\$ 5,170,833	\$ 6,277,998

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive Annual Financial Report (CAFR) which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

B. *SEAD-OPEB*

Plan description

SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than OPEB Plans. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits provided

The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

B. SEAD-OPEB

Contributions

Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2019.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2019, the Department reported an OPEB liability of (\$681,955) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The Department's proportion of the net OPEB liability was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Department's proportion was 0.251973%, which was an increase of 0.017075% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Department recognized an OPEB expense of (\$92,642). At June 30, 2019, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

B. SEAD-OPEB

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,451	\$ -
Changes of assumptions	35,037	-
Net difference between projected and actual earnings on OPEB plan investments	-	112,740
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	45,511
Total	\$ 42,488	\$ 158,251

There were no employer contributions subsequent to the measurement. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Year ended June 30,	
2020	\$	(45,208)
2021		(26,695)
2022		(34,442)
2023		(9,418)
2024		-
Thereafter		-

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

B. SEAD-OPEB

Actuarial assumptions

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. Based on the funding policy adopted by the Board on March 15, 2018, the investment rate of return assumption will be changed to 7.30% in the June 30, 2018 actuarial valuation. Therefore, the investment rate of return used in the roll-forward of the total pension liability is 7.30% using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-7.00%
Investment rate of return	7.30% net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

B. SEAD-OPEB

Actuarial assumptions

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	<u>100.00%</u>	

* Rates are shown net of inflation

Discount Rate

The discount rate used to measure the total OPEB liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Department's proportionate share of the net OPEB liability calculated using the discount rate of 7.30 %, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30 %) or 1- percentage-point higher (8.30 %) than the current rate:

**CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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XI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

B. SEAD-OPEB

Sensitivity of the Department's proportionate share of the net OPEB liability to changes in the discount rate

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Department's proportionate share of the net OPEB liability	\$ (367,435)	\$ (681,955)	\$ (939,756)

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS comprehensive annual financial report which is publicly available at www.ers.ga.gov/financials.

C. Total OPEB

The following table outlines aggregated OPEB balances for the State and SEAD plans:

As of June 30, 2019	
Total net OPEB asset	\$ 681,955
Total net OPEB liability	5,170,833
Total deferred outflows of resources	2,046,580
Total deferred inflows of resources	2,439,285
For the year ended June 30, 2019	
Total OPEB expense	\$ (87,211)

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

XII.RISK MANAGEMENT

Boards of Health have Sovereign Immunity under the State Constitution and Georgia Code; therefore, the Department has limited liability.

The Board of Health's liability is covered by the Georgia Department of Administrative Services (GDOAS). The employees' liability is covered by the GDOAS and the State Fidelity Board. Workers' compensation is also covered by the GDOAS.

Health insurance is covered by the State of Georgia Health Benefit Plan.

Cherokee County Public Health Department's building and contents are insured by Cherokee County Government.

XIII.CONTINGENCIES

The Department's nature of business is such that it ordinarily results in a certain amount of litigation. In the opinion of management for the Department, there is no litigation in which the outcome will have a material effect on the financial statements.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Proportionate Share of the Net Pension Liability
Employees' Retirement System**

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Department's proportion of the net pension liability	0.216750%	0.207794%	0.189288%	0.182769%	0.186356%
Department's proportionate share of the net pension liability	\$8,910,664	\$8,439,210	\$8,954,117	\$7,404,700	\$6,989,502
Department's covered payroll during the measurement period	\$5,812,420	\$5,334,467	\$4,608,993	\$4,391,260	\$4,431,088
Department's proportionate share of the net pension liability as a percentage of its covered payroll	153.30%	158.20%	194.28%	168.62%	157.74%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	76.33%	72.34%	76.20%	77.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Contributions
Employees' Retirement System**

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,449,305	\$ 1,371,629	\$ 1,264,515	\$ 1,087,979	\$ 920,619	\$ 777,574
Contributions in relation to the contractually required contribution	<u>1,449,305</u>	<u>1,371,629</u>	<u>1,264,515</u>	<u>1,087,979</u>	<u>920,619</u>	<u>777,574</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Department's covered payroll	\$ 6,179,361	\$ 5,812,420	\$ 5,334,467	\$ 4,608,933	\$ 4,391,260	\$ 4,431,088
Contributions as a percentage of covered payroll	23.45%	23.60%	23.70%	23.61%	20.96%	17.55%

Notes to Required Supplementary Information:

Changes of assumptions

On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Proportionate Share of the Net OPEB Liability
State OPEB Fund**

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Department's proportion of the net OPEB liability	0.197693%	0.189153%
Department's proportionate share of the net OPEB liability	\$ 5,170,833	\$ 7,706,482
Department's covered payroll during the measurement period	\$ 3,488,236	\$ 3,420,720
Department's proportionate share of the net OPEB liability as a percentage of its covered payroll	148.24%	225.29%
Plan fiduciary net position as a percentage of the total OPEB liability	31.48%	17.34%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Contributions
State OPEB Fund**

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,135,964	\$ 991,576
Contributions in relation to the contractually required contribution	<u>1,135,964</u>	<u>991,576</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,448,022	\$ 3,488,236
Contributions as a percentage of covered payroll	32.95%	28.43%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information:

Changes of benefit terms

In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes of assumptions

In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Proportionate Share of the Net OPEB Liability
SEAD-OPEB**

For the Year Ended June 30

	<u>2019</u>	<u>2018</u>
Department's proportion of the net OPEB liability	0.251973%	0.234898%
Department's proportionate share of the net OPEB liability	\$ (681,955)	\$ (610,512)
Department's covered payroll during the measurement period	\$ 3,488,236	\$ 3,420,720
Department's proportionate share of the net OPEB liability as a percentage of its covered payroll	-19.55%	-17.85%
Plan fiduciary net position as a percentage of the total OPEB liability	129.46%	130.17%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Contributions
SEAD-OPEB**

For the Year Ended June 30

	2019	2018
Contractually required contribution	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 3,448,022	\$ 3,488,236
Contributions as a percentage of covered payroll	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information:

Changes of assumptions

On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual - General Fund**

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
DPH - grant-in-aid	\$ 7,788,252	\$10,174,236	\$ 9,757,529	\$ (416,707)
County participating	19,708	19,708	19,708	-
County non-participating	172,625	172,625	172,625	-
Fee income	2,679,501	2,566,049	2,732,972	166,923
Medicaid/Medicare	244,861	238,549	238,548	(1)
Other local funds	4,040	8,605	8,605	-
Federal grants	471,249	481,525	481,525	-
Administrative claiming	350,000	381,146	381,146	-
Donations	301	224	224	-
Intra/inter agency	2,817,183	3,073,801	3,072,710	(1,091)
Total revenues	<u>14,547,720</u>	<u>17,116,468</u>	<u>16,865,592</u>	<u>(250,876)</u>
Other financing sources -				
Transfer from fund balance -				
Prior year program income	<u>911,137</u>	<u>1,971,378</u>	<u>1,908,932</u>	<u>(62,446)</u>
Total revenues and other financing sources	<u>15,458,857</u>	<u>19,087,846</u>	<u>18,774,524</u>	<u>(313,322)</u>

See accompanying independent auditor's report

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual - General Fund**

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Expenditures:				
Salaries and fringe benefits	\$ 8,511,713	\$10,449,088	\$10,307,806	\$ 141,282
Equipment	279,036	172,024	172,024	-
Other operating	3,756,144	3,703,842	3,465,212	238,630
Intra/inter agency	1,815,173	1,805,827	1,764,593	41,234
Indirect costs	807,245	1,016,902	1,001,956	14,946
Total expenditures	<u>15,169,311</u>	<u>17,147,683</u>	<u>16,711,591</u>	<u>436,092</u>
Excess of revenues and other financing sources over expenditures	<u>289,546</u>	<u>1,940,163</u>	<u>2,062,933</u>	<u>122,770</u>
Other financing (uses) -				
Transfer to fund balance -				
Prior year program income	<u>(289,546)</u>	<u>(1,940,163)</u>	<u>(1,890,308)</u>	<u>(49,855)</u>
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,625</u>	<u>\$ 172,625</u>

See accompanying independent auditor's report

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

Budget and Actual

Program 001 - Public Health

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 2,928,022	\$ 2,973,776	\$ (45,754)
County participating	19,708	19,708	-
County non-participating	172,625	172,625	-
Fee income	1,819,580	1,819,580	-
Medicaid/Medicare	150,207	150,207	-
Other local funds	8,546	8,546	-
Federal grants	1,515	1,515	-
Administrative claiming	381,146	381,146	-
Donations	224	224	-
Intra/inter agency	132,148	132,148	-
Total revenues	<u>5,613,721</u>	<u>5,659,475</u>	<u>(45,754)</u>
Other financing sources -			
Transfer from fund balance -			
Prior year program income	<u>1,400,914</u>	<u>1,400,914</u>	<u>-</u>
Total revenues and other			
financing sources	<u>7,014,635</u>	<u>7,060,389</u>	<u>(45,754)</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

Budget and Actual

Program 001 - Public Health

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Expenditures:			
Salaries and fringe benefits	2,846,882	2,892,637	45,755
Equipment	17,334	17,334	-
Other operating	701,327	702,833	1,506
Intra/inter agency	1,180,001	1,180,001	-
Indirect costs	327,421	327,421	-
Total expenditures	<u>5,072,965</u>	<u>5,120,226</u>	<u>47,261</u>
 Excess of revenues and other financing sources over expenditures	 1,941,670	 <u>\$ 1,940,163</u>	 <u>\$ 1,507</u>
 Other financing (uses) - Transfer to fund balance - Prior year program income	 <u>(1,769,045)</u>		
 Excess of revenues and other financing sources over expenditures and other financing (uses)	 <u>\$ 172,625</u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 007 - Women, Infants, and Children (WIC) - Nutrition Education

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 51,458</u>	<u>\$ 73,000</u>	<u>\$ (21,542)</u>
Expenditures -			
Other operating	<u>51,458</u>	<u>73,000</u>	<u>21,542</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 009 - WIC - Breastfeeding
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 6,274</u>	<u>\$ 14,000</u>	<u>\$ (7,726)</u>
Expenditures -			
Other operating	<u>6,274</u>	<u>14,000</u>	<u>7,726</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 020 - Georgia Cancer Registry
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 57,051	\$ 57,051	\$ -
Intra/inter agency	4,630	4,630	-
Total revenues	<u>61,681</u>	<u>61,681</u>	
Expenditures:			
Salaries and fringe benefits	43,005	43,005	-
Equipment	1,119	1,119	-
Other operating	12,333	12,333	-
Indirect costs	<u>5,224</u>	<u>5,224</u>	<u>-</u>
Total expenditures	<u>61,681</u>	<u>61,681</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual
Program 024 - Children's 1st - 2
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 159,268	\$ 212,256	\$ (52,988)
Medicaid/Medicare	4,293	4,293	-
Total revenues	<u>163,561</u>	<u>216,549</u>	<u>(52,988)</u>
Other financing sources-			
Transfer from fund balance -			
Prior year program income	<u>4,305</u>	<u>4,305</u>	<u>-</u>
Total revenues and other financing sources	<u>167,866</u>	<u>220,854</u>	<u>(52,988)</u>
Expenditures:			
Salaries and fringe benefits	126,129	126,129	-
Other operating	23,589	80,870	57,281
Indirect costs	<u>13,855</u>	<u>13,855</u>	<u>-</u>
Total expenditures	<u>163,573</u>	<u>220,854</u>	<u>57,281</u>
Excess of revenues and other financing sources over expenditures	4,293	<u><u>\$ -</u></u>	<u><u>\$ 4,293</u></u>
Other financing (uses) -			
Transfer to fund balance -			
Prior year program income	<u>(4,293)</u>		
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u><u>\$ -</u></u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 025 - Federal Cancer Registry
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	36,290	36,290	-
Other operating	322	322	-
Indirect costs	<u>3,388</u>	<u>3,388</u>	<u>-</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 027 - Genetics
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 17,861</u>	<u>\$ 30,936</u>	<u>\$ (13,075)</u>
Expenditures:			
Salaries and fringe benefits	16,348	16,348	-
Other operating	-	13,075	13,075
Indirect costs	1,513	1,513	-
Total expenditures	<u>17,861</u>	<u>30,936</u>	<u>13,075</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 031 - Tuberculosis (TB) Case Management
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 150,478	\$ 150,478	\$ -
Intra/inter agency	36,078	36,078	-
Total revenues	<u>186,556</u>	<u>186,556</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	142,174	142,174	-
Other operating	28,581	28,581	-
Indirect costs	15,801	15,801	-
Total expenditures	<u>186,556</u>	<u>186,556</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 044 - Human Immunodeficiency Virus (HIV)/

Acquired Immunodeficiency Syndrome (AIDS) Substance Abuse Initiative

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 124,302</u>	<u>\$ 124,302</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	66,323	66,323	-
Equipment	224	224	-
Other operating	<u>57,755</u>	<u>57,755</u>	<u>-</u>
Total expenditures	<u>124,302</u>	<u>124,302</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 056 - Breast and Cervical Cancer Program
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 185,700	\$ 185,700	\$ -
Intra/inter agency	11,293	11,293	-
Total revenues	<u>196,993</u>	<u>196,993</u>	<u>-</u>
Expenditures:			
Equipment	13,170	13,170	-
Other operating	177,149	177,149	-
Indirect costs	6,674	6,674	-
Total expenditures	<u>196,993</u>	<u>196,993</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 066 - Immunization Plan
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 130,106</u>	<u>\$ 130,106</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	87,369	87,369	-
Equipment	3,039	3,039	-
Other operating	23,803	23,803	-
Intra/inter agency	4,875	4,875	-
Indirect costs	<u>11,020</u>	<u>11,020</u>	<u>-</u>
Total expenditures	<u>130,106</u>	<u>130,106</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources -
Budget and Actual
Program 067 - Ryan White III
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
Federal grants	\$ 377,937	\$ 377,937	\$ -
Intra/inter agency	3,799	3,799	-
Total revenues	<u>381,736</u>	<u>381,736</u>	<u>-</u>
Other financing sources -			
Transfer from fund balance -			
Prior year program income	<u>48,899</u>	<u>48,899</u>	<u>-</u>
Total revenues and other financing sources	<u>430,635</u>	<u>430,635</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	166,841	166,841	-
Other operating	<u>263,794</u>	<u>263,794</u>	<u>-</u>
Total expenditures	<u>430,635</u>	<u>430,635</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures -
Budget and Actual
Program 068 - Ryan White III - 4th Quarter (FYE)
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Federal grants	\$ 102,073	\$ 102,073	\$ -
Intra/inter agency	1,092	1,092	-
Total revenues	<u>103,165</u>	<u>103,165</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	58,165	58,165	-
Other operating	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total expenditures	<u>103,165</u>	<u>103,165</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 076 - Oral Health
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 208,945	\$ 208,945	\$ -
Fee income	22,937	22,937	-
Medicaid/Medicare	51,162	51,162	-
Intra/inter agency	90,318	90,318	-
Total revenues	<u>373,362</u>	<u>373,362</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	299,996	299,996	-
Other operating	35,721	35,721	-
Intra/inter agency	6,021	6,021	-
Indirect costs	31,624	31,624	-
Total expenditures	<u>373,362</u>	<u>373,362</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 089 - HIV District Rent
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 5,760</u>	<u>\$ 5,760</u>	<u>\$ -</u>
Expenditures -			
Intra/inter agency	<u>5,760</u>	<u>5,760</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 094 - Ryan White Aids Project
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 275,446	\$ 275,446	\$ -
Intra/inter agency	17,145	17,145	-
Total revenues	<u>292,591</u>	<u>292,591</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	241,250	241,250	-
Other operating	33,719	33,719	-
Indirect costs	17,622	17,622	-
Total expenditures	<u>292,591</u>	<u>292,591</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 112 - Early Intervention
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 146,497</u>	<u>\$ 148,010</u>	<u>\$ (1,513)</u>
Expenditures:			
Salaries and fringe benefits	93,898	93,898	-
Other operating	40,191	41,704	1,513
Indirect costs	12,408	12,408	-
Total expenditures	<u>146,497</u>	<u>148,010</u>	<u>1,513</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

Budget and Actual

Program 130 - Living Bridge - Currant Program

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Fee income	\$ 589,080	\$ 526,634	\$ 62,446
Medicaid/Medicare	13,613	13,613	-
Other local funds	59	59	-
Intra/inter agency	17,900	17,900	-
Total revenues	<u>620,652</u>	<u>558,206</u>	<u>62,446</u>
Other financing sources:			
Use of assigned fund balance			
Transfer from fund balance -	-	31,144	(31,144)
Prior year program income	<u>412,615</u>	<u>412,615</u>	<u>-</u>
Total revenues and other financing sources	<u>1,033,267</u>	<u>1,001,965</u>	<u>31,302</u>
Expenditures:			
Salaries and fringe benefits	381,286	381,286	-
Equipment	88,079	88,079	-
Other operating	447,663	447,663	-
Intra/inter agency	70	70	-
Indirect costs	84,867	84,867	-
Total expenditures	<u>1,001,965</u>	<u>1,001,965</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	31,302	<u>\$ -</u>	<u>\$ 31,302</u>
Other financing (uses) -			
Transfer to fund balance -			
Prior year program income	<u>(31,302)</u>		
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ -</u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

Budget and Actual

Program 131 - Living Bridge Currant 4th QTR

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Fee income	\$ 292,722	\$ 188,245	\$ 104,477
Medicaid/Medicare	6,776	6,777	(1)
Intra/inter agency	5,967	5,967	-
Total revenues	<u>305,465</u>	<u>200,989</u>	<u>104,476</u>
Other financing sources:			
Use of assigned fund balance	-	31,302	(31,302)
Transfer from fund balance -			
Prior year program income	31,146	31,146	-
Total revenues and other			
financing sources	<u>336,611</u>	<u>263,437</u>	<u>73,174</u>
Expenditures:			
Salaries and fringe benefits	116,762	116,762	-
Equipment	1,313	1,313	-
Other operating	106,662	106,666	4
Indirect costs	38,696	38,696	-
Total expenditures	<u>263,433</u>	<u>263,437</u>	<u>4</u>
Excess of revenues and other			
financing sources over expenditures	73,178	<u>\$ -</u>	<u>\$ 73,178</u>
Other financing (uses) -			
Transfer to fund balance -			
Prior year program income	<u>(73,178)</u>		
Excess of revenues and other			
financing sources over expenditures			
and other financing (uses)	<u>\$ -</u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures and Other Financing Sources (Uses)
Budget and Actual
Program 155 - Environmental Education
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Fee income	\$ 3,750	\$ 3,750	\$ -
Intra/inter agency	22,596	22,596	-
Total revenues	<u>26,346</u>	<u>26,346</u>	<u>-</u>
Other financing sources -			
Transfer from fund balance -			
Prior year program income	<u>2,087</u>	<u>2,087</u>	<u>-</u>
Total revenues and other financing sources	<u>28,433</u>	<u>28,433</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	13,235	13,235	-
Other operating	11,930	12,869	939
Indirect costs	<u>2,329</u>	<u>2,329</u>	<u>-</u>
Total expenditures	<u>27,494</u>	<u>28,433</u>	<u>939</u>
Excess of revenues over expenditures	939	<u>\$ -</u>	<u>\$ 939</u>
Other financing (uses) -			
Transfer to fund balance -			
Prior year program income	<u>(939)</u>		
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources
Budget and Actual
Program 195 - District Operations
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Fee income	\$ 957	\$ 957	\$ -
Intra/inter agency	2,325,733	2,325,733	-
Total revenues	<u>2,326,690</u>	<u>2,326,690</u>	<u>-</u>
Other financing sources -			
Transfer from fund balance -			
Prior year program income	<u>1,015</u>	<u>1,015</u>	<u>-</u>
Total revenues and other financing sources	<u>2,327,705</u>	<u>2,327,705</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	1,644,396	1,644,396	-
Equipment	6,726	6,726	-
Other operating	676,583	676,583	-
Total expenditures	<u>2,327,705</u>	<u>2,327,705</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 198 - Pharmacy
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
Fee income	\$ 3,946	\$ 3,946	\$ -
Intra/inter agency	35,741	36,832	(1,091)
Total revenues	<u>39,687</u>	<u>40,778</u>	<u>(1,091)</u>
Expenditures -			
Other operating	<u>39,687</u>	<u>40,778</u>	<u>1,091</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 208 - Employee Worksite Wellness
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 10,458	\$ 10,458	\$ -
Intra/inter agency	6,102	6,102	-
Total revenues	<u>16,560</u>	<u>16,560</u>	<u>-</u>
Expenditures:			
Equipment	11,075	11,075	-
Other operating	5,485	5,485	-
Total expenditures	<u>16,560</u>	<u>16,560</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 245 - Epidemiology (EPI) Capacity
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 57,051	\$ 57,051	\$ -
Intra/inter agency	132,092	132,092	-
Total revenues	<u>189,143</u>	<u>189,143</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	160,309	160,309	-
Other operating	12,814	12,814	-
Indirect costs	16,020	16,020	-
Total expenditures	<u>189,143</u>	<u>189,143</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 265 - Childhood Lead Poisoning
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 70,000	\$ 70,000	\$ -
Medicaid/Medicare	944	944	-
Intra/inter agency	201	201	-
Total revenues	<u>71,145</u>	<u>71,145</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	31,798	31,798	-
Other operating	7,898	7,898	-
Intra/inter agency	31,449	31,449	-
Total expenditures	<u>71,145</u>	<u>71,145</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 270 - BP1-5 Public Health Emergency Preparedness

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 382,369</u>	<u>\$ 382,369</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	316,487	316,487	-
Other operating expenses	33,458	33,458	-
Indirect costs	<u>32,424</u>	<u>32,424</u>	<u>-</u>
Total expenditures	<u>382,369</u>	<u>382,369</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 273 - BP1-5 Cities Readiness Initiative
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 6,197</u>	<u>\$ 6,197</u>	<u>\$ -</u>
Expenditures:			
Other operating	5,672	5,672	-
Indirect costs	<u>525</u>	<u>525</u>	<u>-</u>
Total expenditures	<u>6,197</u>	<u>6,197</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 280 - EPI Capacity Additional
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Expenditures -			
Intra/inter agency	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 283 - Sexually Transmitted Disease (STD) Preventive Clinical Services

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 15,782</u>	<u>\$ 21,618</u>	<u>\$ (5,836)</u>
Expenditures -			
Intra/inter agency	<u>15,782</u>	<u>21,618</u>	<u>5,836</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 291- Family Planning District Cadre Position Realign

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 58,300</u>	<u>\$ 58,300</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	53,473	53,473	-
Indirect costs	<u>4,827</u>	<u>4,827</u>	<u>-</u>
Total expenditures	<u>58,300</u>	<u>58,300</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 301- WIC Personal Services
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 2,079,064</u>	<u>\$ 2,172,245</u>	<u>\$ (93,181)</u>
Expenditures -			
Salaries and fringe benefits	<u>2,079,064</u>	<u>2,172,245</u>	<u>93,181</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 329 - Breastfeeding Peer Counseling
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 110,921</u>	<u>\$ 121,547</u>	<u>\$ (10,626)</u>
Expenditures:			
Salaries and fringe benefits	87,201	87,295	94
Other operating	14,325	23,646	9,321
Indirect cost	9,395	10,606	1,211
Total expenditures	<u>110,921</u>	<u>121,547</u>	<u>10,626</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 367 - Comprehensive STD Program
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Expenditures -			
Other operating	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 401 - Family Planning

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 371,237	\$ 371,237	\$ -
Intra/inter agency	37,017	37,017	-
Total revenues	<u>408,254</u>	<u>408,254</u>	<u>-</u>
Expenditures:			
Salaries and fringe benefits	103,751	103,751	-
Equipment	16,943	16,943	-
Other operating	92,074	92,074	-
Intra/inter agency	160,907	160,907	-
Indirect costs	34,579	34,579	-
Total expenditures	<u>408,254</u>	<u>408,254</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 405 - State Cervical Cancer Screening Program
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	<u>\$ 78,144</u>	<u>\$ 91,797</u>	<u>\$ (13,653)</u>
Expenditures:			
Other operating	71,525	85,178	13,653
Indirect costs	<u>6,619</u>	<u>6,619</u>	<u>-</u>
Total expenditures	<u>78,144</u>	<u>91,797</u>	<u>13,653</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,306</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual
Program 409 - Cerebral Palsy (CP) Children Medical Services
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH-grant-in-aid	\$ 796,262	\$ 849,513	\$ (53,251)
Medicaid/Medicare	11,553	11,553	-
Total revenues	<u>807,815</u>	<u>861,066</u>	<u>(53,251)</u>
Other financing sources -			
Transfer from fund balance -			
Prior year program income	<u>7,951</u>	<u>7,951</u>	<u>-</u>
Total revenues and other financing sources	<u>815,766</u>	<u>869,017</u>	<u>(53,251)</u>
Expenditures:			
Salaries and fringe benefits	604,679	604,679	-
Equipment	3,972	3,972	-
Other operating	125,290	190,092	64,802
Intra/inter agency	2,157	2,157	-
Indirect costs	68,117	68,117	-
Total expenditures	<u>804,215</u>	<u>869,017</u>	<u>64,802</u>
Excess of revenues and other financing sources over expenditures	11,551	<u>\$ -</u>	<u>\$ (118,053)</u>
Other financing (uses) -			
Transfer to fund balance -			
Prior year program income	<u>(11,551)</u>		
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ -</u>		

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures -
Budget and Actual
Program 443 - WIC Dietetic Internship
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH-grant-in-aid	<u>\$ 22,800</u>	<u>\$ 25,835</u>	<u>\$ (3,035)</u>
Expenditures:			
Salaries and fringe benefits	19,078	21,330	2,252
Other operating	1,791	2,060	269
Indirect costs	1,931	2,445	514
Total expenditures	<u>22,800</u>	<u>25,835</u>	<u>3,035</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 460 - Outpatient Universal Newborn Hearing Screening and Intervention (UNHSI)

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 27,087</u>	<u>\$ 27,087</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	25,091	25,091	-
Other operating	61	61	-
Indirect costs	1,935	1,935	-
Total expenditures	<u>27,087</u>	<u>27,087</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 461 - UNHSI - Salaries

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 38,946</u>	<u>\$ 47,188</u>	<u>\$ (8,242)</u>
Expenditures:			
Salaries and fringe benefits	34,100	34,100	-
Other operating	1,547	9,789	8,242
Indirect costs	3,299	3,299	-
Total expenditures	<u>38,946</u>	<u>47,188</u>	<u>8,242</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 464 - State Breast and Cervical Cancer
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
DPH - grant-in-aid	\$ 92,629	\$ 118,232	\$ (25,603)
Intra/inter agency	8,878	8,878	-
Total revenues	<u>101,507</u>	<u>127,110</u>	<u>(25,603)</u>
Expenditures:			
Equipment	1,799	1,799	-
Other operating	91,110	116,713	25,603
Indirect costs	8,598	8,598	-
Total expenditures	<u>101,507</u>	<u>127,110</u>	<u>25,603</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 466 - Health Promotion Initiative
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 65,103</u>	<u>\$ 65,500</u>	<u>\$ (397)</u>
Expenditures:			
Salaries and fringe benefits	29,003	29,003	-
Other operating	30,586	30,983	397
Indirect costs	5,514	5,514	-
Total expenditures	<u>65,103</u>	<u>65,500</u>	<u>397</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 543 - Infants and Toddlers with Disabilities
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 141,272</u>	<u>\$ 141,738</u>	<u>\$ (466)</u>
Expenditures:			
Salaries and fringe benefits	119,648	119,648	-
Equipment	1,859	1,859	-
Other operating	7,799	8,265	466
Indirect costs	11,966	11,966	-
Total expenditures	<u>141,272</u>	<u>141,738</u>	<u>466</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Revenues and Expenditures

Budget and Actual

Program 555 - Electronic Health Records (EHR) - Call Center

Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
Intra/inter agency	<u>\$ 183,911</u>	<u>\$ 183,911</u>	<u>\$ -</u>
Expenditures:			
Salaries and fringe benefits	177,561	177,561	-
Other operating	3,335	3,335	-
Intra/inter agency	3,015	3,015	-
Total expenditures	<u>183,911</u>	<u>183,911</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 566 - Hospital Preparedness Program
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	\$ 99,888	\$ 99,888	\$ -
Intra/inter agency	69	69	-
Total revenues	<u>99,957</u>	<u>99,957</u>	<u>-</u>
 Expenditures:			
Salaries and fringe benefits	86,214	86,214	-
Other operating	5,277	5,277	-
Indirect costs	8,466	8,466	-
Total expenditures	<u>99,957</u>	<u>99,957</u>	<u>-</u>
 Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 590 - Enhancing Oral Health
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 1,735</u>	<u>\$ 1,735</u>	<u>\$ -</u>
Expenditures:			
Other operating	1,591	1,591	-
Indirect costs	<u>144</u>	<u>144</u>	<u>-</u>
Total expenditures	<u>1,735</u>	<u>1,735</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 593 - Arboviral Surveillance (Zika)
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 2,561</u>	<u>\$ 3,732</u>	<u>\$ (1,171)</u>
Expenditures -			
Other operating	<u>2,561</u>	<u>3,732</u>	<u>1,171</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 599 - Environmental Health Work Force
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 83,822</u>	<u>\$ 108,636</u>	<u>\$ (24,814)</u>
Expenditures -			
Intra/inter agency	<u>83,822</u>	<u>108,636</u>	<u>24,814</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 601 - District Administration
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 234,970</u>	<u>\$ 234,971</u>	<u>\$ (1)</u>
Expenditures:			
Other operating	33,902	33,903	1
Intra/inter agency	<u>201,068</u>	<u>201,068</u>	<u>-</u>
Total expenditures	<u>234,970</u>	<u>234,971</u>	<u>1</u>
Excess of revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 633 - Arboviral Surveillance
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 3,354</u>	<u>\$ 3,543</u>	<u>\$ (189)</u>
Expenditures:			
Other operating	<u>3,354</u>	<u>3,543</u>	<u>189</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Revenues and Expenditures
Budget and Actual
Program 643 - WIC Administrative Costs
Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues -			
DPH - grant-in-aid	<u>\$ 403,409</u>	<u>\$ 437,053</u>	<u>\$ (33,644)</u>
Expenditures:			
Equipment	5,372	5,372	-
Other operating	128,216	138,055	9,839
Intra/inter agency	54,666	65,250	10,584
Indirect costs	<u>215,155</u>	<u>228,376</u>	<u>13,221</u>
Total expenditures	<u>403,409</u>	<u>437,053</u>	<u>33,644</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Independent Auditor's
Proposed Financial Settlement
June 30, 2019**

<u>Program Name</u>	<u>Program Number</u>	<u>Balance June 30, 2019</u>	<u>Adjustment made by DPH Grant-in-aid Check (Note 1)</u>	<u>Balance after DPH Subsequent to Year End Adjustment</u>
Public Health	001	\$ (28,106)	\$ 28,106	\$ -
WIC - Nutrition Education	007	31,464	(31,464)	-
WIC - Breastfeeding	009	2,540	(2,540)	-
Georgia Cancer Registry	020	6,894	(6,894)	-
Children's 1st - 2	024	4,108	(4,108)	-
Federal Cancer Registry	025	(2,982)	2,982	-
Genetics	027	(2,800)	2,800	-
HIV/AIDS Substance Abuse Initiative	044	8,522	(8,522)	-
Breast and Cervical Cancer Program	056	66,974	(66,974)	-
Immunization Plan	066	5,667	(5,667)	-
HIV District Rent	089	1,440	(1,440)	-
Ryan White Aids Project	094	39,458	(39,458)	-
Early Intervention	112	9,013	(9,013)	-
Employee Worksite Wellness	208	8,998	(8,998)	-
Childhood Lead Poisoning	265	4,953	(4,953)	-
BP1-5 Public Health Emergency Preparedness	270	(4,983)	4,983	-
BP1-5 Cities Readiness Initiative	273	(121)	121	-
STD Preventive Clinical Services	283	3,880	(3,880)	-
WIC Personal Services	301	170,637	(170,637)	-
Breastfeeding Peer Counseling	329	10,366	(10,366)	-
Family Planning	401	76,312	(76,312)	-
State Cervical Cancer Screening Program	405	30,338	(30,338)	-

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

**Schedule of Independent Auditor's
Proposed Financial Settlement
June 30, 2019**

<u>Program Name</u>	<u>Program Number</u>	<u>Balance June 30, 2019</u>	<u>Adjustment made by DPH Grant-in-aid Check (Note 1)</u>	<u>Balance after DPH Subsequent to Year End Adjustment</u>
CP Children Medical Services	409	(2,830)	2,830	-
WIC Dietetic Internship	443	2,256	(2,256)	-
Outpatient UNHSI	460	1	(1)	-
Outpatient UNHSI - Salaries	461	595	(595)	-
State Breast and Cervical Cancer	464	26,749	(26,749)	-
Health Promotion Initiative	466	21,579	(21,579)	-
Infants and Toddlers with Disabilities	543	12,544	(12,544)	-
Hospital Preparedness Program	566	50	(50)	-
Environmental Health Work Force	599	(12,456)	12,456	-
Arboviral Surveillance	633	413	-	413
WIC Administrative Costs	643	39,866	(39,866)	-
Total		<u>\$ 531,339</u>	<u>\$ (530,926)</u>	<u>\$ 413</u>

Note 1: Adjustments were made for Grant-in-aid payments received from DPH from July 1 through August 31, 2019, if any.

Note 2: Due from(to) DPH is presented on the balance sheet as follows:

Due from Department of Public Health	\$ 830,670
Due to Department of Public Health	(299,331)
	<u>\$ 531,339</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of State Contractual Assistance

Year Ended June 30, 2019

<u>Program Name</u>	<u>Program Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Amount Due (to) from State</u>
Grant-in-aid passed through the Department of Public Health:				
Public Health	001	\$ 2,928,022	\$ 2,928,022	\$ (28,106)
WIC - Nutrition Education	007	51,458	51,458	31,464
WIC - Breastfeeding	009	6,274	6,274	2,540
Georgia Cancer Registry	020	57,051	57,051	6,894
Children's 1st - 2	024	159,268	159,268	4,108
Federal Cancer Registry	025	40,000	40,000	(2,982)
Genetics	027	17,861	17,861	(2,800)
TB Case Management	031	150,478	150,478	-
HIV/AIDS Substance Abuse	044	124,302	124,302	8,522
Breast and Cervical Cancer Program	056	185,700	185,700	66,974
Immunization Plan	066	130,106	130,106	5,667
Oral Health	076	208,945	208,945	-
HIV District Rent	089	5,760	5,760	1,440
Ryan White Aids Project	094	275,446	275,446	39,458
Early Intervention	112	146,497	146,497	9,013
Employee Worksite Wellness	208	10,458	10,458	8,998
EPI Capacity	245	57,051	57,051	-
Childhood Lead Poisoning	265	70,000	70,000	4,953
BP1-5 Public Health Emergency Preparedness	270	382,369	382,369	(4,983)
BP1-5 Cities Readiness Initiative	273	6,197	6,197	(121)
EPI Capacity Additional	280	15,000	15,000	-
STD Preventive Clinical Services	283	15,782	15,782	3,880
Family Planning District Cadre	291	58,300	58,300	-
WIC Personal Services	301	2,079,064	2,079,064	170,637
Breastfeeding Peer Counseling	329	110,921	110,921	10,366

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of State Contractual Assistance

Year Ended June 30, 2019

Program Name	Program Number	Revenue	Expenditures	Amount Due (to) from State
Grant-in-aid passed through the Department of Public Health:				
Comprehensive STD Program	367	2,000	2,000	-
Family Planning	401	371,237	371,237	76,312
State Cervical Cancer Program	405	78,144	78,144	30,338
CP Children Medical Services	409	796,262	796,262	(2,830)
WIC Dietetic Internship	443	22,800	22,800	2,256
Outpatient UNHSI	460	27,087	27,087	1
Outpatient UNHSI - Salaries	461	38,946	38,946	595
State Breast and Cervical Cancer	464	92,629	92,629	26,749
Health Promotion Initiative	466	65,103	65,103	21,579
Infants and Toddlers with Disabilities	543	141,272	141,272	12,544
Hospital Preparedness Program	566	99,888	99,888	50
Enhancing Oral Health	590	1,735	1,735	-
Arboviral Surveillance (Zika)	593	2,561	2,561	-
Environmental Health Work Force	599	83,822	83,822	(12,456)
District Administration	601	234,970	234,970	-
Arboviral Surveillance	633	3,354	3,354	413
WIC Administrative Costs	643	403,409	403,409	39,866
Total Grant-in-aid		<u>\$ 9,757,529</u>	<u>\$ 9,757,529</u>	<u>\$ 531,339</u>

See accompanying independent auditor's report.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Changes in Fund Balance

Year Ended June 30, 2019

	<u>Prior Year Program Income</u>	<u>Operating Fund Balance</u>	<u>Total</u>
Fund balance - beginning	\$ 1,908,932	\$ 2,602,765	\$ 4,511,697
Additions:			
Revenues	-	16,865,592	16,865,592
Prior year program income	1,872,408	1,908,932	3,781,340
Deductions:			
Expenditures	-	(16,711,591)	(16,711,591)
Prior year program income	<u>(1,908,932)</u>	<u>(1,872,408)</u>	<u>(3,781,340)</u>
Fund balance - ending	<u>\$ 1,872,408</u>	<u>\$ 2,793,290</u>	<u>\$ 4,665,698</u>

See accompanying independent auditor's report.



NICHOLS, CAULEY & ASSOCIATES, LLC

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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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Health
Cherokee County Department of Public Health
1710 Whitehouse Court
Dalton, Georgia 30720

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 and major fund of Cherokee County Department of Public Health (Department) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated December 5, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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.

Atlanta | Calhoun | Canton | Dalton | Dublin

Kennesaw | Rome | Warner Robins

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 the Department'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.

Nichols, Cauley + Associates, LLC

Dalton, Georgia
December 5, 2019



NICHOLS, CAULEY & ASSOCIATES, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Health
Cherokee County Department of Public Health
1710 Whitehouse Court
Dalton, Georgia 30720

Report on Compliance for Each Major Federal Program

We have audited the compliance of Cherokee County Department of Public Health (Department) 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 Department's major federal programs for the year ended June 30, 2019. The Department'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 Department'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 Department's compliance with those requirements and performing such other procedures as we consider 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 Department's compliance.

Opinion on Each Major Federal Program

In our opinion, the Department 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, 2019.

Report on Internal Control over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Department'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 Department'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 deficiencies, significant deficiencies, or material weaknesses. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Richards, Cauley + Associates, LLC

Dalton, Georgia
December 5, 2019

CHEROKEE DEPARTMENT OF PUBLIC HEALTH

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: unmodified
Internal control over financial reporting:
Are any material weakness identified? _____ yes X no
Are any significant deficiency identified
not considered to be material weaknesses? _____ yes X none reported
Is any noncompliance material to financial statements
noted? _____ yes X no

Federal Awards

Type of auditor’s report issued on compliance
for major programs: unmodified
Internal control over major program compliance:
Are any material weakness identified? _____ yes X no
Are any significant deficiency identified
not considered to be material weaknesses? _____ yes X none reported
Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a) _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.558	Temporary Assistance for Needy Families (TANF) Cluster

Dollar threshold used to distinguish
Between Type A and Type B programs: \$750,000
Auditee qualified as low-risk auditee? X yes _____ no

CHEROKEE DEPARTMENT OF PUBLIC HEALTH

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS:

None Reported.

SECTION III – FEDERAL AWARD FINDINGS:

None Reported.

SECTION IV – STATUS OF PRIOR AUDIT FINDINGS:

None Reported.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

<u>FEDERAL GRANTOR/PASS THROUGH ENTITY</u> <u>GRANTOR/PROGRAM TITLE</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Pass-Through</u> <u>Entity Identifying</u> <u>Number</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>	<u>Federal</u> <u>Program</u> <u>Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass through Georgia Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 007	\$ -	\$ 51,458
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 009	-	6,274
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 301	-	2,079,064
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 329	-	110,921
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 443	-	22,800
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Program 643	-	403,409
			<u>-</u>	<u>2,673,926</u>
		Total U. S. Department of Agriculture	<u>-</u>	<u>2,673,926</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass through Georgia Department of Public Health:				
Special Education - Grants for Infants and Families	84.181	Program 543	-	141,272
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
HIV Care Formula Grants	93.917	Program 094	-	275,446
Grants to Provide Outpatient Early Intervention with Respect to HIV Disease	93.918	Program 067	-	430,635
Grants to Provide Outpatient Early Intervention with Respect to HIV Disease	93.918	Program 068	-	103,165
Grants to Provide Outpatient Early Intervention with Respect to HIV Disease	93.918	Program 130	-	1,001,965
Grants to Provide Outpatient Early Intervention with Respect to HIV Disease	93.918	Program 131	-	263,433
			<u>-</u>	<u>1,799,198</u>

See accompanying independent auditor's report and notes
to schedule of expenditures of federal awards.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

<u>FEDERAL GRANTOR/PASS THROUGH ENTITY</u> <u>GRANTOR/PROGRAM TITLE</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Pass-Through</u> <u>Entity Identifying</u> <u>Number</u>	<u>Passed</u> <u>through to</u> <u>Subrecipients</u>	<u>Federal</u> <u>Program</u> <u>Expenditures</u>
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Pass through Georgia Department of Public Health:				
Public Health Emergency Preparedness	93.069	Program 270	-	382,369
Public Health Emergency Preparedness	93.069	Program 273	-	6,197
			<u>-</u>	<u>388,566</u>
Hospital Preparedness Program	93.074	Program 566	-	99,888
Immunization Cooperative Agreements	93.268	Program 066	-	130,106
Arboviral Surveillance Support	93.354	Program 633	-	3,354
Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease and Emerging Infections Program Cooperative Agreements	93.521	Program 593	-	2,561
Temporary Assistance for Needy Families	93.558	Program 401	-	371,237
Cancer Prevention and Control Programs for for State, Territorial, and Tribal Organizations	93.752	Program 025	-	40,000
Cancer Prevention and Control Programs for for State, Territorial, and Tribal Organizations	93.752	Program 056	-	185,700
			<u>-</u>	<u>225,700</u>

See accompanying independent auditor's report and notes
to schedule of expenditures of federal awards.

CHEROKEE COUNTY DEPARTMENT OF PUBLIC HEALTH

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

<u>FEDERAL GRANTOR/PASS THROUGH ENTITY GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Program Expenditures</u>
Preventive Health and Health Services	93.758	Program 208	-	10,458
Assistance for Oral Disease Prevention and Control	93.875	Program 590	-	1,735
HIV Prevention Activities - Health Department Based	93.940	Program 044	-	124,302
Preventive Health Services - Sexually Transmitted Diseases Control	93.977	Program 283	-	15,782
Georgia STD AAPPS Project	93.977	Program 367	-	2,000
			-	17,782
Maternal and Child Health Services Grant to the States	93.994	Program 409	-	429,981
Maternal and Child Health Services Grant to the States	93.994	Program 461	-	38,946
			-	468,927
Total U. S. Department of Health & Human Services			-	3,919,260
Total Expenditures of Federal Awards			\$ -	\$ 6,734,458

See accompanying independent auditor's report and notes
to schedule of expenditures of federal awards.

CHEROKEE DEPARTMENT OF PUBLIC HEALTH

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Cherokee County Department of Public Health (Department) under programs of the federal government for the year ended June 30, 2019. 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 Department, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Department.

2. Basis of Accounting

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 represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rates

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