CHEROKEE COUNTY SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

CANTON, GEORGIA

Cherokee County
School District

Cherokee County
School District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CANTON, GEORGIA

PREPARED BY:

CHEROKEE COUNTY SCHOOL DISTRICT

DIVISION OF FINANCIAL MANAGEMENT
KENNETH OWEN, CHIEF FINANCIAL OFFICER

Introductory Section

Cherokee County
School District

Cherokee County School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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Cherokee County School District

DR. BRIAN V. HIGHTOWER
Superintendent of Schools

KYLA CROMER
School Board Chair

ROBERT RECHSTEINER
School Board Vice-Chair

MIKE CHAPMAN

JOHN HARMON

PATSY JORDAN

CLARK MENARD

KELLY POOLE

17 December 2021

To: Members of the Cherokee County Board of Education
Citizens of Cherokee County

Please see the attached Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2021, submitted on behalf of the Cherokee County School District (School District). The report that follows was prepared by staff within the Office of Financial Management as fulfillment of the requirements for audit prescribed by Georgia Statutes for local boards of education, as well as the Single Audit Requirements of Federal and State governments.

The ACFR conforms to generally accepted accounting principles as applied to governmental entities, as well as to standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). Responsibility for the accuracy, completeness and fairness of the information presented, including all disclosures and assurances, rests with the School District management team, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williamson and Company, CPA's has issued an unmodified ("clean") opinion on the Cherokee County School Board's financial statements for the fiscal year that ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements and the

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notes to the financial statements. The required supplementary information and the statistical section complete the ACFR.

Profile of Cherokee County School District

The School District is a political subdivision of the State of Georgia, separate from and legally and fiscally independent of Cherokee County and all other political subdivisions. The boundaries of the School District are coterminous with the territorial limits of Cherokee County. The School District is the only school district in Cherokee County and is vested by the Georgia Constitution and enabling legislation with the power to conduct a system of kindergarten through grade twelve public education within the territorial limits of Cherokee County.

Under the Georgia Constitution, the Cherokee County Board of Education (School Board) was created to manage and control the School District. The School Board consists of seven members, six elected within designated geographic districts and one Chair elected on a county-wide basis by all qualified voters of Cherokee County. Each School Board member is elected to office for a term of four years or until his/her successor is elected and qualified.

The School Superintendent is the Chief Executive Officer of the Board of Education and is employed by the School Board under written contract for a term of not less than one year and not more than three years. The School Superintendent acts as the Secretary of the Board of Education, ex officio.

Dr. Brian V. Hightower has been the Superintendent of Schools for the School District since February 1, 2016 and is responsible for the day-to-day operations of the School District. Dr. Hightower has been employed by the School District for 35 years, and, prior to his appointment as Superintendent, served in various capacities, including teacher, assistant principal, principal, Director of School Operations, Assistant Superintendent of School Operations and Deputy Superintendent. Dr. Hightower's educational background includes the following: Reinhardt College (A.A., Liberal Arts), Kennesaw State University (B.S., Education, 7-12), North Georgia College & State University (M.Ed., Education, 7-12), Georgia State University (Ed.S., Education, 4-8), and Samford University (Ed.D., Educational Leadership).

The School District is comprised of 23 elementary schools, seven middle schools, six high schools, one alternative school, one virtual academy, one transition academy for special education students, one special education facility and one pre-school center. These facilities currently serve 41,901 students. All schools are accredited by the Georgia Accrediting Commission and have met requirements for Standard Schools as set forth by the Georgia Department of Education. The School District and its schools are accredited by Cognia (formerly AdvancED).

As of November 2021, the School District employed 4,958 full time employees in the following categories:

• Certified Classroom Teachers	2,884
• Classroom Paraprofessionals	332
• Other Instructional and Student Support Staff	284
• Administrators (includes Central Office)	362
• School Nutrition, Transportation, Clerical and Maintenance	1,096

All certified classroom teachers hold Bachelor's degrees, with 72% earning advanced degrees (Master's, Specialist's and/or Doctoral degrees). The 2021-22 school year estimated overall pupil-teacher ratio, not including non-teaching personnel (such as counselors, therapists and media specialists), is 24:1.

Local Economy and Outlook

Cherokee County is located approximately 35 miles north of the City of Atlanta, a major national center for finance, transportation, distribution and communications. The Cherokee community benefits from this proximity, particularly as it relates to the earnings potential for residents.

The per capita income in Cherokee County is approximately 8.7% above that of the State of Georgia and grew at a rate of 6.3% in 2020, the latest year for which figures are available. The median household income in Cherokee County was $86,404 in 2019, compared to the State average of $61,980 and the National average of $62,843.

The 2021 median home value in Cherokee County is $375,105, a 24.2% increase over 2020. Home values are projected to increase another 7.5% in

2022. This translates to a growing tax digest that has greatly benefited the students of Cherokee County. After tax base declines during 2009, 2010, 2011 and 2012 (as a direct result of the national recession), the Cherokee County tax digest has grown an average of more than 6.33% in each of the last nine years.

Sales tax collections are a major indicator of the strength of a local economy. In Cherokee County, collections from the Education Special Purpose Local Sales Tax (Ed-SPLOST) have grown by more than 71% since 2011 and approximately 82% since 2005. In fact, revenue from the one percent sales tax has grown in every year since 1998 except for four (3 of which were due to the national recession), with many of those years growing in double digits. This, along with the strong growth in the tax digest, indicate a healthy and thriving economy.

Due in large part to the strong and healthy local economy, the School District has seen two credit rating upgrades since 2015. Moody's credit rating is currently Aa2 with a Stable outlook and S&P's credit rating is currently AA with a Stable outlook. Both credit agencies cited a large, diverse tax base, stable and growing reserves and positive general fund results in recent years as rationale for credit rating upgrades.

Long Term Financial Planning

Fund balances in all funds have increased in recent years, in large part due to increased revenues but also due to expenditure controls, management inquiry and analysis, and School Board expectations. The unassigned general fund balance at June 30, 2021 is $74.1 million, representing 16% of the previous year budgeted expenditures, which is above the School Board's minimum Policy of 12-15%. Debt service fund balance is anticipated to continue to increase due to Ed-SPLOST collections coming in above projections, an additional quarter mill of property tax revenue being dedicated to debt service by the School Board (now totals 1.25 mills) and strong growth in property tax digest.

The School District plans capital improvements as needs arise due to increased student population, age of the physical plant and future growth patterns. Formalized capital outlay plans are reviewed at least annually and are generated based on enrollment forecasts, facility assessments and anticipated revenue.

The School District relies on revenue generated by Ed-SPLOST, approved overwhelmingly by voters in November 2021 (75% approved), for repayment of bonds issued in previous years that resulted in 21 new and replacement schools, installation of major technology infrastructure, land acquisition and major renovations of aging facilities. Additionally, since 2017 the School Board has approved shifting a portion of the property tax millage rate from Maintenance and Operations to Debt Service (total of 1.25 mill in fiscal year 2021-22) to generate supplementary revenue to permit use of monthly Ed-SPLOST funds for current expenditures, such as replacement of classroom technology devices and major building repairs.

Formal School Board Policies relative to financial management are analyzed annually in order to provide a strong basis for ongoing financial decisions. The following are examples of such Policies:

- Goals and Objectives (Revised 2019)
- Annual Operating Budget (Revised 2021)
- Fund Balance (Revised 2017)
- Local Tax Revenues (Revised 2019)
- Debt Management (Adopted 2017)
- Short Term Notes (Revised 2019)
- Accounting and Reporting (Revised 2021)
- Cash Management and Investments (Adopted 2018)
- Expenditure of Funds (Revised 2018)
- Contract and Compensation Procedures (Revised 2019)
- Purchasing (Revised 2018)
- Student Activities Funds Management (Revised 2018)

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cherokee County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The School District's FY2021 Annual Budget received the Silver award from the Georgia School Public Relations Association (GSPRA) for Special Publications based on readability, use of graphics and ease of understanding. Future iterations of the Annual Budget will be submitted to GFOA for consideration of the Distinguished Budget Presentation Award.

The preparation of this report was completed by the dedicated and professional staff within the Office of Financial Management. Specifically, Jenna Williams, Coordinator for Financial Compliance and Reporting, and Marjorie DeFrank, Executive Director for Financial Management, are to be commended for their devotion to task and content area expertise.

Respectfully submitted,

Dr. Brian V. Hightower
Superintendent of Schools

Kenneth L. Owen
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cherokee County School District
Georgia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Cherokee County
School District

SCHOOL BOARD MEMBERS

Front row, from left, Kelly Poole (District 1), Chair, Kyla Cromer and Patsy Jordan (District 2). Back row from right, Superintendent Dr. Brian Hightower, Vice-Chair, Robert Rechsteiner (District 4), Mike Chapman (District 6), John Harmon (District 3) and Clark Menard (District 5).

Kyla Cromer, School Board Chair
Robert Rechsteiner, School Board Vice-Chair
Mike Chapman
John Harmon
Patsy Jordan
Clark Menard
Kelly Poole

CCSD Organizational Chart of Divisions SY2020-21

Cherokee County School District

CHEROKEE COUNTY CITIZENS

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS / CHIEF EXECUTIVE OFFICER

DR. BRIAN V. HIGHTOWER

Chief of Staff

Mike McGowan

Technology and Information Services Division

Chief Information Officer

Bobby Blount

Support Services Division

Chief Support Services Officer

Bill Sebring

Communications Division

Chief Communications Officer

Barbara Jacoby

School Operations Division

Chief Operations Officer

Dr. Debra Murdock

Safety and Security Division

Chief of Police

Buster Cushing

Human Resources Division

Chief Human Resource

Rick Beaulieu

Financial Management Division

Chief Financial Officer

Kenneth Owen

Curriculum and Instruction Division

Chief Academic Officer

Dr. Nicole Holmes

Financial Section

Cherokee County
School District

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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
The Cherokee County Board of Education
Canton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cherokee County School District (the "School District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 of 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.

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, each major fund, and the aggregate remaining fund information of the Cherokee County School District, as of June 30, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund 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 on pages 4-14 and the schedules related to the School District's pension plan and other post-employment benefits plan on pages 51-58 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 opinions on the financial statements that collectively comprise the Cherokee County School District's basic financial statements. The introductory section, individual fund schedules, statistical section, Schedule of Expenditures of Educational Local Option Sales Tax Proceeds, as required by the Official Code of Georgia §48-8-121 and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules, Schedule of Expenditures of Educational Local Option Sales Tax Proceeds, 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 individual fund schedules, Schedule of Expenditures of Educational Local Option Sales Tax

Proceeds and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2021, on our consideration of the Cherokee County School District'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 Cherokee County School District's internal control over financial reporting and compliance.

Williamson & Company

Williamson and Company
Certified Public Accountants
December 17, 2021

Introduction

The discussion and analysis of the Cherokee County School District's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2021 and June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- Total Fund Balance increased from $203.3 million in 2020 to $221.3 million in 2021, an increase of $17.9 million, or 8.8%. The total increase is largely due to an increase in the General Fund's fund balance of $15.1 million due primarily to unexpected increases in State education formula funding and property tax receipts. The Capital Projects fund balance increased $1.1 million due to a 23.1% increase in sales taxes within the School District's county during the year ended June 30, 2021. The Debt Service fund balance increased $1.7 million due to an increase in local property tax receipts restricted for Debt Service and an increase transfer of sales taxes from the Capital Projects fund over 2020.

- Total revenue increased from $528.7 million in 2020 to $556.8 million in 2021, an increase of $28.1 million, or 5.3%. The revenue increase was primarily from increases in State education formula funds property and sales tax receipts, and an increase in federal revenues from CARES Act grants.

- Total expenses increased from $525.8 million in 2020 to $541.6 million in 2021, an increase of $15.8 million, or 3.0%. The increase was primarily due to an increase in employee salary and benefits related to payment of a retention bonus and to increased costs related to the COVID-19 pandemic.

- Total net position changed from negative $323.8 million in 2020 to negative $308.6 million in 2021, an increase of $15.2 million, or an improvement of net position of 4.7%. Expenses in 2021 as compared to 2020 were $12.5 million and $6.7 million higher due to defined benefit pension plans and other post-employment benefits related entries, respectively. Excluding these entries, 2021 revenue exceeded expenses by $56.2 million. This excess was utilized to purchase capital assets of $30.3 million and to reduce bond debt by $21.3 million.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the Government-wide and fund financial statements.

The Government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the School District presenting both short-term and long-term information about the overall financial status.

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The Governmental Funds statements disclose how basic services are financed in the short-term as well as what remains for future spending.

The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2021 and June 30, 2020, the General Fund, the Capital Projects Fund, and the Debt Service Fund represent the most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, the Individual Fund Schedules Section (other supplementary information that is not required) is presented that further supplements understanding of the financial statements.

Government-wide Statements

The government-wide financial statements provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Activities presents information showing how the School District's net position changed during the most recent fiscal year. Changes in net position appear as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses appear in this statement for some items that will result in future fiscal period's cash flows (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities reflect the School District's governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the School District's activities are reported in governmental funds. The governmental fund statements focus on how money flows in and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. These statements also provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The School District maintains numerous governmental funds with the majority of activities occurring in the General Fund. The differences between governmental activities (reported in Statement of Net Position and Statement of Activities) and governmental funds are reconciled in the financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provided the perspective of the School District as a whole. The table below provides a summary of the School District's net position as of June 30, 2021 and June 30, 2020.

Net Position

	Governmental Activities		Change
	June 30, 2021	June 30, 2020	2020-2021
Assets			
Current Assets	$ 271,414,867	$ 255,040,000	6.4%
Capital Assets, Net	585,040,170	574,931,925	1.8%
Total Assets	**$ 856,455,037**	**$ 829,971,925**	**3.2%**
Deferred Outflows of Resources	$ 211,255,827	$ 152,687,459	38.4%
Liabilities			
Current Liabilities	$ 58,106,169	$ 59,972,834	-3.1%
Long-Term Liabilities	1,252,231,489	1,167,446,582	7.3%
Total Liabilities	**$ 1,310,337,658**	**$ 1,227,419,416**	**6.8%**
Deferred Inflows of Resources	$ 65,938,386	$ 79,023,781	-16.6%
Net Position			
Invested in Capital Assets	$ 151,329,453	$ 144,061,247	5.0%
Restricted	122,049,717	88,589,088	37.8%
Unrestricted	(581,944,350)	(556,434,148)	-4.6%
Total Net Position	**$ (308,565,180)**	**$ (323,783,813)**	**4.7%**

Governmental accounting standards require the School District to report its proportional liability of state administered pension and OPEB plans in which the School District participates for the benefit of its employees. The long-term liabilities related to Pension and OPEB at June 30, 2021 of $806.2 million increased by 16.3%, or $113.0 million from June 30, 2020. Deferred Outflows of Resources reflected an increase of 38.4% and Deferred Inflows of Resources decreased 16.6%, due to this reporting. Although the resulting negative net position of this reporting causes a deficit balance in unrestricted net position, it should not be considered a financial weakness as the pension and OPEB costs are spread out over multiple years well into the future.

The table below shows the Changes in Net Position for fiscal years ending June 30, 2021 and June 30, 2020.

Changes in Net Position

	Governmental Activities		Change
	Fiscal Year 2021	**Fiscal Year 2020**	**2020-2021**
Revenues			
Program Revenues			
Charges for Services	$ 3,496,593	$ 8,179,194	-57.3%
Operating Grants and Contributions	265,575,176	259,413,966	2.4%
Capital Grants and Contributions	6,769,644	4,500,880	50.4%
General Revenues			
Taxes	$ 273,595,423	$ 244,373,236	12.0%
Other	7,389,412	12,233,806	-39.6%
Total Revenues	**$ 556,826,248**	**$ 528,701,082**	**5.3%**
Expenses			
Instructional Services	$ 357,726,187	$ 349,806,598	2.3%
Pupil and Imp. Instructional Services	50,058,742	46,935,305	6.7%
School and Administrative Services	38,663,089	37,335,377	3.6%
Student Transportation Services	25,779,362	25,642,488	0.5%
Maintenance and Operation	31,962,408	28,362,628	12.7%
Support Services - Central	4,410,257	4,912,279	-10.2%
School Nutrition	16,943,050	16,004,897	5.9%
Community Service Operations	1,659,278	1,813,722	-8.5%
Interest on Long-term Debt	14,405,242	14,972,747	-3.8%
Total Expenses	**$ 541,607,615**	**$ 525,786,041**	**3.0%**
Increase (Dec) in Net Position	**$ 15,218,633**	**$ 2,915,041**	
Beginning Net Position	**(323,783,813)**	**(327,242,475)**	
Restatement of PY Net Position	-	**543,621**	
Ending Net Position	**$ (308,565,180)**	**$ (323,783,813)**	**4.7%**

Revenues

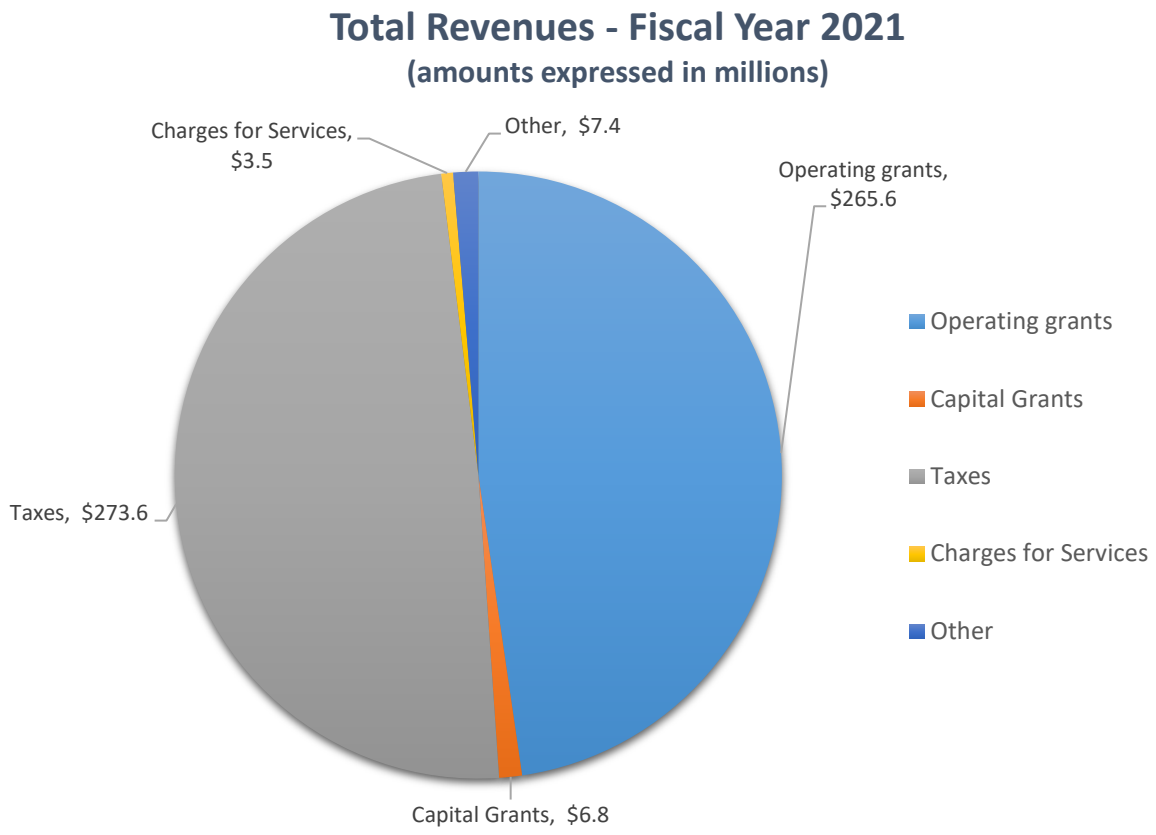
In 2021, the School District's total revenues increased 5.3%, or $28.1 million, over the prior year due primarily to an increase in state funding and increased tax revenue.

- Charges for Services decreased 57.3% or $4.7 million primarily due to decreases in School Nutrition sales of $4.4 million, as student lunches and breakfasts were reimbursed by the

United States Department of Agriculture in 2021 and reported in Operating Grants and Contributions.

- Operating Grants and Contributions increased 2.4%, or $6.2 million, over the prior year primarily due to increases in federal reimbursement of School Nutrition student meals of $6.8 million and CARES Act funding of $8.7 million in response to COVID-19, offset by a decrease in state instructional program revenue of $5.8 million.
- General Revenues - Taxes increased 12.0%, or $29.2 million, over the prior year due to a 7.8% increase in real property tax receipt (M&O and Debt Service combined) and a 23.1% increase in sales taxes within the School District's county during the year ended June 30, 2021.

The graph below shows the Total Revenues for fiscal year 2021.



Expenses

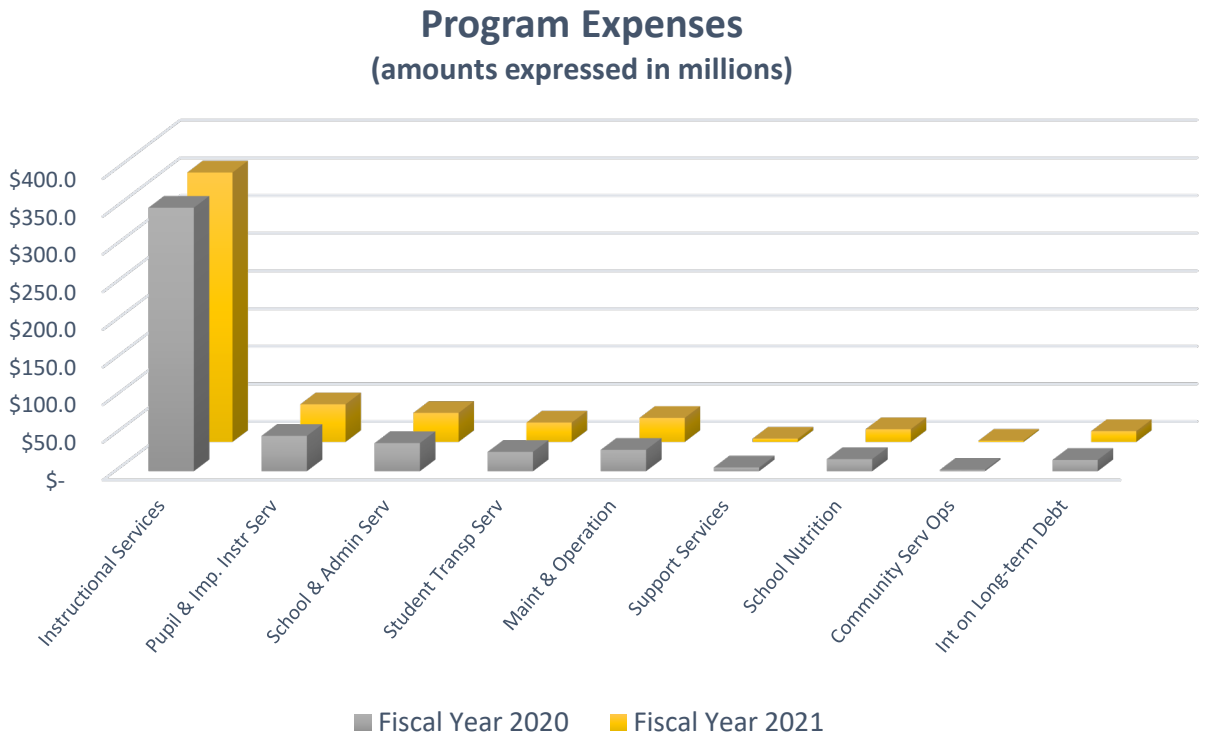
In 2021, the School District's total expenses increased 3.0%, or $15.8 million, over the prior year due primarily due to the payment of a retention bonus to employees, and increased costs due to the COVID-19 pandemic.

- The initial estimated state funding in 2021 included an austerity reduction of Quality Basic Education (QBE) funds in the amount of $23.3 million. On February 15, 2021, the Governor signed the State's Amended fiscal year 2021 Budget which restored

approximately 60%, or $13.9 million, of the austerity reduction, leaving a final austerity reduction to the School District's QBE earnings of $9.3 million.

- In order to offset the initial budgeted revenue shortfall of $23.3 million, the School District reduced operating expenses by $6.8 million, reduced staffing allotments at the District level by 11 Full Time Equivalent (FTE) and reduced teacher allotments by 68.5 FTE. Enhancements included an annual longevity-step salary increase provided for all eligible employees and the continued use of Instructional Lead Strategists to increase student achievement in literacy and math.
- At its March 25, 2021 meeting, the State Board of Education approved the Governor's recommended "Educator Bonuses" to allow local school districts to provide one-time retention bonuses of $1,000 for full-time and $490 for part-time school-level employees using State-allocated, Federal CARES Act funds. On April 15, 2021, the Cherokee County Board of Education approved providing employees actively employed as of March 15, 2021 with larger bonuses combining the State budget restoration funds with the Governor's CARES Act funds. The Governor's CARES Act funds portion of the bonus expense was $4.8 million, while the amount funded by the restored state QBE funds was $6.1 million.
- The School District incurred approximately $2.6 million in enhanced cleaning costs, cleaning supplies and personal protective equipment provided to staff due to the COVID-19 pandemic during 2021. Fees for state virtual classes attended by School District students also increased $.5 million as a result of the pandemic. These costs were covered using federal CARES Act funds.

The graph below shows the Program Expenses for fiscal years ending June 30, 2021 and June 30, 2020 by expense category.

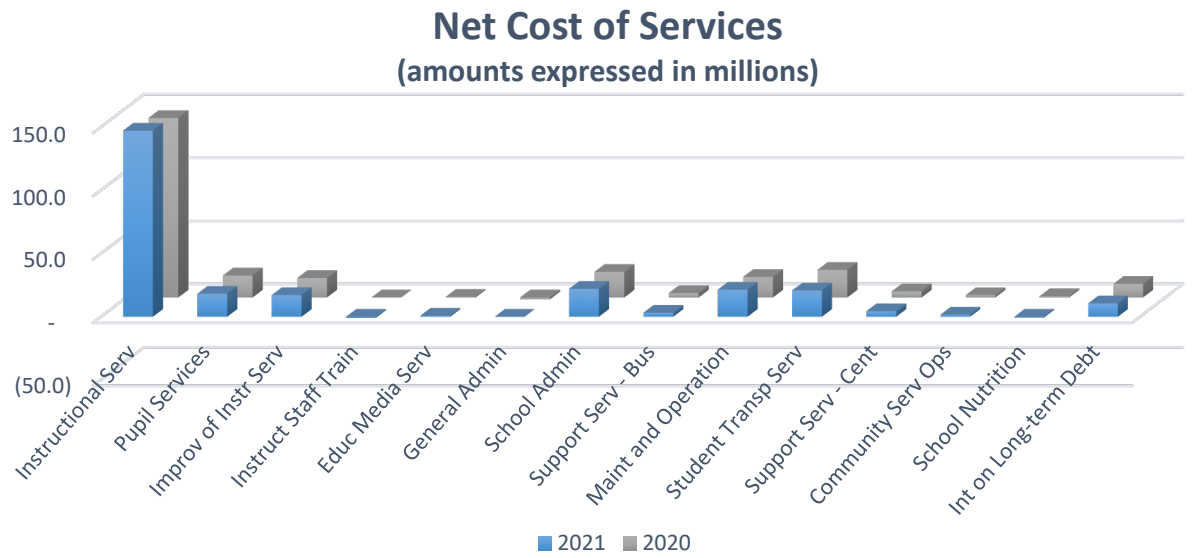


The Cost of Services table below shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity (49.1% overall for the year ended June 30, 2021).

Cost of Services

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instructional Services	$ 357,726,187	$ 349,806,598	$ 147,116,181	$ 141,886,704
Support Services				
Pupil Services	25,002,139	23,020,573	18,206,926	17,286,299
Improvement of Instructional Services	17,624,675	18,547,088	17,135,430	15,312,518
Instructional Staff Training	1,971,064	-	(827,456)	-
Educational Media Services	5,460,864	5,367,644	851,617	504,938
General Administration	4,755,035	5,217,800	(27,354)	(1,459,212)
School Administration	30,689,382	28,596,867	22,087,816	20,199,151
Support Services - Business	3,218,672	3,520,710	3,165,200	3,489,540
Maintenance and Operation	31,962,408	28,362,628	21,413,135	16,251,678
Student Tranportation Services	25,779,362	25,642,488	20,746,278	21,791,082
Central Support Services	4,410,257	4,912,279	4,374,346	4,887,347
Operations and Noninstructional Services				
Community Service Operations	1,659,278	1,813,722	1,659,278	1,813,310
School Nutrition	16,943,050	16,004,897	(684,665)	991,474
Interest on Long-term Debt	14,405,242	14,972,747	10,549,470	10,737,172
Total	**$ 541,607,615**	**$ 525,786,041**	**$ 265,766,202**	**$ 253,692,001**

The graph below shows the change in the Net Cost of Services for fiscal years ending June 30, 2021 and June 30, 2020.



Financial Analysis of the School District's Funds

The School District ended fiscal year 2021 with a positive fund balance in its governmental funds. The combined balance of all governmental funds, at $221.3 million, was 8.8% higher than 2020's ending balance of $203.3 million. The General Fund's fund balance increased by $15.1 million, or 19.8%. This level achieves the Board Policy goal of the School District to achieve and maintain an unassigned fund balance in the General Fund at fiscal year-end of not less than 12.0-15.0% of prior year general fund budgeted expenditures. Capital Projects fund increased its fund balance by $1.1 million, an increase of 2.2%, due primarily to increased sales tax revenues. Debt Service increased its fund balance by $1.7 million, an increase of 2.2%, due in large part to the increase in local property tax receipts restricted for Debt Service and an increase transfer of sales tax revenues from the Capital Projects fund of $3.2 million over 2020.

General Fund Budgeting Highlights

The most significant fund for the School District is the General Fund, funded primarily through state revenue and local property tax revenue. The State of Georgia is required to maintain a balanced budget (a constitutional requirement in Georgia), as are all state-funded school districts.

For the General Fund, actual revenues of $484.8 million were 105.6% of the final budgeted amount of $458.9 million. The final actual expenditures of $469.9 million were 102.4% of the final budgeted amount of $458.7 million. While budgeted revenues exceeded budgeted expenditures by $.2 million, actual results for the fiscal year show that expenditures were under revenues by $14.9 million. This was primarily due to an increase in State revenue resulting from restoration of austerity reductions to education formula funds and property tax revenues above the budgeted amount.

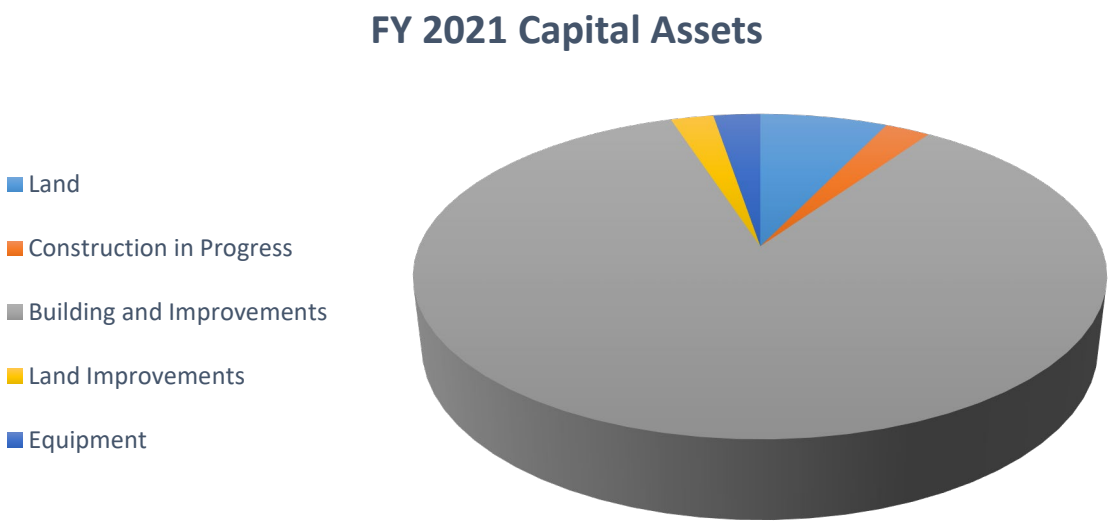
General Fund Balance

As the operating fund of the School District, General Fund revenue from state and federal sources accounted for 54.5% of revenue. The other 45.5% is from local sources, primarily ad valorem taxes. In fiscal year 2021, federal funding increased by $16.9 million, primarily due to increases in federal reimbursement of School Nutrition student meals of $6.8 million and federal CARES Act funding of $8.7 million in response to COVID-19. Local revenues increased by $9.2 million, primarily as a result of 6.4% growth in the property tax digest over prior year. The School District's maintenance and operation millage rate is 18.45 mills. $3.0 million of the June 30, 2021 General Fund balance has been assigned to Instructional Services.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, and June 30, 2020, the School District had $585.0 million and $574.9 million, respectively, invested in a broad range of capital assets, including land, buildings, and furniture and equipment for its governmental activities.



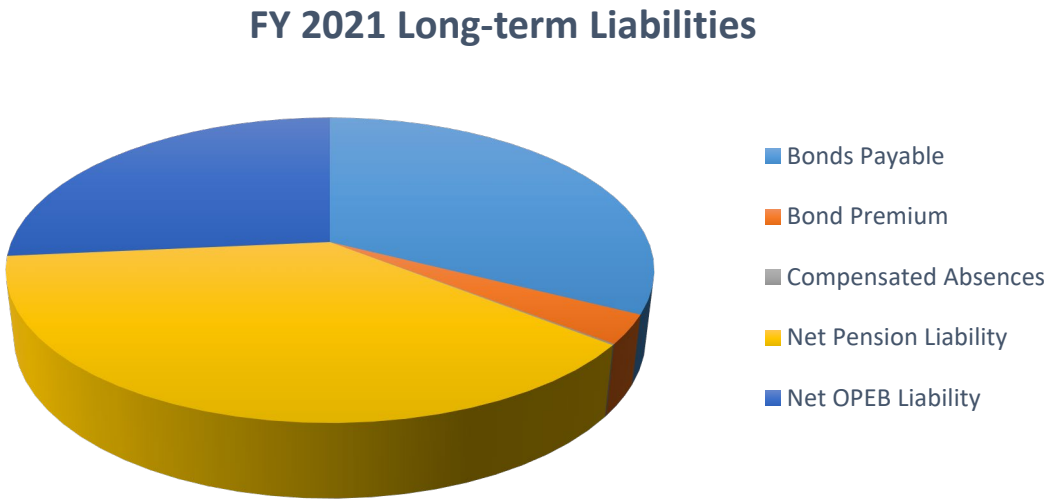
The table below summarizes and compares the capital assets for 2021 and 2020, breaking down the asset balances, by class, net of accumulated depreciation.

Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities	
	Fiscal Year 2021	**Fiscal Year 2020**
Land	$ 41,585,122	$ 33,975,645
Construction in Progress	14,943,080	10,623,303
Building and Improvements	499,396,914	499,408,983
Land Improvements	13,964,203	14,631,463
Equipment	15,150,851	16,292,531
Total	$ 585,040,170	$ 574,931,925

Long-Term Obligations

As of June 30, 2021, the School District had $406.3 million in general obligation and qualified school construction bonds outstanding with $25.1 million due within one year. On November 8, 2016, the citizens of Cherokee County approved a referendum to collect a one cent Education Special Purpose Local Option Sales Tax (Ed-SPLOST) for five years beginning January 1, 2018 and ending December 31, 2022. The bonds will be repaid from sales tax proceeds of this continuing Ed-SPLOST and from proceeds derived from 1 mill of ad valorem property tax.



The table below summarizes and compares the School District's liabilities for 2021 and 2020.

Long-term Liabilities at June 30

	Governmental Activities	
	Fiscal Year 2021	**Fiscal Year 2020**
Bonds Payable	$ 406,255,000	$ 427,525,000
Bond Premium	38,275,482	45,185,291
Compensated Absences	1,542,460	1,538,346
Net Pension Liability	474,722,583	419,413,252
Net OPEB Liability	331,435,964	273,784,693
Total	$ 1,252,231,489	$ 1,167,446,582

At June 30, 2021, the School District's assigned long-term bond ratings were Aa2 Stable and AA Stable as determined by Moody's Investor Services, Inc. and Standard and Poor's Rating Services, respectively.

Additional information on the School District's capital assets and long-term obligations can be found in Note 5 and Note 8 of the Basic Financial Statements section of this document.

Factors Affecting the School District's Future

The fiscal year 2022 budget was presented to the public and tentatively adopted by the Board of Education on May 20, 2021 with the final adoption on June 17, 2021. The budget represents an investment plan for the School District, its students, employees, and the communities as a whole. The budget is tied directly to the strategic vision and direction of the Board of Education. The budget for the General Fund expenditures for fiscal year 2022 is $435.2 million, representing an increase of $16.6 million or 4.0% from the fiscal year 2021 General Fund final budget. This increase is reflective of a budgeted increase in the property tax digest and will be expended on providing an annual salary schedule longevity step raise and a 1% cost of living adjustment for all eligible employees, while also continuing the use of flexibility options to allow all schools to utilize Instructional Lead Specialists to increase student achievement in literacy and math.

The fiscal year 2022 millage rate is 19.45 mills, with 18.20 mills to support the School District's operating budget (Maintenance and Operations) and 1.25 mills for bond debt service. The rate changed from 18.45 mills for Maintenance and Operations and 1.00 mills for Debt Service in 2021. The 1.25 mill for debt services reduces pressure on the 2018-2022 Ed-SPLOST for debt service payments and allows the School District to use a portion of the proceeds to fund current needs as it relates to technology, repairs/maintenance and other voter-approved capital outlay projects.

Positively impacting revenue estimates is projected growth in the local property tax digest. The value of the ad valorem tax digest increased by 8.4% in fiscal year 2020 and 6.4% in fiscal year 2021. The tax digest is projected to increase by 11.6% in fiscal year 2022. This indicates that existing property values have stabilized, and new construction is being added to the digest.

On November 2, 2021, the citizens of Cherokee County approved a referendum to issue $290,000,000 in aggregate principal amount of bonds for the purpose of funding the costs of acquiring, constructing, equipping, renovating, repairing, improving, and equipping school buildings and administration, athletic and other buildings and facilities, and to acquire land for future facilities (the "Projects"). The approved referendum also included continued collection of a one cent Education Special Purpose Local Option Sales Tax for a period of time not to exceed 60 months and for the raising of not more than $290,000,000 for the purpose of funding principal and interest on certain bonds and for funding the Projects.

The School District plans capital improvements as future capital needs arise due to increased student population, age of the physical plant and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues, collections from Ed-SPLOST, and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. The School District regularly monitors anticipated capital outlay needs and budgets resources accordingly.

Contacting the School District's Office of Financial Management

This financial report is designed to provide a general overview of the Cherokee County School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Financial Management, Cherokee County School District, P.O. Box 769, Canton, Georgia, 30169.

Basic Financial Statements

Cherokee County
School District

CHEROKEE COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 188,276,932
Investments	23,440,525
Receivables	
Taxes	11,547,746
State Government	32,410,383
Federal Government	12,582,823
Interest	412,597
Other	2,179,414
Inventory	564,447
Capital Assets, Nondepreciable	56,528,202
Capital Assets, Net	528,511,968
Total Assets	856,455,037
Deferred Outflow of Resources	
Related to Defined Pension Plans	133,457,453
Related to Other Post-Employment Benefits	74,721,722
Deferred Charges	3,076,652
Total Deferred Outflows of Resources	211,255,827
Total Assets and Deferred Outflows of Resources	1,067,710,864
Liabilities	
Accounts Payable	7,734,208
Salaries and Benefits Payable	38,989,009
Interest Payable	8,677,008
Other Current Liabilities	2,705,944
Long-term Liabilities	
Due Within One Year	32,430,138
Due in More Than One Year	413,642,804
Net Pension Liability Due in More Than One Year	474,722,583
Net Other Post-Employment Benefits (OPEB) Liability Due in More Than One Year	331,435,964
Total Liabilities	1,310,337,658
Deferred Inflows of Resources	
Related to Defined Benefit Pension Plan	265,197
Related to Other Post-Employment Benefits	65,673,189
Total Deferred Inflows of Resources	65,938,386
Total Liabilities and Deferred Inflows of Resources	1,376,276,044
Net Position	
Net Investment In Capital Assets	151,329,453
Restricted For:	
Capital Projects	43,722,707
Debt Service	78,327,010
Unrestricted	(581,944,350)
Total Net Position	$ (308,565,180)

The accompanying notes are an integral part of this financial statement.

CHEROKEE COUNTY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities :					
Instructional Services	$ 357,726,187	$ 1,815,326	$ 206,798,510	$ 1,996,170	$ (147,116,181)
Support Services					
Pupil Services	25,002,139	-	6,795,213	-	(18,206,926)
Improvement of Instructional Services	17,624,675	-	489,245	-	(17,135,430)
Instructional Staff Training	1,971,064	-	2,798,520	-	827,456
Educational Media Services	5,460,864	-	4,609,247	-	(851,617)
General Administration	4,755,035	-	4,691,469	90,920	27,354
School Administration	30,689,382	102,879	8,430,892	67,795	(22,087,816)
Support Services - Business	3,218,672	-	49,751	3,721	(3,165,200)
Maintenance and Operation	31,962,408	183,043	10,326,335	39,895	(21,413,135)
Student Transportation Services	25,779,362	8,059	3,446,193	1,578,832	(20,746,278)
Support Services - Central	4,410,257	-	35,911	-	(4,374,346)
Operations of Noninstructional Services					
Community Services	1,659,278	-	-	-	(1,659,278)
School Nutrition	16,943,050	1,387,286	16,232,846	7,583	684,665
Interest on Long-term Debt	14,405,242	-	871,044	2,984,728	(10,549,470)
Total Governmental Activities	$ 541,607,615	$ 3,496,593	$ 265,575,176	$ 6,769,644	$ (265,766,202)

General Revenues:	
Taxes:	
Property Tax, Levied for General Purposes	$ 195,114,768
Property Tax, Levied for Debt Service	9,575,689
Educational Local Option Sales Tax	55,398,402
Other Tax	13,506,564
Miscellaneous	7,295,614
Unrestricted Investment Earnings	93,798
Total General Revenues	280,984,835
Change in Net Position	15,218,633
Net Position - Beginning of Year	(323,783,813)
Net Position - End of Year	$ (308,565,180)

The accompanying notes are an integral part of these financial statements.

CHEROKEE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 84,369,711	$ 49,832,863	$ 54,074,358	$ 188,276,932
Investments	1,070,787	-	22,369,738	23,440,525
Receivables				
Taxes	6,401,752	4,919,197	226,797	11,547,746
State Government	32,382,044	28,339	-	32,410,383
Federal Government	12,582,823	-	-	12,582,823
Interest	-	-	412,597	412,597
Other	935,894	-	1,243,520	2,179,414
Inventories	564,447	-	-	564,447
Total Assets	$ 138,307,458	$ 54,780,399	$ 78,327,010	$ 271,414,867
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	$ 6,510,857	$ 1,223,351	$ -	$ 7,734,208
Salaries and Benefits Payable	38,989,009	-	-	38,989,009
Contracts Payable	-	1,119,297	-	1,119,297
Retainage Payable	-	971,931	-	971,931
Total Liabilities	45,499,866	3,314,579	-	48,814,445
Deferred Inflows of Resources				
Deferred Revenue	1,288,059	-	57,252	1,345,311
Total Deferred Inflows of Resources	1,288,059	-	57,252	1,345,311
Fund Balances				
Nonspendable				
Inventory	564,447	-	-	564,447
Bus Replacement	926,640	-	-	926,640
Restricted				
Debt Service	-	-	78,269,758	78,269,758
Capital Projects	-	51,465,820	-	51,465,820
Committed				
School Food Services	7,807,944	-	-	7,807,944
School Activities	5,140,487	-	-	5,140,487
Assigned				
General Fund	3,000,000	-	-	3,000,000
Unassigned	74,080,015	-	-	74,080,015
Total Fund Balances	91,519,533	51,465,820	78,269,758	221,255,111
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 138,307,458	$ 54,780,399	$ 78,327,010	$ 271,414,867

The accompanying notes are an integral part of this financial statement.

CHEROKEE COUNTY SCHOOL DISTRICT
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balances Governmental Funds		$ 221,255,111
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	886,128,131	
Less Accumulated Depreciation	(301,087,961)	585,040,170
Some liabilites are not due and payable in the current period and, therefore, are not reported in the funds.		
Claims Payable	(614,716)	
Interest Payable	(8,677,008)	(9,291,724)
Taxes that are not available to pay for current period expenditures are deferred in the governmental funds.		
Property Taxes		1,345,311
Deferred charges or credits on debt refundings are applicable to future periods and are therefore not reported in the funds and are amortized over the life of the new debt.		
Loss on Bond Refundings		3,076,652
Deferred Ouflows and Inflows of Resources and the net pension liability related to the District's pension plan are applicable to future periods and, therefore, are not reported in the governmental funds.		
Net Pension Liability	(474,722,583)	
Deferred Outflows of Resouces - Pension Related Items	133,457,453	
Deferred Inflows of Resources - Pension Related Items	(265,197)	(341,530,327)
Deferred Ouflows and Inflows of Resources and the net OPEB liability related to the District's pension plan are applicable to future periods and, therefore, are not reported in the governmental funds.		
Net Other Post-Employment Benefits Liability	(331,435,964)	
Deferred Outflows of Resources - OPEB Related Items	74,721,722	
Deferred Inflows of Resources - OPEB Related Items	(65,673,189)	(322,387,431)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	(406,255,000)	
Bond Premium, Net of Amortization	(38,275,482)	
Compensated Absences	(1,542,460)	(446,072,942)
Net Position Of Governmental Activities		$ (308,565,180)

The accompanying notes are an integral part of this financial statement.

CHEROKEE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
Local Sources	$ 218,735,618	$ 55,836,696	$ 10,268,149	$ 284,840,463
State Funds	224,090,221	1,922,194	-	226,012,415
Federal Funds	40,079,719	-	-	40,079,719
Investment Earnings	93,798	34,468	871,044	999,310
Miscellaneous	1,794,607	-	2,984,728	4,779,335
Total Revenues	484,793,963	57,793,358	14,123,921	556,711,242
Expenditures				
Current				
Instructional Services	310,874,228	-	-	310,874,228
Support Services:				
Pupil Services	22,829,049	-	-	22,829,049
Improvement of Instructional Services	16,163,915	-	-	16,163,915
Instructional Staff Training	1,893,348	-	-	1,893,348
Educational Media Services	4,971,260	-	-	4,971,260
General Administration	3,796,280	-	-	3,796,280
School Administration	27,226,376	577,632	-	27,804,008
Support Services - Business	2,937,470	-	-	2,937,470
Maintenance and Operation	31,090,153	-	-	31,090,153
Student Transportation Services	23,629,764	1,731,190	-	25,360,954
Support Services - Central	4,192,431	-	-	4,192,431
Community Services	1,659,278	-	-	1,659,278
School Nutrition	16,344,638	-	-	16,344,638
Facitilies Acquisition and Construction	2,299,379	24,139,238	-	26,438,617
Debt Service				
Principal Retirement	-	-	21,270,000	21,270,000
Interest and Fees	11,767	-	21,411,630	21,423,397
Total Expenditures	469,919,336	26,448,060	42,681,630	539,049,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,874,627	31,345,298	(28,557,709)	17,662,216
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	275,044	-	-	275,044
Transfers In	-	-	30,245,032	30,245,032
Transfers Out	-	(30,245,032)	-	(30,245,032)
Total Other Financing Sources (Uses)	275,044	(30,245,032)	30,245,032	275,044
Net Change in Fund Balances	15,149,671	1,100,266	1,687,323	17,937,260
Fund Balances - Beginning	76,369,862	50,365,554	76,582,435	203,317,851
Fund Balances - Ending	$ 91,519,533	$ 51,465,820	$ 78,269,758	$ 221,255,111

The accompanying notes are an integral part of this financial statement.

CHEROKEE COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 17,937,260
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. The amount by which capital outlays exceeded depreciation expense is as follows:		
Capital Outlay	30,285,393	
Depreciation Expense	(19,662,883)	10,622,510
The net effect of various miscellaneous transactions involving capital assets during the fiscal year decreased net position.		(514,265)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes		(210,317)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	(33,268,737)	
OPEB expense	(7,696,251)	(40,964,988)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal Payments - Bonds		21,270,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of Bond Premium	6,909,809	
Amortization of Deferred Charge on Refunding	(341,851)	
Change in Claims Payable	64,392	
Change in Compensated Absences	(4,114)	
Change in Accrued Interest	450,197	7,078,433
Change in Net Position of Governmental Activities		$ 15,218,633

The accompanying notes are an integral part of this financial statements.

CHEROKEE COUNTY SCHOOL DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local Sources	$ 207,806,270	$ 207,806,270	$ 218,735,618	$ 10,929,348
State Funds	213,846,024	221,844,948	224,090,221	2,245,273
Federal Funds	23,997,193	27,734,482	40,079,719	12,345,237
Investment Earnings	482,511	482,511	93,798	(388,713)
Miscellaneous	1,020,028	1,020,028	1,794,607	774,579
Total Revenues	447,152,026	458,888,239	484,793,963	25,905,723
Expenditures				
Instructional Services	290,765,052	300,496,933	310,874,228	(10,377,295)
Support Services				
Pupil Services	23,329,898	23,329,898	22,829,049	500,849
Improvement of Instructional Services	14,781,012	16,803,032	16,163,915	639,117
Instructional Staff Training	1,779,615	1,779,615	1,893,348	(113,733)
Educational Media Services	5,054,928	5,054,928	4,971,260	83,668
General Administration	4,559,914	4,559,914	3,796,280	763,634
School Administration	26,899,447	26,899,447	27,226,376	(326,929)
Support Services - Business	2,762,390	2,762,390	2,937,470	(175,080)
Maintenance and Operation	29,350,728	25,644,291	31,090,153	(5,445,862)
Student Transportation Services	23,228,339	23,228,339	23,629,764	(401,425)
Support Services - Central	4,280,245	7,986,682	4,192,431	3,794,251
Community Services	1,976,507	1,976,507	1,659,278	317,229
School Nutrition	17,783,736	17,783,736	16,344,638	1,439,098
Facilities Acquisition and Construction	368,804	368,804	2,299,379	(1,930,575)
Debt Service				
Interest and Fees	29,688	12,000	11,767	233
Total Expenditures	446,950,303	458,686,516	469,919,336	(11,232,820)
Excess of Revenues over Expenditures	201,723	201,723	14,874,627	14,672,903
Other Financing Sources				
Proceeds from Sale of Capital Assets	123,105	123,105	275,044	151,939
Total Other Financing Sources	123,105	123,105	275,044	151,939
Net Change in Fund Balances	324,828	324,828	15,149,671	14,824,843
Fund Balances - Beginning	76,369,862	76,369,862	76,369,862	-
Fund Balances - Ending	$ 76,694,690	$ 76,694,690	$ 91,519,533	$ 14,824,843

The accompanying notes are an integral part of this financial statement.

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Cherokee County School District (School District) was established under the laws of the State of Georgia and operates under the guidance of a board elected by the voters and a Superintendent appointed by the Board. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

GOVERNMENT-WIDE STATEMENTS:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Net Position presents the School District's assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. **Net investment in capital assets** consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
2. **Restricted net position** consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the School District's governmental funds. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (Ed-SPLOST), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property and sales) legally restricted for the payment of general long-term principal and interest.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within six months after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Schools District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

INVESTMENTS

The School District can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

INVENTORIES

Food Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (calculated on the first-in first-out (FIFO) basis). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures

are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Supplies/Equipment Inventories

On the basic financial statements, inventories of stored supplies and equipment are reported at cost using the first-in, first-out method. The School District uses the consumption method to account for the inventories whereby items are recorded as an asset when purchased and expenses are recorded when the item is put into use.

CAPITAL ASSETS

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at the acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The School District does not capitalize book collections or works of art.

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is computed using the straight-line method for all assets, except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives.

Capitalization thresholds and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	$10,000	20 Years
Buildings and	$10,000	20-50 Years
Equipment	$10,000	5-10 Years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time.

COMPENSATED ABSENCES

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 45 days. Vacation leave of 20 days is awarded on a fiscal year basis to the Superintendent and there are no limits on the amount that may be carried over. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual School Districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

In the School District's government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the effective interest method and the straight-line method, respectively. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB 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 School Employees Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FUND BALANCES

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The School District's fund balances are classified as follows:

Nonspendable consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted consists of resources that can be used only for specific purposes pursuant to constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. The Board is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned consists of resources constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (1) the Board or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When multiple categories of fund balance are available for expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 12% of prior year general fund budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. § 20-2-167(a)5. If the unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

PROPERTY TAXES

The Cherokee County Board of Commissioners adopted the property tax levy for the 2020 tax digest year (calendar year) on July 16, 2020 (levy date) based on property values as of January 1, 2020. Taxes were due on November 15, 2020 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2020 tax digest are reported as revenue

in the governmental funds for fiscal year 2021. The Cherokee County Board of Commissioners bills and collects the property taxes for the School District, withholds 2.00% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2021, for maintenance and operations amounted to $175,660,762 and for school bonds amounted to $9,575,689.

Tax millage rates levied for the 2020 tax year (calendar year) for the School District were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	18.45	mills
School Bonds	1.00	mills
	19.45	mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $19,664,323 during fiscal year ended June 30, 2021.

SALES TAXES

Education Special Purpose Local Option Sales Tax (Ed-SPLOST) revenue, at the fund reporting level, during the year ended June 30, 2021 amounted to $55,398,402 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial revenue estimate for the Board's review and requesting the Board’s priorities. The administration develops a budget based on the Board’s priorities and available revenue, makes revisions as necessary based on the Board's guidelines, and a tentative budget is presented to the Board for approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website and statutorily required public hearings are convened. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

The Superintendent is authorized by the Board to approve adjustments of no more than 5% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall

report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 5% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment.

See the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Basic Financial Statements Section for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

O.C.G.A. § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance. As of June 30, 2021, the School District's deposits were secured by surety bond, insurance, or collateral.

Acceptable security for deposits consists of any one of or any combination of the following:

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a formal deposit policy for managing custodial credit risk. At June 30, 2021, the School District had deposits with a carrying amount of $25,010,497, which included $1,070,787 in Certificates of Deposit that are recorded as investments, and a bank balance of $27,501,754. The bank balances insured by Federal depository

insurance were $7,113,632 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were $397,393.

At June 30, 2021, $19,990,729 of the School District's bank balances were in the State's Secure Deposit Program (SDP), a multi-bank pledging pool which the School District participates in. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported cash equivalents of $164,337,222 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2021, was 36 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

CATEGORIZATION OF INVESTMENTS

The School District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs

At June 30, the School District had the following investments which were not required to be reported under this fair value hierarchy:

Investment Type	Value	Maturity
Repurchase Agreements	$ 22,369,738	Less than 1 year
Certificates of Deposit	1,070,787	1-5 years
Total investments	$ 23,440,525	

Repurchase Agreements and Certificates of Deposit are reported at cost.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

At June 30, 2021, $23,440,525 of the School District's applicable investments were insured or registered, with securities held by the entity or its agent, in the School District's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed by O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

The investments subject to credit quality risk are reflected below:

Investment Type	Value	Unrated
Repurchase Agreements	$ 22,369,738	$ 22,369,738

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balances July 1, 2020	Increases	Decreases	Transfers	Balances June 30, 2021
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$ 33,975,645	$ 7,848,407	$ 238,930	$ -	$ 41,585,122
Construction in Progress	10,623,303	14,151,170	-	(9,831,393)	14,943,080
Total Capital Assets Not Being Depreciated	44,598,948	21,999,577	238,930	(9,831,393)	56,528,202
Capital Assets Being Depreciated:					
Buildings and Improvements	727,926,480	5,845,315	165,868	9,831,393	743,437,320
Equipment	53,739,576	2,078,264	1,036,169	-	54,781,671
Land Improvements	31,018,701	362,237	-	-	31,380,938
Less Accumulated Depreciation for:					
Buildings and Improvements	228,517,497	15,524,884	1,975	-	244,040,406
Equipment	37,447,045	3,108,502	924,727	-	39,630,820
Land Improvements	16,387,238	1,029,497	-	-	17,416,735
Total Capital Assets Being Depreciated - Net	530,332,977	(11,377,067)	275,335	9,831,393	528,511,968
Governmental Activities Capital Assets - Net	$ 574,931,925	$ 10,622,510	$ 514,265	$ -	$ 585,040,170

Current year depreciation expense by function is as follows:

Instructional Services		$ 16,388,807
Support Services		
General Administration	$ 746,461	
School Administration	556,604	
Support Services - Business	30,547	
Maintenance and Operation	327,541	
Student Transportation Services	1,550,665	3,211,818
School Nutrition		62,258
		$ 19,662,883

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfer from	
Transfer to	Capital Projects Fund	Total
Debt Service Fund	$ 30,245,032	$ 30,245,032

Transfers are used to move Ed-SPLOST proceeds from the Capital Projects fund to the Debt Service fund for debt service costs.

NOTE 7: SHORT-TERM DEBT

The School District issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. This short-term debt is to provide cash for operations until property tax collections are received by the School District. Article IX, Section V, Paragraph V of the Constitution of the State of Georgia limits the aggregate amount of short-term debt to 75% of the total gross income from taxes collected in the preceding year and requires all short-term debt to be repaid no later than December 31 of the calendar year in which the debt was incurred.

Short-term debt activity for the fiscal year is as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax Anticipation Notes	$ -	$ 9,500,000	$ 9,500,000	$ -

NOTE 8: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

	Governmental Activities				
	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation (G.O.) Bonds	$ 387,470,000	$ -	$ 21,270,000	$ 366,200,000	$ 25,100,000
Unamortized Bond Premiums	45,185,291	-	6,909,809	38,275,482	6,254,621
Qualified School Construction Bonds	40,055,000	-	-	40,055,000	-
Compensated Absences	1,538,346	1,079,631	1,075,517	1,542,460	1,075,517
	$ 474,248,637	$ 1,079,631	$ 29,255,326	$ 446,072,942	$ 32,430,138

The School District's bonded debt consists of various issues of general obligation bonds and Qualified School Construction Bonds (QSCB) that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The School District repays general obligation bonds and QSCB from voter-approved property taxes and sales taxes. General obligation bonds and QSCB are direct obligations and pledge the full faith and credit of the School District.

In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (Ed-SPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt. The School District had no unused line of credit as of June 30, 2021.

GENERAL OBLIGATION DEBT OUTSTANDING

Voters have authorized $44,765,000 in general obligation debt for capital outlay projects and the costs of issuing and paying capitalized interest which was not issued as of June 30, 2021.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
2009B Series	5.00%	6/18/2009	8/1/2028	$ 48,375,000	$ 48,375,000
2012 Series	5.00%	11/1/2012	8/1/2033	35,930,000	30,175,000
2014A Series	3.75-5.00%	2/6/2014	8/1/2033	46,885,000	28,280,000
2014B Series	5.00%	2/6/2014	8/1/2025	34,430,000	30,590,000
2015 Series	4.00-5.00%	2/15/2015	2/1/2033	108,960,000	105,175,000
2016 Series	5.00%	5/19/2016	8/1/2023	42,685,000	35,195,000
2017 Series	3.00-5.00%	5/9/2017	2/1/2033	18,175,000	18,175,000
2018 Series	5.00%	5/3/2018	8/1/2033	39,685,000	39,685,000
2020 Series	5.00%	1/16/2020	2/1/2033	30,550,000	30,550,000
				$ 405,675,000	$ 366,200,000

The following schedule details debt service requirements to maturity for the School District's total general obligation bonds payable:

Payments Due in Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Amortization of Bond
2022	$ 25,100,000	18,037,450	$ 6,254,621
2023	27,105,000	16,755,825	5,508,450
2024	29,285,000	15,372,450	4,701,802
2025	32,265,000	13,803,871	4,376,653
2026	45,600,000	12,046,296	3,933,941
2027-2031	140,170,000	33,977,090	11,839,797
2032-2036	66,675,000	4,929,338	1,660,218
Total Principal and Interest	$ 366,200,000	$ 114,922,320	$ 38,275,482

In the subsequent fiscal year, voters authorized the School District to issue general obligation bonds in the amount of $290,000,000. The proceeds from these bonds will be used primarily for acquiring, constructing, and improving capital facilities. The School District has not issued these bonds as of the report date.

QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCB)

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by School Districts in connection with the construction, rehabilitation, or repair of a public-school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows School Districts to borrow without incurring interest costs.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the School District may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the

stated interest rate to a nominal percentage. To qualify for this subsidy, the School District is required to periodically file appropriate documents with the Internal Revenue Service. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. The interest subsidy received by the School District in fiscal year 2021 was $2,048,003, which funded all but $205,491 of interest expense due on the QSCB.

Debt currently outstanding under Qualified School Construction Bonds is as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
2010B Series	5.63%	11/11/2010	8/1/2028	$ 40,055,000	$ 40,055,000
				$ 40,055,000	$ 40,055,000

The following is a schedule of total Qualified School Construction Bond payments:

Payments Due in Fiscal Year Ended June 30:	Principal	Interest
2022	$ -	$ 2,253,494
2023	-	2,253,494
2024	-	2,253,494
2025	-	2,253,494
2026	-	2,253,494
2027 - 2031	40,055,000	4,568,172
Total Principal and Interest	$ 40,055,000	$ 15,835,642

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the general fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

NOTE 9: RISK MANAGEMENT

COMMERCIAL INSURANCE

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. The School District is self-insured for workers' compensation, unemployment claims, and dental claims. The School District purchases commercial insurance for all other risks or loss. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

WORKERS' COMPENSATION

The School District has established a limited risk management program for workers' compensation claims. The School District accounts for claims within the general fund with

expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of $400,000 loss per occurrence, up to the statutory limit.

Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2020	$ 460,823	$ 1,132,222	$ 913,937	$ 679,108
2021	$ 679,108	$ 444,722	$ 509,114	$ 614,716

UNEMPLOYMENT COMPENSATION

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. A liability of $135,716 was accrued as of June 30, 2021 for fiscal year 2021 unemployment compensation claims.

DENTAL CLAIMS

The School District is self-insured with regard to dental claims. The School District accounts for dental claims expenditures and liability in the general fund when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the dental claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2020	$ 19,545	$ 2,738,380	$ 2,690,415	$ 67,510
2021	$ 67,510	$ 3,014,127	$ 3,012,598	$ 69,039

SURETY BOND

The School District purchased surety bonds to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$ 100,000
Chief Financial Officer	100,000
School Principals	10,000

NOTE 10: SIGNIFICANT COMMITMENTS

COMMITMENTS UNDER CONSTRUCTION CONTRACTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2021, together with funding available:

Project	Unearned Executed Contracts [1]	Payments through June 30, 2021 [2]	Funding Available From State [1]
Etowah HS Athletic Improvement	$ 866,268	$ 3,058,732	$ -
New Fuel Island	590,254	1,736,603	-
Woodstock HS Gym (21-628-003)	388,619	3,839,040	325,051
Woodstock MS Addition (21-628-002)	361,672	5,199,499	1,294,786
	$ 2,206,813	$ 13,833,874	$ 1,619,837

[1] The amounts described are not reflected in the basic financial statements.

[2] Payments include Contracts and Retainages Payable at year end.

OPERATING LEASES

The School District leases office equipment under the provisions of one or more long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases(s) totaled $311,016 for governmental activities for the year ended June 30, 2021. The following future minimum lease payments were required under operating leases at June 30, 2021:

Year Ending	Lease Payments
2022	$ 300,735
2023	300,735
2024	300,735
2025	300,735
Total	$ 1,202,940

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

FEDERAL GRANTS

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

LITIGATION

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School 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 20 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 School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. 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 School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School 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 School OPEB Fund from the School District were $8,340,887 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the School District reported a liability of $331,435,964 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 2.26%, which was an increase of 0.026% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of $16,037,139. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 36,182,517
Changes of assumptions	54,812,149	29,490,672
Net difference between projected and actual earnings on OPEB plan investments	863,848	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	10,704,838	-
School District contributions subsequent to the measurement date	8,340,887	-
Total	$ 74,721,722	$ 65,673,189

School District contributions subsequent to the measurement date 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, 2022. 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:	OPEB
2022	$ (3,715,726)
2023	(3,738,909)
2024	(2,381,403)
2025	2,134,209
2026	6,235,910
Thereafter	2,173,564

Actuarial assumptions: The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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, 2020:

OPEB:

Inflation	2.50%
Salary increases	3.00% - 8.75%, 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	7.000%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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:

- For TRS members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.

- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future morality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.50%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

Discount rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). 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 2022. Therefore, the calculated discount rate of 2.22% was applied to all period of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the collective net OPEB liability of the participating employers calculated using the discount rate of 2.22%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.22%) or 1 percentage-point higher (3.22%) than the current discount rate:

	1% Decrease (1.22%)	Current Discount Rate (2.22%)	1% Increase (3.22%)
School District's proportionate share of the Net OPEB liability	$ 389,382,578	$ 331,435,964	$ 285,094,858

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the collective net OPEB liability of the participating employers calculated using current healthcare cost trend rates as well as the School District's proportionate share of the net OPEB liability calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proprotionate share of the net OPEB liability	$ 275,953,756	$ 331,435,964	$ 403,269,308

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

NOTE 13: RETIREMENT PLANS

The School District participates in various retirement plans administered by the State of Georgia, as further explained below.

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description: All teachers of the School District as defined in O.C.G.A §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at www.trsga.com/publications.

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. 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. Employees were required to contribute 6.00% of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 18.99% of annual School District

payroll, of which 18.93% of payroll was required from the School District and 0.06% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $48,310,616 and $154,029 from the School District and the State, respectively.

EMPLOYEES' RETIREMENT SYSTEM

Plan description: The Employees' Retirement System of Georgia (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 https://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.

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 School District's total required contribution rate for the year ended June 30, 2021 was 24.66% of annual covered payroll for old and new plan members and 21.57% for GSEPS members. 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. There were no employer contributions to the pension plan for the current fiscal year.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System

of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at https://www.ers.ga.gov/financials.

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of $15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). 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.

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $618,216.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of $474,722,583 for its proportionate share of the net pension liability for TRS.

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$ 474,722,583
State of Georgia's proportionate share of the net pension liability associated with the School District	1,462,640
Total	$ 476,185,223

The net pension liability for TRS and ERS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard

roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2020.

At June 30, 2020, the School District's TRS proportion was 1.96%, which was an increase of 0.01% from its proportion measured as of June 30, 2019. At June 30, 2020, the School District's ERS proportion was 0%, which did not change from its proportion measured as of June 30, 2019.

At June 30, 2021, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $3,632,552.

The PSERS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of $81,699,557 for TRS, ($25,719) for ERS and $730,994 for PSERS and revenue of $149,976 for TRS and $730,994 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,674,316	$ -
Changes of assumptions	48,896,972	-
Net difference between projected and actual earnings on pension plan investments	11,433,772	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	4,141,777	265,197
School District contributions subsequent to the measurement date	48,310,616	-
Total	$ 133,457,453	$ 265,197

The School District contributions subsequent to the measurement date for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	TRS
2022	$ 18,142,118
2023	27,819,492
2024	27,750,111
2025	11,169,919
2026	-
Thereafter	-

Actuarial assumptions: The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System:

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

Post-retirement 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 two 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 seven years for males and set forward three 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

Public School Employees Retirement System:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and 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 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on TRS, ERS and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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 best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS Target allocation	ERS/PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.10)%
Domestic large stocks	51.00%	46.20%	8.90%
Domestic small stocks	1.50%	1.30%	13.20%
International developed market stocks	12.40%	12.40%	8.90%
International emerging market stocks	5.10%	5.10%	10.90%
Alternative	-	5.00%	12.00%
Total	100.00%	100.00%	

* Rates shown are net of assumed rate of inflation.

Discount rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS 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 nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' 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.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% and 7.30%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% and 6.30%) or 1-percentage-point higher (8.25% and 8.30%) than the current rate:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 752,796,694	$ 474,722,583	$ 246,781,542

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publicly available at www.trsga.com/publications and http://www.ers.ga.gov/financials.

Payables to the pension plan: At June 30, 2021, the School District reported a payable in the amount of $5,184,962 To the TRS plan for the employee and employer contributions attributable to June of 2021.

DEFINED CONTRIBUTION PLAN

In August 2001, Cherokee County Board of Education adopted the School District's 403(b) pension plan for the group of employees covered under the Public School Employees' Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Cherokee County Board of Education's desire to supplement the retirement savings of this group.

The School District selected VALIC as the provider of the School District's 403(b) plan. For each employee covered under PSERS, the School District began contributing to the plan an amount equal to $.50 for each $1.00 of employee contributions up to four percent of the employee's regular earnings.

An employee becomes vested in employer contributions in accordance with the following schedule:

0-35 months of service:	0%
36-47 months of service:	50%
48-59 months of service:	75%
60+ months of service:	100%

Employees who have already completed five years of service at the time of enrollment are immediately vested upon enrollment. Employees at all times are 100% vested in employee contributions.

Funds accumulated through employer contributions are only available to the employee upon termination of employment or by achieving normal retirement age as determined by the Internal Revenue Service. If an employee terminates employment prior to achieving vested status, funds contributed by the School District on behalf of the non-vested employee are credited back to the School District.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2021	100%	$ 203,602
2020	100%	228,537
2019	100%	215,560

NOTE 14: TAX ABATEMENTS

The public purpose of the Cherokee County Development Authority is promoting and expanding for the public good and welfare, industry and trade within Cherokee County and reducing unemployment to the greatest extent possible. The Cherokee County Development Authority, in coordination with Cherokee County government, provide a tax incentive program for qualified industries locating/located in Cherokee County. The purpose of this program is to encourage additional investment from new and existing industries to grow and diversify the tax base and local economy. Eligibility for the tax abatement program is based off the number and quality of jobs created as well as the amount of capital investment. There are claw-back provisions should the recently located company not meet their committed jobs and capital investment numbers.

For the fiscal year ended June 30, 2021, the Cherokee County Development Authority abated property taxes due to the School District that were levied on July 16, 2020 and due on November 15, 2020 totaling $1,369,292.

Required Supplementary Information

Cherokee County
School District

CHEROKEE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Teachers Retirement System of Georgia
For the Fiscal Years Ended June 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	1.96%	$ 474,722,583	$ 1,462,640	$ 476,185,223	$ 253,712,642	187.11%	77.01%
2020	1.95%	419,413,252	1,355,315	420,768,567	238,692,053	175.71%	78.56%
2019	1.94%	359,724,288	1,186,863	360,911,151	231,484,139	155.40%	80.27%
2018	1.92%	356,627,528	1,429,396	358,056,924	221,443,384	161.05%	79.33%
2017	1.93%	397,351,768	1,736,108	399,087,876	212,135,952	187.31%	76.06%
2016	1.92%	291,638,386	1,357,677	292,996,063	203,096,846	143.60%	81.44%
2015	1.88%	237,742,125	1,057,565	238,799,690	192,776,926	123.32%	84.03%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT

Required Supplementary Information

Schedule of Contributions - Teachers Retirement System of Georgia

For the Fiscal Years Ended June 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	$ 48,310,616	$ 48,310,616	$ -	$ 255,192,230	18.93%
2020	53,468,629	53,468,629	-	253,712,642	21.07%
2019	49,737,547	49,737,547	-	238,692,053	20.84%
2018	38,784,465	38,784,465	-	231,484,139	16.75%
2017	32,062,007	32,062,007	-	221,443,384	14.48%
2016	30,323,698	30,323,698	-	212,135,952	14.29%
2015	26,600,262	26,600,262	-	203,096,846	13.10%
2014	23,551,556	23,551,556	-	192,776,926	12.22%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Employees' Retirement System of Georgia
For the Fiscal Years Ended June 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total net pension liability
2021	0.00%	$ -	$ -	0.00%	76.21%
2020	0.00%	-	-	0.00%	76.74%
2019	0.00%	-	-	0.00%	76.68%
2018	0.00%	112,661	68,045	165.57%	76.33%
2017	0.00%	126,823	60,972	208.00%	72.34%
2016	0.00%	-	-	0.00%	76.20%
2015	0.00%	-	-	0.00%	77.99%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT

Required Supplementary Information

Schedule of Contributions - Employees' Retirement System of Georgia

For the Fiscal Years Ended June 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	$ -	$ -	$ -	$ -	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	16,882	16,882	-	68,045	24.81%

This schedule is intended to show information for ten years. Additional year will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Public School Employees Retirement System of Georgia
For the Fiscal Years Ended June 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.00%	$ -	$ 3,632,552	$ 3,632,552	$ 8,573,009	N/A	84.45%
2020	0.00%	-	3,383,345	3,383,345	9,139,952	N/A	85.02%
2019	0.00%	-	3,228,085	3,228,085	9,967,544	N/A	85.26%
2018	0.00%	-	2,850,834	2,850,834	10,091,040	N/A	76.33%
2017	0.00%	-	3,719,948	3,719,948	8,638,876	N/A	72.34%
2016	0.00%	-	2,375,349	2,375,349	8,399,160	N/A	76.20%
2015	0.00%	-	1,997,884	1,997,884	8,408,080	N/A	76.20%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability
School OPEB Fund
For the Fiscal Years Ended June 30

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability (asset)	School District's covered payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	2.26%	$ 331,435,964	$ 191,830,333	172.78%	3.99%
2020	2.23%	273,784,693	201,721,966	135.72%	4.63%
2019	2.20%	279,928,576	201,098,305	139.20%	2.93%
2018	2.18%	306,413,183	153,601,363	199.49%	1.61%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CHEROKEE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Contributions - School OPEB Fund
For the Fiscal Years Ended June 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	$ 8,340,887	$ 8,340,887	$ -	$ 193,729,897	4.31%
2020	7,631,155	7,631,155	-	191,830,333	3.98%
2019	12,015,177	12,015,177	-	201,721,966	5.96%
2018	11,415,245	11,415,245	-	201,098,305	5.68%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Teachers Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that had been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Employees' Retirement System

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. 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 the 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. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

Public School Employees Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

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 the 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. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes in assumptions:

- June 30, 2017 valuation: the June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB fund based on their last employer payroll location, irrespective of retirement affiliation.

- June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

- The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

Individual Fund Schedules Section

Cherokee County
School District

CHEROKEE COUNTY SCHOOL DISTRICT
Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local Sources	$ 37,080,460	$ 52,203,685	$ 55,836,696	$ 3,633,011
State Funds	-	2,710,400	1,922,194	(788,206)
Investment Earnings	427,215	427,215	34,468	(392,747)
Total Revenues	37,507,675	55,341,300	57,793,358	2,452,058
Expenditures				
Instructional Services	13,950,000	13,950,000	-	13,950,000
Support Services				
Improvement of Instructional Services	6,988,080	6,988,080	-	6,988,080
School Administration	-	-	577,632	(577,632)
Student Transportation Services	-	-	1,731,190	(1,731,190)
Capital Outlay	9,909,336	18,409,336	24,139,238	(5,729,902)
Total Expenditures	30,847,416	39,347,416	26,448,060	12,899,356
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,660,259	15,993,884	31,345,298	15,351,414
Other Financing Sources				
Transfers Out	(30,245,032)	(30,245,032)	(30,245,032)	-
Total Other Financing Sources (Uses)	(30,245,032)	(30,245,032)	(30,245,032)	-
Net Change in Fund Balances	(23,584,773)	(14,251,148)	1,100,266	15,351,414
Fund Balances - Beginning	50,365,554	50,365,554	50,365,554	-
Fund Balances - Ending	$ 26,780,781	$ 36,114,406	$ 51,465,820	$ 15,351,414

CHEROKEE COUNTY SCHOOL DISTRICT
Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local Sources	$ 9,439,403	$ 9,439,403	$ 10,268,149	$ 828,746
Investment Earnings	1,249,925	1,249,925	871,044	(378,881)
Miscellaneous	2,936,976	2,936,976	2,984,728	47,752
Total Revenues	13,626,304	13,626,304	14,123,921	497,617
Expenditures				
Debt Service				
Principal Retirement	21,270,000	21,270,000	21,270,000	-
Interest and Fees	21,415,266	21,415,266	21,411,630	3,636
Total Expenditures	42,685,266	42,685,266	42,681,630	3,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,058,962)	(29,058,962)	(28,557,709)	501,253
Other Financing Sources				
Transfers In	30,245,032	30,245,032	30,245,032	-
Total Other Financing Sources (Uses)	30,245,032	30,245,032	30,245,032	-
Net Change in Fund Balances	1,186,070	1,186,070	1,687,323	501,253
Fund Balances - Beginning	76,582,435	76,582,435	76,582,435	-
Fund Balances - Ending	$ 77,768,505	$ 77,768,505	$ 78,269,758	$ 501,253

CHEROKEE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Educational
Local Option Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2021

2018-2022 ELOST

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COMPLETION DATE
Payment of a portion of the principal and interest on the Series 2009, Series 2010, Series 2012, Series 2014, Series 2015, Series 2016 and Series 2017 General Obligation Bonds previously issued along with acquiring, constructing, and equipping new school, adminstrative, athletic and other buildings and facilities; adding to, renovating, repairing, improving and equipping existing school, administrative, atheltic and other buildings and facilities; acquiring, installing, and equipping portable classrooms; acquiring buses and other vehicles; acquiring, installing, and implementing system-wide technology improvements; acquiring land; and acquiring any property useful or desirable both real and personal.	$ 210,000,000	$ 210,000,000	$ 26,448,060	$ 68,067,560	$ 94,515,620	Ongoing
Totals	$ 210,000,000	$ 210,000,000	$ 26,448,060	$ 68,067,560	$ 94,515,620	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all costs from project inception to completion.

(3) The voters of Cherokee County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state and local property taxes and/or other funds over the life of the projects.

This schedule is prepared on the modified accrual basis of accounting.

Statistical Section

Cherokee County
School District

	Exhibits
Financial Trends	**I - IV**
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	**V - VIII**
These schedules contain information to help the reader assess the School District's most significant local revenue source, property tax.	
Debt Capacity	**IX - XII**
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Economic & Demographic	**XIII - XIV**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating Information	**XV - XIX**
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Exhibit I

CHEROKEE COUNTY SCHOOL DISTRICT

Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	$ 198,889,424	$ 209,490,954	$ 171,145,712	$ 175,561,454	$ 135,165,188	$ 144,651,983	$ 110,975,930	$ 114,343,646	$ 144,061,247	$ 151,329,453
Restricted	69,142,615	24,271,421	37,776,874	84,492,945	58,795,136	52,384,239	90,376,401	87,138,047	88,589,088	122,049,717
Unrestricted	28,229,850	36,878,982	38,528,714	(306,529,001)	(226,709,526)	(251,624,907)	(558,790,206)	(528,724,168)	(556,434,148)	(581,944,350)
Total Governmental Activities Net Position	$ 296,261,889	$ 270,641,357	$ 247,451,300	$ (46,474,602)	$ (32,749,202)	$ (54,588,685)	$ (357,437,875)	$ (327,242,475)	$ (323,783,813)	$ (308,565,180)

Exhibit II

CHEROKEE COUNTY SCHOOL DISTRICT

Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Instructional Services	$ 224,253,725	$ 255,242,260	$ 250,405,679	$ 263,918,820	$ 268,277,389	$ 304,154,371	$ 307,545,475	$ 299,191,976	$ 349,806,598	$ 357,726,187
Support Services:										
Pupil Services	12,632,830	13,016,180	14,141,755	15,035,928	15,585,477	18,457,952	18,963,817	19,698,979	23,020,573	25,002,139
Improvement of Instructional Services	17,786,353	7,113,092	8,055,042	8,139,358	10,728,571	12,314,950	13,800,487	14,989,865	18,547,088	17,624,675
Instructional Staff Training	-	-	-	-	-	-	-	-	-	1,971,064
Educational Media Services	4,952,041	4,428,764	4,349,943	4,349,249	4,223,845	4,341,011	4,714,223	4,591,369	5,367,644	5,460,864
General Administration	3,968,602	6,541,184	4,256,475	4,625,077	4,417,958	4,639,969	4,665,197	4,716,707	5,217,800	4,755,035
School Administration	19,865,744	19,650,890	19,786,635	18,605,572	20,992,806	22,616,547	25,260,871	24,991,512	28,596,867	30,689,382
Support Services - Business	1,873,681	2,173,043	3,082,503	2,173,419	2,307,908	3,596,089	2,792,043	3,070,305	3,520,710	3,218,672
Maintenance and Operation	31,471,536	21,532,537	24,186,081	19,651,349	24,048,694	25,171,126	25,712,187	26,885,475	28,362,628	31,962,408
Student Transportation Services	17,516,187	16,780,714	17,938,166	17,972,099	18,706,517	22,969,715	24,470,133	28,050,941	25,642,488	25,779,362
Support Services - Central	3,176,410	3,239,231	3,346,549	3,691,062	4,192,381	4,228,809	5,144,624	4,844,465	4,912,279	4,410,257
Other Support Services	4,246,668	279,915	330,053	295,785	326,095	58,350	-	-	-	-
Operations of Noninstructional Services:										
Community Service	1,890,012	1,886,019	24,802	23,820	1,974,761	2,001,908	2,133,240	2,003,057	1,813,722	1,659,278
School Nutrition	15,726,874	15,467,829	15,310,576	16,012,913	16,221,840	16,377,079	16,709,035	16,652,579	16,004,897	16,943,050
Interest on Long-term Debt	14,370,208	15,992,704	17,569,037	17,687,324	19,922,135	22,271,369	14,683,311	16,557,350	14,972,747	14,405,242
Total Governmental Activities Expenses	$ 373,730,871	$ 383,344,362	$ 382,783,296	$ 392,181,775	$ 411,926,377	$ 463,199,245	$ 466,594,643	$ 466,244,580	$ 525,786,041	$ 541,607,615
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instructional Services	$ 10,424,061	$ 11,092,020	$ 11,665,861	$ 11,699,841	$ 12,482,920	$ 13,209,819	$ 12,515,944	$ 13,543,252	$ 1,952,671	$ 1,815,326
General Administration	18,995	-	24,473	61,156	67,686	55,650	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	102,879
Support Services - Business	416,051	3,868,800	512,126	282,082	177,618	155,831	-	-	-	-
Maintenance and Operation	-	-	-	-	-	-	227,793	253,023	273,909	183,043
Student Transportation Services	-	-	-	-	-	-	-	-	171,800	8,059
Community Service	-	2,412,222	-	-	-	-	-	-	-	-
School Nutrition	6,639,408	6,439,499	6,190,901	6,284,294	6,544,616	7,135,331	7,042,849	7,449,816	5,780,814	1,387,286
Operating Grants and Contributions	178,815,914	185,238,986	182,302,687	206,318,462	213,577,923	221,016,968	233,948,283	241,765,291	259,413,966	265,575,176
Capital Grants and Contributions	4,733,176	14,623,703	4,914,187	10,288,788	8,650,087	2,079,785	4,600,742	7,441,006	4,500,880	6,769,644
Total Governmental Activities Program Revenues	$ 201,047,605	$ 223,675,230	$ 205,610,235	$ 234,934,623	$ 241,500,850	$ 243,653,384	$ 258,335,611	$ 270,452,388	$ 272,094,040	$ 275,841,413
Total Governmental Activities Net (Expense)	$ (172,683,266)	$ (159,669,132)	$ (177,173,061)	$ (157,247,152)	$ (170,425,527)	$ (219,545,861)	$ (208,259,032)	$ (195,792,192)	$ (253,692,001)	$ (265,766,202)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property, Levied for General Purposes	$ 125,631,535	$ 119,504,969	$ 115,437,762	$ 128,425,998	$ 143,581,684	$ 156,267,252	$ 158,505,094	$ 169,863,066	$ 180,874,165	$ 195,114,768
Property, Levied for Debt Service	2,530,486	2,413,668	2,440,652	277,364	266,606	288,004	4,120,032	4,504,024	8,962,221	9,575,689
Educational Local Option Sales Tax	30,332,685	30,330,461	31,148,497	33,612,150	34,898,795	36,129,915	38,528,529	42,354,080	45,014,445	55,398,402
Other Tax	55,369	-	3,795,929	4,625,155	-	-	7,003,050	6,348,184	9,522,405	13,506,564
Unrestricted Grants and Contributions	837,491	151,814	-	969,255	4,492,797	4,153,299	-	-	-	-
Restricted Investment Earnings	144,910	166,183	379,995	431,733	555,927	623,996	945,547	-	-	-
Unrestricted Investment Earnings	-	-	14,958	27,131	82,046	183,067	467,627	1,132,482	901,234	93,798
Miscellaneous	-	-	1,472,405	-	-	-	1,492,706	1,785,756	11,332,572	7,295,614
Gain (Loss) on Asset Disposal	-	62,175	8,912	(243,336)	273,072	60,845	(868,961)	-	-	-
Total Governmental Activities	$ 159,532,476	$ 152,629,270	$ 154,699,110	$ 168,125,450	$ 184,150,927	$ 197,706,378	$ 210,193,624	$ 225,987,592	$ 256,607,042	$ 280,984,835
Change in Net Position										
Total Governmental Activities	$ (13,150,790)	$ (7,039,862)	$ (22,473,951)	$ 10,878,298	$ 13,725,400	$ (21,839,483)	$ 1,934,592	$ 30,195,400	$ 2,915,041	$ 15,218,633

Note: Governmental Activities are the only activities of the Primary Government

Exhibit III

CHEROKEE COUNTY SCHOOL DISTRICT

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 304,618	$ -	$ 272,721	$ 716,582	$ 730,560	$ 797,246	$ 750,379	$ 644,424	$ 1,028,352	$ 1,491,087
Restricted	-	-	-	948,100	-	-	-	-	-	-
Committed	-	-	-	8,075,632	8,622,378	9,248,303	9,596,893	12,137,457	11,614,655	12,948,431
Assigned	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Unassigned	26,470,133	28,089,633	25,467,356	39,209,291	44,671,277	46,279,801	50,465,938	54,773,428	60,726,855	74,080,015
Total General Fund	$ 26,774,751	$ 28,089,633	$ 25,740,077	$ 48,949,605	$ 54,024,215	$ 56,325,350	$ 60,813,210	$ 67,555,309	$ 76,369,862	$ 91,519,533
All Other Governmental Funds										
Nonspendable	$ 299,790	$ 337,702	$ 329,765	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	69,142,615	68,433,335	67,584,818	83,544,845	58,788,413	52,384,239	90,333,208	87,098,716	126,947,989	129,735,578
Committed	7,283,442	7,024,264	7,757,858	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 76,725,847	$ 75,795,301	$ 75,672,441	$ 83,544,845	$ 58,788,413	$ 52,384,239	$ 90,333,208	$ 87,098,716	$ 126,947,989	$ 129,735,578

Exhibit IV

CHEROKEE COUNTY SCHOOL DISTRICT

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Local Sources	$ 186,715,705	$ 175,240,513	$ 174,908,700	$ 187,039,576	$ 199,359,911	$ 214,388,005	$ 228,385,473	$ 246,148,867	$ 264,424,760	$ 284,840,463
State Funds	153,824,014	177,263,453	160,644,859	190,486,206	198,705,638	199,131,369	211,496,126	218,212,132	234,022,975	226,012,415
Federal Funds	21,599,195	22,065,148	23,850,274	27,145,626	26,442,730	24,215,467	23,111,998	23,857,002	23,153,274	40,079,719
Investment Earnings	221,796	241,262	394,952	458,864	637,972	807,064	1,413,174	3,117,625	2,531,004	999,310
Miscellaneous	-	-	2,873,240	-	-	2,948,053	3,915,065	5,113,946	4,121,099	4,779,335
Total Revenues	362,360,710	374,810,376	362,672,025	405,130,272	425,146,251	441,489,958	468,321,836	496,449,572	528,253,112	556,711,242
Expenditures										
Instructional Services	220,448,351	236,435,348	236,061,634	257,718,118	261,187,809	279,380,706	284,762,125	290,809,416	316,895,080	310,874,228
Pupil Services	12,632,830	13,016,180	14,151,619	15,512,529	16,038,553	17,874,635	18,577,288	20,221,099	21,844,282	22,829,049
Improvement of Instructional Services	17,786,353	7,113,092	8,063,646	8,395,425	11,042,810	11,957,788	13,570,161	15,341,099	17,733,122	16,163,915
Instructional Staff Training	-	-	-	-	-	-	-	-	-	1,893,348
Educational Media Services	4,952,041	4,428,764	4,350,082	4,508,107	4,363,287	4,192,494	4,616,997	4,718,229	5,096,652	4,971,260
General Administration	2,243,598	5,962,426	3,816,469	4,036,345	3,735,252	3,844,437	3,823,016	3,978,982	4,944,645	3,796,280
School Administration	19,807,593	19,590,374	19,695,117	19,263,667	21,604,006	22,387,656	24,482,989	25,338,378	28,105,756	27,804,008
Support Services - Business	1,829,533	2,128,895	2,015,498	2,204,431	2,337,761	2,716,300	2,688,671	3,100,280	3,339,124	2,937,470
Maintenance and Operation	22,015,748	26,509,286	24,789,844	19,691,594	24,044,944	24,881,022	25,345,889	26,735,820	28,110,756	31,090,153
Student Transportation Services	14,511,835	14,365,864	15,788,454	16,999,251	18,467,658	21,380,221	22,805,197	26,841,290	26,875,444	25,360,954
Community Services	1,890,012	1,886,019	26,684	26,043	1,974,761	2,001,908	2,133,240	2,003,057	1,813,722	1,659,278
School Nutrition Program	15,716,145	15,457,698	15,320,006	16,018,774	16,274,962	16,263,629	16,261,941	16,587,199	15,868,378	16,344,638
Other Support Services	7,423,078	3,519,146	3,678,212	4,068,800	4,589,366	4,139,123	5,108,539	4,907,557	4,767,651	4,192,431
Facilities Acquisition and Construction	32,343,332	23,791,145	30,417,113	32,819,163	21,055,286	17,862,414	8,718,559	22,129,457	8,483,965	26,438,617
Debt Service										
Principal Retirement	17,505,000	19,770,000	16,150,000	16,230,000	17,635,000	19,210,000	21,575,000	9,420,000	16,110,000	21,270,000
Interest and Fees	15,336,985	15,870,743	18,073,797	19,183,376	20,673,022	19,437,238	19,925,553	20,880,402	20,792,921	21,423,397
Issuance Costs	-	-	712,137	974,949	512,472	325,591	448,703	-	-	-
Total Expenditures	406,442,434	409,844,980	413,110,312	437,650,572	445,536,949	467,855,162	474,843,868	493,012,265	520,781,498	539,049,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,081,724)	(35,034,604)	(50,438,287)	(32,520,300)	(20,390,698)	(26,365,204)	(6,522,032)	3,437,307	7,471,614	17,662,216
Other Financing Sources (Uses)										
Transfers In	1,628,680	2,589,783	335,661	18,150,889	138,578	13,421	5,889,760	-	27,020,579	30,245,032
Transfers Out	(1,628,680)	(2,589,783)	(335,661)	(18,150,889)	(138,578)	(13,421)	(5,889,760)	-	(27,020,579)	(30,245,032)
Bond Issuance	-	35,930,000	81,315,000	108,960,000	42,685,000	18,175,000	39,685,000	-	30,550,000	-
Premiums on Bonds Sold	-	7,461,201	13,311,060	23,515,260	8,766,142	4,023,835	6,663,214	-	9,886,918	-
Proceeds From Sale of Capital Assets	94,985	62,175	226,518	38,144	196,403	63,330	2,610,647	70,300	211,673	275,044
Payment to Bond Escrow Agent	-	-	(40,703,827)	(70,387,328)	(50,938,669)	-	-	-	-	-
Total Other Financing Sources (Uses)	94,985	43,453,376	54,148,751	62,126,076	708,876	22,262,165	48,958,861	70,300	40,648,591	275,044
Net Change in Fund Balances	$ (43,986,739)	$ 8,418,772	$ 3,710,464	$ 29,605,776	$ (19,681,822)	$ (4,103,039)	$ 42,436,829	$ 3,507,607	$ 48,120,205	$ 17,937,260
Non-Capital Expenditures	374,099,102	386,053,835	379,433,643	401,748,228	423,147,045	449,992,748	466,125,309	470,882,808	506,024,963	508,763,633
Capitalized Expenditures	32,343,332	23,791,145	33,676,669	35,902,344	22,389,904	17,862,414	8,718,559	22,129,457	14,756,535	30,285,393
Total Expenditures	406,442,434	409,844,980	413,110,312	437,650,572	445,536,949	467,855,162	474,843,868	493,012,265	520,781,498	539,049,026
Debt Service as a Percentage of Non-Capitalized Expenditures	8.8%	9.2%	9.2%	9.1%	9.2%	8.7%	9.0%	6.4%	7.3%	8.4%

Exhibit V

CHEROKEE COUNTY SCHOOL DISTRICT

Assessed Value and Estimated Actual Value of Property by Type
Last Ten Fiscal Years

Fiscal Year[3]	Residential Property	Commercial Property	Industrial & Utility Property	Agricultural Property	Preferential & Conservation Use Property	Motor Vehicles and Mobile Homes[1]	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate[2]	Estimated Actual Taxable Value	Annual Percentage Change
2012	$ 4,461,226,249	$ 1,084,627,347	$ 353,638,795	$ 1,003,201,600	$ 276,210,080	$ 578,431,040	$ 2,679,521	$ 1,439,817,130	$ 6,320,197,502	1.99%	$ 15,800,493,755	-7.02%
2013	4,069,650,746	1,068,209,415	334,451,509	869,750,160	227,143,440	625,032,150	2,091,836	1,369,698,949	5,826,630,307	1.99%	14,566,575,768	-7.81%
2014	4,199,340,719	1,064,149,402	354,421,115	872,496,502	219,791,440	655,289,690	2,679,124	1,431,414,715	5,936,753,277	1.99%	14,841,883,193	1.89%
2015	4,832,876,519	1,216,647,055	360,024,363	918,398,745	231,497,160	544,063,160	3,336,647	1,623,570,343	6,483,273,306	1.95%	16,208,183,265	9.21%
2016	5,396,734,955	1,266,253,828	367,728,759	1,008,183,024	260,445,760	407,304,844	2,520,952	1,866,128,237	6,843,043,885	1.95%	17,107,609,713	5.55%
2017	5,983,542,756	1,359,167,290	395,169,730	1,060,893,640	269,460,760	314,363,550	2,401,230	2,070,919,374	7,314,079,582	1.95%	18,285,198,955	6.88%
2018	6,603,865,308	1,541,757,711	426,596,658	1,200,231,760	297,671,080	235,689,450	2,777,488	2,318,265,927	7,990,323,528	1.95%	19,975,808,820	9.25%
2019	7,187,264,153	1,651,560,421	465,702,841	1,240,959,696	302,943,520	183,755,428	6,273,203	2,559,918,061	8,478,541,201	1.95%	21,196,353,003	6.11%
2020	7,958,639,334	1,809,511,426	497,636,385	1,342,764,924	299,793,640	154,090,534	6,535,792	2,877,484,612	9,191,487,423	1.95%	22,978,718,558	8.41%
2021	8,664,076,489	1,885,627,052	529,535,460	1,449,086,931	281,545,819	131,413,880	9,274,987	3,169,860,065	9,780,700,553	1.95%	24,451,751,383	6.41%

Source: State of Georgia Department of Revenue, Tax Digest Consolidation Summary, School, https://sso.dor.ga.gov/

Property in Cherokee County is reassessed annually. The county assesses property at 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing the assessed value by this percentage.

[1] As of March 1, 2013, only motor vehicles titles prior to March 1, 2013 are subject to ad valorem tax. Motor vehicles titles after that date are subject instead to a one-time state and local title fee. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax decreased by approximately $494.2 million from 2013 to 2020, and the District expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service.

[2] Per $1,000 of assessed value.

[3] The tax year is one year prior to the fiscal year.

Exhibit VI

CHEROKEE COUNTY SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates[2]
Last Ten Fiscal Years
(rate per $1,000 of assessed taxable value)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct-School District:										
Maintenance and operations[3]	19.450	19.450	19.450	19.450	19.450	19.450	18.950	18.950	18.450	18.450
Debt service	0.400	0.400	0.400	0.000	0.000	0.000	0.500	0.500	1.000	1.000
Total Direct-School District	19.850	19.850	19.850	19.450	19.450	19.450	19.450	19.450	19.450	19.450
Overlapping:[1]										
Cherokee County	5.365	5.825	5.798	5.728	5.728	5.680	5.483	5.366	5.216	5.212
Fire District	3.129	3.394	3.373	3.436	3.436	3.374	3.298	3.269	3.269	3.292
Parks	0.641	0.780	0.776	0.744	0.744	0.609	0.581	0.503	0.480	0.461
State of Georgia	0.250	0.200	0.150	0.100	0.050	0.000	0.000	0.000	0.000	0.000
Total Overlapping	9.385	10.199	10.097	10.008	9.958	9.663	9.362	9.138	8.965	8.965
Additional Overlapping Rates:[1]										
City of Ball Ground	5.194	5.194	6.000	5.375	5.139	4.916	8.037	8.269	4.707	8.292
City of Canton	6.800	6.800	6.800	6.196	5.850	5.600	5.400	5.400	5.400	12.000
City of Holly Springs	8.598	9.449	9.373	8.936	8.751	8.460	8.148	7.999	7.879	7.692
City of Mountain Park	10.780	10.780	10.780	13.330	13.220	12.900	12.880	8.320	9.730	9.550
City of Nelson	1.538	1.546	1.250	1.124	1.085	1.289	4.256	4.178	0.857	4.099
City of Waleska	3.983	4.278	3.550	4.250	4.250	4.285	4.220	3.655	3.655	6.635
City of Woodstock	7.292	7.889	7.889	7.250	6.992	6.992	6.808	6.720	6.554	6.307

[1] Overlapping rates are those of governments that overlap the School District's geographic boundaries.
[2] The tax year is one year prior to the fiscal year.
[3] The legal limit is 20 mills.

Source: Cherokee County Tax Commissioner (Cherokee County Board of Commissioners FY20 CAFR), Georgia Department of Revenue

Exhibit VII

CHEROKEE COUNTY SCHOOL DISTRICT

Principal Property Taxpayers
Current and Nine Years Ago

	2020			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power	$ 59,420,807	1	0.61%	$ 38,025,645	1	0.60%
Atlanta Gas Light Company	38,361,473	2	0.39%	26,610,045	2	0.42%
Universal Alloy Corporation	25,720,053	3	0.26%			
Cobb EMC	25,493,682	4	0.26%	19,814,796	3	0.31%
BII Fund V Woodstock LLC	23,434,120	5	0.24%			
Cole Mountain Market Place	21,358,920	6	0.22%			
MP The Palmer, LLC	19,323,680	7	0.20%			
Georgia Transmission	19,241,968	8	0.20%	14,330,300	6	0.23%
Crest Laurel Canyon	17,691,200	9	0.18%			
Laurelwood Drive Owner LLC	15,377,640	10	0.16%			
GLL Selection II Georgia LP				18,826,440	4	0.30%
Federal National Mtg. Assoc.				16,602,960	5	0.26%
CH Realty IV / Woodstock, LLC				12,809,360	7	0.20%
Windstream Georgia Comm Corp				11,364,859	8	0.18%
BellSouth Telecommunications				11,092,958	9	0.18%
DDRM Riverstone Plaza LLC				11,895,240	10	0.19%
Totals	$ 265,423,543		2.71%	$ 181,372,603		2.87%

Source: Cherokee County Tax Commissioner (Cherokee County Board of Commissioners CAFR FY20)

CHEROKEE COUNTY SCHOOL DISTRICT

Exhibit VIII

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Taxes Levied[1]	Collected Within the Fiscal Year of the Levy[2]		Collections In Subsequent Years[3]	Total Collections to Date	
		Amount[1]	Percentage of Levy		Amount[1]	Percentage of Levy
2012	$ 125,172,134	$ 114,358,307	91.36%	$ 2,662,865	$ 117,021,172	93.49%
2013	115,386,331	105,622,442	91.54%	2,667,004	108,289,446	93.85%
2014	117,580,492	105,808,883	89.99%	2,259,336	108,068,219	91.91%
2015	125,807,610	114,268,043	90.83%	1,483,851	115,751,894	92.01%
2016	132,824,435	123,875,257	93.26%	1,658,562	125,533,819	94.51%
2017	141,975,756	135,094,205	95.15%	1,344,764	136,438,969	96.10%
2018	155,152,909	146,572,095	94.47%	1,323,586	147,895,681	95.32%
2019	164,622,834	159,028,319	96.60%	2,438,840	161,467,159	98.08%
2020	178,519,040	173,688,210	97.29%	1,206,934	174,895,144	97.97%
2021	189,964,691	185,196,174	97.49%	584,026	185,780,200	97.80%

Source: Cherokee County Tax Commissioner

[1] Relates to preceding calendar year tax digest.

[2] Amounts shown are net of collection fees of 2.50% paid to Cherokee County for fiscal years 2012 through 2013, 2.30% paid to Cherokee County for fiscal year 2014, 2.10% paid to Cherokee County for fiscal year 2015, and 2.00% paid to Cherokee County for fiscal years 2016 through 2021.

[3] 2021 Collections are through November 18, 2021.

CHEROKEE COUNTY SCHOOL DISTRICT Exhibit IX

Ratios of Total Debt Outstanding by Type

Last Ten Fiscal Years

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Bond Premiums	Total Primary Government	Annual Personal Income (thousands)[1]	Estimated Population[1]	Debt as a Percentage of Personal Income	Total Debt Per Capita
2012	$ 350,705,000	$ 7,998,523	$ 358,703,523	$ 8,369,366	217,820	4.29%	$ 1,647
2013	366,865,000	14,505,760	381,370,760	8,907,672	220,773	4.28%	1,727
2014	396,530,000	25,594,630	422,124,630	9,132,064	224,487	4.62%	1,880
2015	425,260,000	45,515,819	470,775,819	9,855,842	230,396	4.78%	2,043
2016	405,430,000	49,308,763	454,738,763	10,709,537	235,424	4.25%	1,932
2017	404,395,000	48,463,109	452,858,109	11,548,667	241,600	3.92%	1,874
2018	422,505,000	48,598,225	471,103,225	12,147,718	247,573	3.88%	1,903
2019	413,085,000	41,788,073	454,873,073	12,996,343	254,149	3.50%	1,790
2020	427,525,000	45,185,291	472,710,291	13,702,741	258,773	3.45%	1,827
2021	406,255,000	38,275,482	444,530,482	14,929,052	265,274	2.98%	1,676

Note: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

[1] Information obtained from the U.S. Bureau of Economic Analysis

Exhibit X

CHEROKEE COUNTY SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Estimated Population[1]	Estimated Actual Value	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Net General Bonded Debt Per Capita
2012	217,820	$ 15,800,493,755	$ 358,703,523	2.27%	$ 1,647
2013	220,773	14,566,575,768	381,370,760	2.62%	1,727
2014	224,487	14,841,883,193	422,124,630	2.84%	1,880
2015	230,396	16,208,183,265	470,775,819	2.90%	2,043
2016	235,424	17,107,609,713	454,738,763	2.66%	1,932
2017	241,600	18,285,198,955	452,858,109	2.48%	1,874
2018	247,573	19,975,808,820	471,103,225	2.36%	1,903
2019	254,149	21,196,353,003	454,873,073	2.15%	1,790
2020	258,773	22,978,718,558	472,710,291	2.06%	1,827
2021	265,274	24,451,751,383	444,530,482	1.82%	1,676

Note: Details about the School District's outstanding debt can be found in the notes to the financial statements.

[1] Population data can be found in the Schedule of Demographic and Economic Statistics table

Exhibit XI

CHEROKEE COUNTY SCHOOL DISTRICT

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

Governmental Unit	Amount of Outstanding Debt	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Direct General Obligation Debt:			
Cherokee County Board of Education			
General Obligation Bonds[2]	$ 444,530,482	100%	$ 444,530,482
Overlapping General Obligation Debt:			
Cherokee County, Georgia			
General Obligation Bonds	52,365,009	100%	52,365,009
Resources Recovery (securing its Solid Waste Disposal Revenue Bonds)[3]	3,721,061	100%	3,721,061
Total Direct and Overlapping Debt	$ 500,616,552		$ 500,616,552

Sources: Assessed value data used to estimate applicable percentages provided by the Cherokee County Tax Commissioner. All amounts shown were obtained as of September 30, 2020 unless indicated otherwise.

The percentage of each overlapping entity's outstanding debt chargeable to property in the School District is calculated by dividing the gross assessed valuation of property in the School District by the gross assessed valuation of property on the overlapping entity.

As of June 30, 2021

Cherokee County's obligation to levy ad valorem tax to make payments to the Resource Recovery Development Authority of Cherokee County is limited by law to one mill a year.

Exhibit XII

CHEROKEE COUNTY SCHOOL DISTRICT

Legal Debt Margin

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value	$ 6,320,197,502	$ 5,826,630,307	$ 5,936,753,277	$ 6,483,273,306	$ 6,843,043,885	$ 7,314,079,582	$ 7,990,323,528	$ 8,478,541,201	$ 9,191,487,423	$ 9,780,700,553
Debt Limit[1]	$ 632,019,750	$ 582,663,031	$ 593,675,328	$ 648,327,331	$ 684,304,389	$ 731,407,958	$ 799,032,353	$ 847,854,120	$ 919,148,742	$ 978,070,055
Total Net Debt Applicable to Limit: General Obligation Bonds	350,705,000	366,865,000	396,530,000	425,260,000	405,430,000	404,395,000	422,505,000	413,085,000	427,525,000	406,255,000
Legal Debt Margin	$ 281,314,750	$ 215,798,031	$ 197,145,328	$ 223,067,331	$ 278,874,389	$ 327,012,958	$ 376,527,353	$ 434,769,120	$ 491,623,742	$ 571,815,055
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	55.49%	62.96%	66.79%	65.59%	59.25%	55.29%	52.88%	48.72%	46.51%	41.54%

Source: Cherokee County Tax Commissioner, District Records (Assessed Value Statistical table)

[1] Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the School District's outstanding general obligation debt should not exceed 10% of the assessed value of the taxable property located within the School District.

Exhibit XIII

CHEROKEE COUNTY SCHOOL DISTRICT

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population[1*]	Personal Income (thousands)[1*]	Per Capita Income[1*]	Median Age[2*]	School Enrollment[3]	Unemployment Rate[4*]
2011	217,820	$ 8,369,366	$ 38,423	36.7	38,761	8.2%
2012	220,773	8,907,672	40,344	37.0	39,222	7.1%
2013	224,487	9,132,064	40,680	37.3	39,644	6.1%
2014	230,396	9,855,842	42,778	37.2	40,517	5.5%
2015	235,424	10,709,537	45,490	37.7	41,169	4.7%
2016	241,600	11,548,667	47,801	38.7	41,769	4.2%
2017	247,573	12,147,718	49,067	39.6	42,148	3.7%
2018	254,149	12,996,343	51,137	38.6	42,277	3.1%
2019	258,773	13,702,741	52,953	39.0	42,598	2.7%
2020	265,274	14,929,052	56,278	~	41,223	4.9%

Note: Student Enrollment is based on the data for the 20 day count for the school year (July through June) which occurs within the calendar year.

[*] County-wide data
~ Data was not released at the time of reporting

[1] Information obtained from the U.S. Bureau of Economic Analysis, https://apps.bea.gov/
[2] Information obtained from the United States Census Bureau, data.census.gov
[3] Annual 20 day report for School Enrollment record
[4] Information obtained from the United States Department of Labor, Bureau of Labor Statistics, https://www.bls.gov/lau/#tables

Exhibit XIV

CHEROKEE COUNTY SCHOOL DISTRICT

Principal Employers
Current and Nine Years Ago

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Cherokee County School District	4,915	1	3.7%	4,535	1	4.0%
Northside Hospital-Cherokee	2,800	2	2.1%	767	4	0.7%
Cherokee County Government	1,667	3	1.3%	1,297	2	1.2%
Publix Supermarkets	1,602	4	1.2%			
Wal-Mart Associates, Inc.	1,264	5	1.0%			
Inalfa Roof System	1,000	6	0.8%			
Kroger Supermarkets	947	7	0.7%			
Pilgrim's Pride Corporation	760	8	0.6%	840	3	0.7%
Chart Industries, Inc.	570	9	0.4%	332	5	0.3%
Home Depot	546	10	0.4%			
Universal Alloy Corporation				235	6	0.2%
Meyn America, LLC				234	7	0.2%
City of Woodstock				195	8	0.2%
Piolax Corporation				186	9	0.2%
Reinhardt University				185	10	0.2%
Totals	16,071		12.2%	8,806		7.9%

Source: Cherokee County Government (Cherokee County Board of Commissioners CAFR FY20)

Exhibit XV

CHEROKEE COUNTY SCHOOL DISTRICT

Employees by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instructional Services	2,757	2,688	2,726	2,889	3,003	3,163	3,184	3,289	3,273	3,236
Pupil Services	165	174	177	178	203	184	200	207	212	212
Improvement of Instructional Services	87	84	86	96	97	118	120	125	133	124
Instructional Staff Training	-	-	-	-	-	-	-	-	-	8
Educational Media Services	50	49	49	49	48	46	46	42	42	41
General Administration	11	11	11	11	11	11	12	10	18	18
School Administration	309	290	275	283	289	287	302	289	297	296
Support Services - Business	27	27	26	26	26	29	30	30	29	29
Maintenance and Operation	301	297	58	58	65	66	69	73	74	75
Student Transportation Services	446	441	435	445	467	489	507	524	521	489
Support Services - Central	22	22	21	21	25	27	28	21	19	20
School Nutrition	300	294	289	292	294	291	291	293	297	281
Total	4,475	4,377	4,153	4,348	4,528	4,711	4,789	4,903	4,915	4,829
Percentage Change from Prior Fiscal Year	-1.08%	-2.19%	-5.12%	4.70%	4.14%	4.04%	1.66%	2.38%	0.24%	-1.75%

Source: Cherokee County School District Payroll historical records as of the end of the fiscal year.

CHEROKEE COUNTY SCHOOL DISTRICT

Exhibit XVI

Teacher Salary Schedule

Last Ten Fiscal Years

Fiscal Year	School District's Minimum Salary[1]	Minimum State Salary[2,3]	School District's % of State Minimum[3]	School District's Maximum Salary[1]	School District's Average Salary[1]	State-wide Average[3]	School District's % of State Average[3]
2012	$ 35,145	$ 31,586	111%	$ 86,669	$ 60,907	$ 53,002	115%
2013	35,145	31,586	111%	86,669	60,907	52,956	115%
2014	35,145	31,586	111%	86,669	60,907	52,973	115%
2015	35,496	31,586	112%	89,254	62,375	53,424	117%
2016	35,496	31,586	112%	89,254	62,375	54,215	115%
2017	35,496	31,586	112%	90,146	62,821	55,537	113%
2018	36,222	32,217	112%	91,960	64,091	56,342	114%
2019	36,586	32,217	114%	92,887	64,737	57,072	113%
2020	39,596	35,217	112%	95,897	67,747	60,558	112%
2021	39,596	35,217	112%	95,897	67,747	60,549	112%

Data Source:

[1] Annual Cherokee County School District Salary Handbooks

[2] Georgia Department of Education

[3] Georgia Governor's Office of Student Achievement, K-12 Public Schools Report Card

* Data not available at time of reporting

CHEROKEE COUNTY SCHOOL DISTRICT

Exhibit XVII

School Buildings Capacity
Last Ten Fiscal Years

School Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Arnold Mill ES										
Capacity	1,118	1,156	1,131	1,137	1,062	1,113	1,100	1,100	1,113	1,137
Enrollment	820	835	830	851	781	788	783	788	787	709
Avery ES										
Capacity	1,143	1,143	1,143	1,150	1,150	1,175	1,150	1,150	1,150	1,163
Enrollment	1,152	1,110	1,061	1,034	983	1,015	1,011	1,034	996	971
Ball Ground ES										
Capacity	488	1,175	1,200	1,188	1,163	1,175	1,163	1,137	1,137	1,150
Enrollment	400	529	520	559	500	508	524	552	564	527
Bascomb ES										
Capacity	1,188	1,188	1,231	1,231	1,237	1,263	1,250	1,237	1,250	1,250
Enrollment	989	926	1,082	1,013	1,016	981	943	902	929	902
Boston ES										
Capacity	938	925	883	887	887	891	883	912	891	891
Enrollment	841	500	590	599	615	617	593	582	589	576
Canton ES										
Capacity	1,168	1,168	1,168	1,175	1,163	1,163	1,150	-	-	-
Enrollment	866	854	885	755	820	826	767	-	-	-
Carmel ES										
Capacity	1,300	1,300	1,325	1,337	1,275	1,287	1,275	1,275	1,275	1,281
Enrollment	1,269	1,226	1,208	1,179	1,061	1,020	1,041	981	1,026	932
Clark Creek ES										
Capacity	-	1,200	1,175	1,175	1,175	1,200	1,193	1,175	1,175	1,187
Enrollment	-	905	948	952	1,011	1,082	1,159	1,208	1,199	1,131
Clayton ES										
Capacity	663	650	663	462	462	456	462	462	462	462
Enrollment	326	314	296	226	246	232	227	257	255	243
Free Home ES										
Capacity	306	306	306	356	350	362	362	362	362	362
Enrollment	334	311	330	328	307	314	325	327	276	275
Hasty ES										
Capacity	1,150	1,156	1,156	1,181	1,193	1,187	1,163	1,150	1,175	1,181
Enrollment	750	809	846	858	891	907	882	911	939	960
Hickory Flat ES										
Capacity	1,063	895	895	913	913	925	918	918	918	918
Enrollment	586	551	539	545	522	473	513	595	687	737
Holly Springs ES										
Capacity	1,418	1,418	1,418	1,438	1,406	1,250	1,187	1,187	1,187	1,193
Enrollment	979	990	967	953	938	805	754	738	728	699
Indian Knoll ES										
Capacity	1,150	1,150	1,156	1,162	1,150	1,193	1,187	1,193	1,193	1,200
Enrollment	907	1,007	1,052	1,094	1,130	991	931	922	884	810
Johnston ES										
Capacity	1,000	1,006	750	763	643	875	687	687	687	862
Enrollment	572	543	550	566	571	570	584	578	586	486
Knox ES										
Capacity	1,162	1,168	1,168	1,143	1,143	1,193	1,187	1,187	1,187	1,187
Enrollment	823	831	847	749	773	741	781	993	968	873
Liberty ES										
Capacity	1,538	1,538	1,550	1,562	1,562	1,575	1,575	1,575	1,575	1,556
Enrollment	1,343	1,332	1,281	1,252	1,234	1,207	1,196	1,090	1,063	991
Little River ES										
Capacity	1,168	1,143	1,137	1,143	1,509	1,512	1,506	1,506	1,506	1,506
Enrollment	1,169	1,236	1,335	1,369	1,361	1,338	1,324	1,358	1,372	1,309
Macedonia ES										
Capacity	850	850	850	856	862	862	862	862	862	862
Enrollment	846	799	795	760	774	770	785	744	758	722
Mountain Road ES										
Capacity	643	637	637	643	631	713	687	687	700	713
Enrollment	556	463	569	561	537	419	429	441	404	381

CHEROKEE COUNTY SCHOOL DISTRICT

Exhibit XVII

School Buildings Capacity
Last Ten Fiscal Years

School Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Oak Grove ES										
Capacity	862	862	883	891	793	775	687	687	687	687
Enrollment	808	455	533	563	575	512	466	449	442	429
R. M. Moore ES										
Capacity	1,075	1,075	1,075	1,062	1,062	1,062	1,062	1,050	1,050	1,050
Enrollment	615	574	546	417	397	420	384	872	924	869
Sixes ES										
Capacity	1,025	1,038	1,038	1,050	879	883	883	879	875	879
Enrollment	872	820	774	768	724	684	716	733	720	669
Woodstock ES										
Capacity	1,187	1,193	1,213	1,231	10,231	1,237	1,200	1,181	1,213	1,225
Enrollment	1,004	1,023	1,100	1,111	1,138	1,176	1,163	1,151	1,146	1,039
Chapman IS										
Capacity	1,000	975	-	-	-	-	-	-	-	-
Enrollment	1,125	921	-	-	-	-	-	-	-	-
Creekland MS										
Capacity	1,275	1,263	1,306	1,281	1,287	1,287	1,287	1,362	1,362	1,362
Enrollment	1,385	1,393	1,420	1,392	1,456	1,494	1,543	1,532	1,518	1,475
Dean Rusk MS										
Capacity	918	918	925	925	925	1,600	1,650	1,650	1,650	1,637
Enrollment	838	836	861	894	927	1,479	1,522	1,546	1,587	1,512
E. T. Booth MS										
Capacity	1,062	1,062	1,631	1,650	1,650	1,663	1,650	1,650	1,650	1,650
Enrollment	1,199	1,191	1,634	1,679	1,688	1,763	1,786	1,821	1,811	1,725
Freedom MS										
Capacity	1,175	1,150	1,150	1,187	1,125	1,187	1,187	1,187	1,187	1,187
Enrollment	1,138	1,173	1,174	1,114	1,163	1,165	1,163	1,133	1,096	1,055
Mill Creek MS										
Capacity	1,175	1,175	1,175	1,187	1,250	1,293	1,287	1,287	1,275	1,525
Enrollment	1,152	1,160	1,216	1,286	1,437	1,416	1,414	1,410	1,478	1,402
Teasley MS										
Capacity	912	912	912	1,525	1,538	1,550	1,518	1,525	1,538	1,538
Enrollment	801	828	870	1,399	1,388	1,418	1,522	1,582	1,633	1,574
Woodstock MS										
Capacity	1,125	1,125	1,125	1,131	1,125	1,088	1,075	1,075	1,075	1,225
Enrollment	1,081	1,096	1,116	1,178	1,124	1,157	1,193	1,224	1,180	1,135
Cherokee HS										
Capacity	2,093	2,081	2,063	2,087	2,163	2,387	2,512	3,440	3,440	3,420
Enrollment	2,031	2,051	2,080	2,293	2,465	2,589	2,647	2,689	2,727	2,850
Creekview HS										
Capacity	1,800	1,825	1,813	1,838	1,900	1,925	1,975	1,950	1,950	1,938
Enrollment	1,700	1,732	1,745	1,818	1,873	1,993	1,995	2,001	2,000	2,078
Etowah HS										
Capacity	2,488	2,488	2,363	3,175	3,150	3,175	3,175	3,175	3,175	2,988
Enrollment	2,211	2,285	2,374	2,356	2,377	2,381	2,421	2,384	2,394	2,475
River Ridge HS										
Capacity	2,000	1,975	1,975	2,025	2,025	2,050	2,025	2,025	2,025	2,038
Enrollment	1,081	1,425	1,502	1,567	1,658	1,725	1,809	1,868	1,909	1,949
Sequoyah HS										
Capacity	1,725	1,725	1,725	1,688	1,650	1,737	2,375	2,375	2,375	2,375
Enrollment	1,560	1,521	1,593	1,644	1,765	1,848	1,912	1,941	1,983	2,060
Woodstock HS										
Capacity	2,100	2,100	1,862	1,900	1,962	2,413	2,393	2,387	2,425	2,381
Enrollment	1,927	1,851	1,949	2,108	2,208	2,274	2,308	2,228	2,254	2,194

Source: Cherokee County School District available records (Planning and Facilities, Division of Support Services) and annual 20-day enrollment report. Capacity schedule does not include information on preschools and center locations within the school district.

CHEROKEE COUNTY SCHOOL DISTRICT Exhibit XVIII

Number of Personnel and Ratio of Pupils to Professional Personnel

Last Ten Fiscal Years

	Professional Personnel[1]	Other Operating Personnel[2]	Service Personnel[3]	Total Personnel	Student Enrollment[4]	Ratio of Pupils to Professional Personnel
2012	2,666	752	1,010	4,428	38,761	14.5
2013	2,676	733	938	4,347	39,222	14.7
2014	2,811	763	748	4,322	39,644	14.1
2015	2,963	791	776	4,530	40,517	13.7
2016	3,097	851	749	4,697	41,169	13.3
2017	3,172	838	765	4,775	41,769	13.2
2018	3,231	841	779	4,851	42,148	13.0
2019	3,246	815	822	4,883	42,277	13.0
2020	3,288	855	829	4,972	42,598	13.0
2021	3,266	817	805	4,888	41,223	12.6

Source: Historical personnel records from the Cherokee County School District Human Resource Department as of the April CPI report for each fiscal year.

[1] Professional personnel consists of all certified personnel including teachers, librarians, counselors, supervisors, consultants, coordinators, principals, assistant principals and other leadership personnel.

[2] Other Operating personnel includes non-certified leadership personnel, classroom aides, secretarial and clerical employees, and other technicians.

[3] Service personnel includes food service personnel, custodial employees, bus drivers and maintenance/warehouse employees.

[4] Annual 20 day report for School Enrollment record

CHEROKEE COUNTY SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenditures[1]	Daily Enrollment[2]	Cost per Pupil Enrolled	Percentage of Change
2012	$ 373,730,871	38,761	$ 9,642	-0.38%
2013	383,344,362	39,222	9,774	1.37%
2014	382,783,296	39,644	9,656	-1.21%
2015	392,181,775	40,517	9,679	0.25%
2016	411,926,377	41,169	10,006	3.37%
2017	463,199,245	41,769	11,090	10.83%
2018	466,594,643	42,148	11,070	-0.17%
2019	466,244,580	42,277	11,028	-0.38%
2020	525,786,041	42,598	12,343	11.92%
2021	541,607,615	41,223	13,138	6.45%

[1] Changes in Net Position statistical table
[2] Annual 20 day report for School Enrollment record

Compliance Section

Cherokee County
School District

P.O. BOX 473
CARTERSVILLE, GA 30120
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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Superintendent and Members of
The Cherokee County Board of Education
Canton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cherokee County School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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.

Williamson + Company

Williamson and Company
Certified Public Accountants
December 17, 2021

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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Superintendent and Members of
The Cherokee County Board of Education
Canton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Cherokee County School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District'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 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Program

In our opinion, the School District 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, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District'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 the School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that 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.

Williamson & Company

Williamson and Company
Certified Public Accountants
December 17, 2021

CHEROKEE COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2021

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	$ 2,896,457
National School Lunch Program[1]	10.555	205GA324N1099	12,352,545
After School Snack	10.555	205GA324N1099	52,340
Total Child Nutrition Cluster			15,301,342
Total U. S. Department of Agriculture			15,301,342
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	3,703,902
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	4,978,610
Total Education Stabilization Fund			8,682,512
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
High Cost Fund Pool	84.027A	H027A200073	163,216
Flow Through	84.027A	H027A190073	1,487,584
Flow Through	84.027A	H027A200073	5,641,529
Supplemental Relief	84.027A	H027A200073	29,417
Parent Mentor	84.027A	H027A200073	14,400
Preschool Grants	84.173A	H173A200081	206,083
Total Special Education Cluster			7,542,229
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Program Improvement	84.048A	V048A190010	26,416
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	261,939
Title IV, Part A Student Support and Academic Enrichment	84.424A	S424A190011	136,011
Title IV, Part A Student Support and Academic Enrichment	84.424A	S424A200011	301,174
Title III, Part A Language Instruction for English Learners	84.365A	S365A190010	29,490
Title III, Part A Language Instruction for English Learners	84.365A	S365A200010	383,753
Title III, Part A Language Instruction for Immigrant Students	84.365A	S365A190010	16,046
Title II, Improving Teacher Quality State Grants	84.367A	S367A190001	139,339
Title II, Improving Teacher Quality State Grants	84.367A	S367A200001	827,291
Title II, Advance Placement	84.367A	S367A200001	4,800
Title I, Improving the Academic Achievement of the Disadvantaged	84.010A	S010A190010	556,810
Title I, Improving the Academic Achievement of the Disadvantaged	84.010A	S010A200010	4,631,862
Total Other Programs			7,314,931
Total U. S. Department of Education			23,539,672
Health and Human Services, U. S. Department of			
Child Care and Development Fund Cluster			
Pass-Through From Bright From the Start:			
Georgia Department of Early Care and Learning			
Child Care and Development Block Grant	93.600		454,859
Pass-Through from Ninth District Opportunity, Inc.:			
Georgia Prekindergarten Transition Program	93.575		161,978
Total Child Care and Development Fund Cluster			616,837
Total U. S. Department of Health and Human Services			616,837
Defense, U. S. Department of			
Direct			
Department of the Army - ROTC Program	12.000		81,190
Department of the Air Force - ROTC Program	12.000		264,057
Department of the Navy - ROTC Program	12.000		77,531
Total U. S. Department of Defense			422,778
Total Expenditures of Federal Awards			$ 39,880,629

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Cherokee County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2021. 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 Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherin certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Donated Personal Protective Equipment

In response to the COVID-19 pandemic, the federal government donated personal protective equipment (PPE) to Georgia Emergency Management and Homeland Security Agency (GEMA/HS). GEMA/HS then donated PPE with an estimated fair market value of $374,244 to the Cherokee County Board of Education. This amount is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit. Therefore, this amount is unaudited.

Total federal revenues presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds differ from the total federal expenditures presented in this schedule due to federal payments received that were not associated with a specific federal program. Those differences totaled $199,090.

[1] Includes the federally assigned value of donated commodities for the Food Donation Program in the amount of $1,511,810.

CHEROKEE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issue:

Independent Auditor Report on Financial Statements	Unmodified

Internal control over financial reporting:

Material weakness identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:

Material weakness identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.616(a)?	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,196,419
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings and Questioned Costs

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Section IV - Status of Prior Year Findings and Questioned Costs

None Noted

Cherokee County
School District

CHEROKEE COUNTY SCHOOL DISTRICT
DR. BRIAN V. HIGHTOWER
SUPERINTENDENT OF SCHOOLS

SCHOOL BOARD MEMBERS

Kyla Cromer, School Board Chair
Robert Rechsteiner, School Board Vice-Chair
Mike Chapman
John Harmon
Patsy Jordan
Clark Menard
Kelly Poole